

Piqua City School District
Miami County
Single Audit
For the Fiscal Year Ended June 30, 2011



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Dave Yost • 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 Millhuff-Stang, CPA, Inc., for the audit period July 1, 2010 through June 30, 2011. 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.

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

Dave Yost
Auditor of State

January 17, 2012

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Piqua City School District
Miami County
Table of Contents
For the Fiscal Year Ended June 30, 2011

Title	Page
Schedule of Federal Awards Expenditures.....	1
Notes to the Schedule of Federal Awards Expenditures	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	3 – 4
Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	5 – 6
Schedule of Findings and Questioned Costs OMB Circular A-133 Section .505	7
Schedule of Prior Audit Findings OMB Circular A-133 Section .315(b)	8
Independent Accountant’s Report on Applying Agreed-Upon Procedures.....	9

Piqua City School District
Miami County
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>United States Department of Agriculture</u>						
<i>Passed through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$329,750	\$0	\$329,750	\$0
National School Lunch Program	3L60	10.555	875,529	169,548	875,529	169,548
Total Child Nutrition Cluster			1,205,279	169,548	1,205,279	169,548
Fresh Fruit and Vegetable Program	3L60	10.582	0	4,587	0	4,587
Total United States Department of Agriculture			1,205,279	174,135	1,205,279	174,135
<u>United States Department of Education</u>						
<i>Passed through the Ohio Department of Education</i>						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	898,680	0	894,216	0
Special Education-Grants to States, Recovery Act	3DJ0	84.391	394,260	0	606,593	0
Total Special Education Cluster			1,292,940	0	1,500,809	0
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	993,829	0	1,007,500	0
Title I Grants to Local Educational Agencies, Recovery Act	3DK0	84.389	93,780	0	170,380	0
Total Title I Cluster			1,087,609	0	1,177,880	0
Educational Technology Cluster						
Educational Technology State Grants	3S20	84.318	3,241	0	12,318	0
Education Technology State Grants, Recovery Act	3DM0	84.386	174,969	0	167,131	0
Total Educational Technology Cluster			178,210	0	179,449	0
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	GRF	84.394	1,010,300	0	1,010,300	0
Safe and Drug Free Schools and Communities-State Grants	3D10	84.186	0	0	5,959	0
Education Jobs Fund	3ET0	84.410	98,448	0	146,716	0
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	3FD0	84.395	0	0	78,330	0
Improving Teacher Quality State Grants	3Y60	84.367	231,631	0	234,811	0
Total United States Department of Education			3,899,138	0	4,334,254	0
<u>Corporation for National and Community Service</u>						
<i>Passed through the Ohio Department of Education</i>						
Learn and Serve America-School and Community Based Programs	3780	94.004	11,768	0	12,282	0
Total Corporation for National and Community Service			11,768	0	12,282	0
Total Federal Financial Assistance			\$5,116,185	\$174,135	\$5,551,815	\$174,135

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

Piqua City School District
Miami County

Notes to the Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2011

Note 1 – Significant Accounting Policies

The accompanying schedule of federal awards expenditures includes the federal grant activity of the District and has been prepared on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Child Nutrition Cluster

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed that federal monies are expended first. 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 using the entitlement value of the commodities received. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

Note 3 – Matching

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

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

We have audited the financial statements the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Piqua City School District, Miami County (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 12, 2011, wherein we noted the District implemented Governmental Accounting Standards Board Statement No. 54. 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

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. This item is identified in the accompanying schedule of findings and questioned costs as finding 2011-1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Piqua City School District
Miami County

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*

Page 2

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated December 12, 2011.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

December 12, 2011

Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited Piqua City School District's, Miami County (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are 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 each of its major federal programs is 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 the 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

Internal Control Over Compliance (Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 12, 2011, wherein we noted the District implemented Governmental Accounting Standards Board Statement No. 54. Our audit was performed for the purpose of forming our 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 U.S. Office of Budget and Management Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We noted a certain matter that we reported to management of the District in a separate letter dated December 12, 2011.

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



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

December 12, 2011

Piqua City School District
Miami County
Schedule of Findings and Questioned Costs
OMB Circular A-133 Section .505
For the Fiscal Year Ended June 30, 2011

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>		
Type of financial statement opinion:		Unqualified
Internal control over financial reporting:		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?		No
<i>Federal Awards</i>		
Internal control over major program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:		Unqualified
Any auditing findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?		No
Identification of major program(s):		Special Education Cluster (CFDA #84.027 and #84.391) State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (CFDA #84.394)
Dollar threshold used to distinguish between type A and type B programs:		\$300,000
Auditee qualified as low-risk auditee?		Yes

Section II – Financial Statement Findings

Finding 2011-1

Significant Deficiency – Financial Reporting

A monitoring system by the District should be in place to prevent or detect misstatements for the accurate presentation of the District’s financial statements. Errors were identified within the property tax revenue balances, due to erroneous postings of property tax receipts, and property taxes receivable balances and related deferred revenues, due to improper posting of tax receipts and improper inclusion of other items within property tax receivable estimates. Errors were corrected in order to properly present balances. The District should implement additional monitoring procedures over work performed by District personnel and its consultant to ensure financial transactions and reports are fairly stated.

Client Response:

The Treasurer discovered the receivable/deferred revenue error while working on the fiscal year 2013 tax budget. The Treasurer did review the paperwork for the tax revenue transaction prior to posting and it was all stated correctly. The coding error was made during the posting process.

Section III – Federal Award Findings and Questioned Costs

None

Piqua City School District
Miami County
Schedule of Prior Audit Findings
OMB Circular A-133 Section .315(b)
For the Fiscal Year Ended June 30, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
Finding 2010-1	Noncompliance with ORC Section 5705.41(D) – Prior Encumbrance of Funds	No	Partially corrected – reissued in management letter
Finding 2010-2	Significant Deficiency – Financial Reporting	No	Reissued as Finding 2011-1

Independent Accountant's Report on Applying Agreed-Upon Procedures

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

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

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

1. We noted the Board did not amend its anti-harassment policy to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

December 12, 2011

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PIQUA CITY SCHOOL DISTRICT

Miami County, Ohio



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**



PIQUA CITY SCHOOL DISTRICT

Miami County, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2011**

Prepared by:
Jeffrey W. Price
Treasurer



PIQUA CITY SCHOOL DISTRICT

TABLE OF CONTENTS

I **INTRODUCTORY SECTION**

A Letter of Transmittalv
B Members of the Board of Education, Superintendent of Schools and Treasurerxv
C Management Team Members and Treasurer’s Office Staff.....xvi
D School District Organizational Chart..... xvii
E Job Description Listing xviii
F Certificate of Achievementxix

II **FINANCIAL SECTION**

A Independent Auditor’s Report.....1
B Management’s Discussion and Analysis3
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Assets14
 Statement of Activities16
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet18
 Reconciliation of Total Governmental Fund Balances to Net Assets of
 Governmental Activities19
 Statement of Revenues, Expenditures and Changes in Fund Balances20
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities ...21
 Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget and Actual (Non-GAAP Budgetary Basis):
 General Fund22
 Proprietary Funds:
 Statement of Net Assets24
 Statement of Revenues, Expenses and Changes in Fund Net Assets25
 Statement of Cash Flows26
 Fiduciary Funds:
 Statement of Net Assets27
 Statement of Changes in Net Assets28
 Notes to the Basic Financial Statements.....29

PIQUA CITY SCHOOL DISTRICT

D Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds Statements:

- Combining Balance Sheet – Nonmajor Governmental Funds68
- Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Governmental Funds.....69
- Combining Balance Sheet – Nonmajor Special Revenue Funds70
- Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Special Revenue Funds.....74
- Combining Balance Sheet – Nonmajor Capital Projects Funds78
- Combining Statement of Revenues, Expenditures and Changes in Fund
Balances – Nonmajor Capital Projects Funds79

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Non-GAAP Budgetary Basis):

Major Funds:

- General Fund*.....80
- Capital Projects Funds:*
 - Permanent Improvement Fund84
 - Building Acquisition and Construction Fund.....85

Nonmajor Funds:

Special Revenue Funds:

- Public School Support Fund.....86
- Other Grant Fund.....87
- District Managed Activity Fund88
- Auxiliary Services Fund.....89
- Management Information System Fund90
- Education Jobs Fund91
- Race to the Top Fund92
- Title II-D Technology Fund93
- School Conflict Management Grant Fund.....94
- IDEA-B Fund95
- Title I Fund.....96
- Fiscal Stabilization Fund.....97

PIQUA CITY SCHOOL DISTRICT

Special Revenue Funds:(Continued)

Title IV-A Fund.....	98
One Net Fund	99
Poverty Based Assistance Fund.....	100
Title II-A Fund	101
Miscellaneous Federal Grant Fund.....	102

Debt Service Fund:

Bond Retirement Fund	103
----------------------------	-----

Capital Projects Fund:

Replacement Fund	104
------------------------	-----

Permanent Fund:

Permanent Fund.....	105
---------------------	-----

E Fiduciary Fund – Agency Fund:

Statement of Changes in Assets and Liabilities – Agency Fund.....	107
---	-----



PIQUA CITY SCHOOL DISTRICT

III

STATISTICAL SECTION

Net Assets by Component - Last Ten Years S 2
Changes in Net Assets - Last Ten Years S 4
Fund Balances, Governmental Funds - Last Ten Years S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years S 10
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten
Calendar Years S 14
Property Tax Rates of Direct and Overlapping Governments - Last Ten
Calendar Years S 16
Principal Taxpayers - Tangible Personal Property Tax - Current Year and Nine
Years Ago..... S 18
Principal Taxpayers - Real Estate Tax and Public Utilities Tax - Current Year
and Nine Years Ago S 19
Property Tax Levies and Collections - Last Ten Years..... S 20
Ratio of Outstanding Debt By Type - Last Ten Years S 22
Ratios of General Bonded Debt Outstanding - Last Ten Years S 24
Computation of Direct and Overlapping Debt Attributable to Governmental
Activities - Current Year S 27
Debt Limitations - Last Ten Years S 28
Demographic and Economic Statistics - Last Ten Years S 30
Principal Employers - Current Year and Nine Years Ago S 32
School District Employees by Type – Last Six Years S 33
Operating Indicators - Cost per Pupil - Last Ten Years S 34
Operating Indicators by Function - Last Ten Years S 36
Operating Indicators - Teacher Base Salaries - Last Ten Years..... S 38
Capital Asset Statistics by Building - Last Ten Years S 40
Educational and Operating Statistics - Last Ten Years S 44

INTRODUCTORY SECTION



PIQUA CITY SCHOOL DISTRICT

719 East Ash Street • Piqua, Ohio 45356-2411
(937) 773-4321



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

fax (937) 778-4518

December 12, 2011

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, 2011 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 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 provides a full range of education programs and services to 3,638 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

Letter of Transmittal For the Fiscal Year Ended June 30, 2011

The Piqua Education Foundation, a legally separate organization, is included in the District's reporting entity and reported as a discreetly presented component unit. Additional information on the reporting entity can be found in note 1 of the basic financial statements included within the financial section of this report.

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 elected body, 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 -- Staff development is planned by the curriculum department and director of student services with input from building level administrators and classroom teachers. Professional development is designed to support the District Strategic plan, building level goals and teachers goals. Surveys are also conducted to identify professional development needs at all levels. In addition to this student data is analyzed to target professional development that will provide opportunities for improvement. Teacher release times throughout the school year are used for professional development at the building and district levels. All professional development is evaluated by the staff and administration. It is reinforced with follow up training, professional discussions, and monitoring of implementation.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2011

INTERVENTION AND SPECIAL PROGRAMS -- The Piqua City School District recognizes its responsibility to serve students who are at risk of not achieving in school. Established Intervention Assistance Teams meet regularly with parents to design interventions, monitor progress, and measure student response to intervention. Data is then used to determine the need to continue interventions, modify interventions or conduct further assessment in order to advance student progress. Specialized programming has been created to assist educators with intervening for students who need additional supports. These programs include but are not limited too; guidance programs at all grade levels, at Piqua High School, the students may access American School programming, the night school program, full time social work intervention services, tutoring services and the PHS Success Academy (Nova Net). As of June of 2011, more than one hundred students have graduated from PHS due to the availability of these programs.

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES -- The Piqua City School District recognizes its responsibility to provide appropriate programming for its most capable students. The program provides enrolled students enrichment opportunities for advanced thinking skill development and independent research. The gifted services continuum begins with comprehensive screening for eligibility as outlined by the Ohio Department of Education. Once identified students are provided services through a Written Education Plan that is updated yearly. Gifted services may include but are not limited too; whole class instruction, small group instruction, content specific academy experiences, independent studies, gifted tutorials, and advanced placement coursework at the intermediate, junior high and high school levels (Springboard-Pre AP Coursework). Currently, PHS offers AP courses in Art, Biology, Calculus, Chemistry, Physics, Economics, English Literature and Composition, Government, Statistics, Macroeconomics, World History, Spanish, German, French, and Chinese. Currently, over two hundred and twenty five students are enrolled in AP courses for the 2011-2012 school year.

SPECIAL EDUCATION -- The Piqua City School District recognizes its responsibility to provide appropriate educational opportunities and access to the general education curriculum for students who have been determined to have a special education disability. We have a full service staff of Intervention Specialists, School Psychologists, Speech and Language Pathologists, Physical Therapists, Occupational Therapists and Nurses to meet the needs of students' ages preschool through twenty two who need specialized instruction in order to meet their educational goals. Each student is provided a comprehensive evaluation as required by state and federal laws and a new Individual Education Plan each year. Our staff is committed to providing the best service possible and does so by meeting special education student's needs in a variety of settings. Our district takes pride in serving our special education students in – district and works hard to coordinate appropriate services with local and regional service providers to ensure a high quality of service delivery at all age levels.

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 Triennial update was performed during 2010 by the Miami County Auditor's office. This will take effect during the current calendar year of 2011.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2011

In 1990 a ½% School District Income Tax was approved by the voters of Piqua. Then, in May of 2008 the community approved an additional ¾% to our income tax rate. The income tax rate for Piqua City Schools now stands at 1.25%.

The State's School Foundation Program is another major source of revenue for the District's General Fund. There has been great turmoil over the various formulas that have been used and the way the state legislative bodies chose to fund these various formulas. The Supreme Court of Ohio has directed the Ohio General Assembly to enact a school-funding plan that is thorough and efficient. However, the Court did not indicate any enforcement measures to ensure that the Ohio General Assembly completes the task of the direction given.

Long-term Financial Planning

As required by Ohio law, the District approved a five-year financial forecast of operational revenues and expenditures along with assumptions in October 2011. Revenues are expected to exceed expenditures for each of the forecasted fiscal years. A solid level of general fund unassigned fund balance is expected to be held throughout the forecasted fiscal years. Given the uncertainty of future state budgets, as well as local, state and national economic factors, years beyond fiscal year 2012 may deviate significantly from the forecast.

The diligence of the School District in managing long-term plans has become evident when you review the recent past fiscal-years along with the current forecasted future budgets. Knowing that the State average life of a new levy is three years, we have not been on the ballot for new operating funds since the spring of 2008. It is our intent to continue this initiative into the future by simply asking for renewals. In order for our annual revenue to continue to be above our annual expenditures, we will need to continue to consider further reductions whenever the opportunities rise.

RECENT SIGNIFICANT ACCOMPLISHMENTS -- The Piqua Board of Education, with input opportunities from all district stakeholders, annually updates the district strategic plan which focuses on academic performance, school facilities, high quality staff, school and community relations, and finance. Student opportunities and experiences have been expanded due to a promotion of "best practice" research based instruction, focusing on rigor and relevance through 21st Century Skills, and utilizing student achievement data to drive instruction. College and Career Readiness strategies were added during the strategic plan update to strengthen student preparation and development. The district data application system and Short Cycle Assessment program were analyzed throughout the year with a recommendation to evolve to NorthWest Evaluation System (NWEA). NWEA is an adaptive testing and data application program which aligns Piqua City Schools with the future of testing. When students take adaptive tests they are presented questions at different levels of difficulty that adjust based upon their responses. At the end of a testing sequence the student, teacher, and parent receive data that indicates the instructional level appropriate for the student. Instructional planning, student goals, and reading targets can be developed from this data.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2011

Student opportunities and experiences have once again been expanded with major emphasis on College and Career Readiness. A partnership with Edison State Community College provided 8th grade students at Piqua Junior High School (PJHS) the opportunity to meet with college staff in an orientation focused on college and career planning. After experiencing the college staff at PJHS, the eighth graders spent an entire day at the Edison Community College Campus to experience college life through participation in a selection of courses designed specifically for them by the college professors. College 101 was instituted in the second semester at Piqua High School (PHS) as a pilot program with Edison Community College.

Instructed by an Edison Community College Professor, College 101 provides PHS students the opportunity to experience an introduction to college. The course is designed to provide a boost to college preparation, awareness and processes incorporated with career readiness skills all while allowing the student to gain college credit.

Science/Technology/Engineering/Math (STEM) education as defined in the strategic plan, continued as a focus of staff development. The partnership with Miami University (Oxford, Ohio) in offering iDiscovery continued with K-12 district teachers expanding their skills in “inquiry” based education. Work and collaboration with the Dayton Regional STEM Center continued with several district staff members continuing as STEM fellows. District technology initiatives focused on the installation of a new phone system with phones in every classroom along with completing installation of SmartBoards in every classroom throughout the district. This technology combined with Elmo and Student Response equipment, provides the opportunity of increased student engagement in every classroom for all students. Media and software resources including support from Yearly Progress Pro, Rosetta Stone, Discovery Education and the new English and Language Arts curriculum provided expanded opportunities for staff members to enhance student engagement along with rigor and relevance quadrant expectations.

To address the “facilities” components of the strategic plan, much emphasis was placed during the year on preparing the district for a possible Ohio School Facilities Commission (OSFC) Classroom Facilities Assistance Program for the potential of new K-6 buildings. Work continued with the design firm to complete the Program of Requirements for the OSFC. All paperwork and board of education resolution action was completed to finalize requirements for consideration and approval by the OSFC for a co-funded project. The board of education approved resolutions to place a bond issue on the November 8, 2011 ballot to provide the local funding of 53% of the estimated \$55 million construction project to build three new schools including two grades PK-3 primary buildings and one grades 4-6 intermediate building. This levy was passed by the voters.

MAJOR INITIATIVES FOR THE FUTURE -- Student achievement continues to be the focal point for Piqua City Schools with strategies aimed at increasing rigor and relevance through 21st Century Skills focused on college and career readiness. The Rigor and Relevance Framework was implemented throughout the district as a major component of the strategic plan. Staff development sessions were focused on increasing expectations for student achievement through instruction, which move students from acquisition to application, assimilation and adaption. Piqua City Schools joined the Ohio Department of Education as part of the National Race to the Top (RttT) program. RttT is centered on four areas: The Transformation Team and Communication, Standards and Assessments, Using Data to Improve Instruction, and Great Teachers and Leaders. Initiatives from these areas focused on research with the Common Core, technology integration for all students, and incorporation of Discovery Education into classroom instruction. RttT initiatives continue for three more years with total grant funding from the Ohio Department of Education set at \$536,000.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2011

Efficiency initiatives through physical plant reorganization strategies will continue to be developed. The passage of the November 8, 2011 Bond Issue for the construction of three new elementary buildings is the first step in the consolidation and reorganization of district facilities.

Piqua City Schools Strategic Plan for 2011-2014

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 21st Century citizens.

Academic Performance

Goal: By 2013 all students will reach high standards of Mastery, attaining proficiency or better

Objectives:

To maintain curriculum alignment with state and national standards and establish high expectations for students

CORE

To continue utilizing data to drive instruction and monitor student levels of Mastery related to Blooms Taxonomy

Determine and monitor each student's reading level to create action plans to meet the needs and foster growth of students at all levels

Apply co-ownership strategies with classroom teachers and support staff to strengthen instructional opportunities that increase Value-Added results for students at all performance levels

To meet Adequate Yearly Progress for all students

To provide students with opportunities to increase career and college readiness skills

Facilities

Goal: By 2012 a master plan will be further developed and considered to support academic performance

Objectives:

To align the facility improvement process with district financial resources

To continue to communicate facility improvement needs and processes to the community

To continue the Ohio School Facilities Commission (OSFC) process asking voter consideration for a bond levy to support the local 53% share of a K-6 segmented school construction project consisting of two PreK-Third grade buildings and one Fourth-Six grade building

To plan, develop and construct the Piqua High School Heating, Ventilation and Air Conditioning System Renovation- Phase I completed by January 1, 2012 and Phase II completed by January 1, 2013

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2011

Staff

Goal: By 2012 professional development will be provided in content, instructional practices, state standards, data, and assessments

Objectives:

To promote maximum teacher interaction and student engagement by increasing independent 21st Century skills that will advance career and college readiness

Apply Rigor/Relevance/Relationships Framework in district classrooms where roles shift from teacher centered instruction to student centered learning which leads to mastery

To provide staff development for all staff to establish relevant goals promoting student academic performance

To continue to improve the content knowledge skill for STEM (Science/Technology/Engineering/Math)

To explore e-school/virtual school opportunities for students

To recognize and celebrate staff contributions and accomplishments to promote positive staff relations

School/Community Relations

Goal: By 2012 staff, parent and community involvement will be increased in support of student learning

Objectives:

To promote opportunities for individual volunteerism

To maintain quality school/business partnerships to provide opportunities for students

To explore opportunities for the development of future school/business partnerships

To increase information flow with community members

To encourage staff to become an active member of Piqua community organizations

To regularly apply in all classrooms character education, positive behavior systems and expectations in partnership with students, families and community

Finance

Goal: By 2012 sound conservative fiscal forecasting and management will be utilized to operate with the resources available

Objectives:

To provide great schools at a great value and continue to be good stewards of taxpayer money

To focus spending on classroom instruction and students

To be transparent in financial dealings

To participate in external audits beyond state requirements

PIQUA CITY SCHOOL DISTRICT

*Letter of Transmittal
For the Fiscal Year Ended June 30, 2011*

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 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.

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.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2011

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.

OTHER INFORMATION

INDEPENDENT AUDIT -- State statutes require an annual audit. Millhuff-Stang, CPA, Inc. conducted the audit for the fiscal year ended June 30, 2011. 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 fourteen consecutive years (fiscal years ended 1997-2010). 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

*Letter of Transmittal
For the Fiscal Year Ended June 30, 2011*

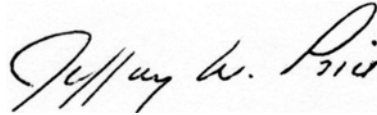
ACKNOWLEDGMENTS -- The preparation of this Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff under the coordination of Sarah Deavours, Assistant to the Treasurer. We are also grateful for the services of Donald J. Schonhardt & Associates, Inc. for their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

Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June 30, 2011

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:

December 2010 Board	Began Service as A Board Member	Present Term Expires
Mimi Crawford, President	January 2006	December 31, 2013
Lori Webster, Vice President	September 2002	December 31, 2011
Andy Hite	January 2006	December 31, 2013
Bob Luby	January 2006	December 31, 2013
Marjorie Zimpher	January 2004	December 31, 2011

December 2011 Board	Began Service as A Board Member	Present Term Expires
Bob Luby, President	January 2006	December 31, 2013
Lori Webster, Vice President	September 2002	December 31, 2015
Mimi Crawford	January 2006	December 31, 2013
Andy Hite	January 2006	December 31, 2013
Marjorie Zimpher	January 2004	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, 2015.

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 on July 31, 2014.

PIQUA CITY SCHOOL DISTRICT

Management Team Members and Treasurer's Office Staff For the Fiscal Year Ended June 30, 2011

Management Team Members

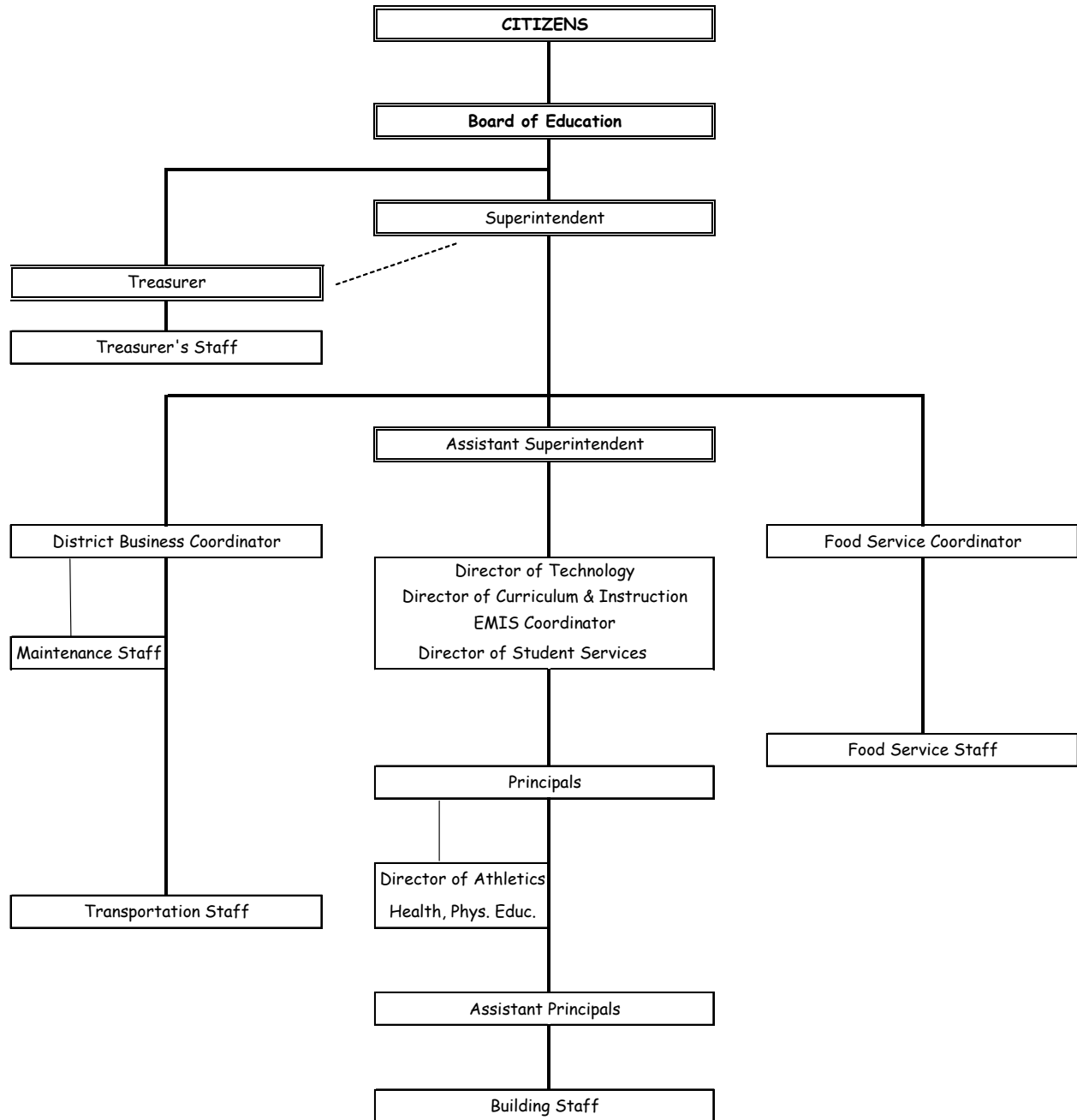
Richard A. Hanes	Superintendent of Schools
Jeffrey W. Price	Treasurer
Brad Hall	Assistant Superintendent
Jean Hill	EMIS Coordinator
Roger Ely	District Business Coordinator
Dave Palmer	Athletic Director
Terri Meyer	Food Service Coordinator
Neil Long, Dwayne Thompson	Director of Curriculum and Instruction
Jim Conley	District Technology Coordinator
Kimberly Piper	Director of Student Services
Thomas Roeser, Ph.D.	School Psychologist
Daryl Boyd	School Psychologist
Tony Lyons	Principal, Piqua High School
Darrell Hite	Assistant Principal, Piqua High School
Kenny Chaffin	Assistant Principal, Piqua High School
Jeff Clark	Principal, Piqua Junior High School
Chad Albers	Assistant Principal, Piqua Junior High School
Mindy Gearhardt	Principal, Favorite Hill Primary School
Rick E. Fry	Principal, High Street Primary School
Teresa Anderson	Principal, Nicklin Learning Center
Molly Hay	Principal, Springcreek Primary School
Loretta Henderson	Principal, Washington Intermediate School
Dan Hake	Principal, Bennett Intermediate School
Curt Montgomery	Principal, Wilder Intermediate School

Treasurer's Office Staff

Sarah Deavours	Assistant to the Treasurer
Karen Magoteaux	Budgetary/Financial Clerk
Ami Fashner	Payroll Clerk

PIQUA CITY SCHOOL DISTRICT

School District Organizational Chart For the Fiscal Year Ended June 30, 2011



PIQUA CITY SCHOOL DISTRICT

Job Description Listing For the Fiscal Year Ended June 30, 2011

Position:	Responsible To:
Superintendent	Board of Education
Treasurer	Board of Education
Assistant Superintendent	Superintendent
District Business Coordinator	Superintendent
Director – Technology	Superintendent and Assistant Superintendent
Director - Curriculum and Instruction	Superintendent and Assistant Superintendent
Director - Student Services	Superintendent and Assistant Superintendent
Food Service Director	Superintendent
Principal (Sr. High, Jr. High, Elem.)	Superintendent and Assistant Superintendent
Assistant Senior High School Principal	Senior High School Principal
Assistant Junior High School Principal	Junior High School Principal
Director - Health, P.E. and Interscholastic Athletics	Superintendent and Assistant Superintendent Athletics - Secondary Principals
School Psychologist	Assistant Superintendent and Director of Student Services
Speech, Language and Hearing Therapist	Assistant Superintendent and Director of Student Services
Teacher	Building Principal
Guidance Counselor	Building Principal and Director of Student Services
School Nurse	Assistant Superintendent and Director of Student Services
Substitute Teacher	Building Principal
Assistant to Treasurer, Payroll Clerk	Treasurer
Budgetary Clerk, Financial Clerk	Treasurer
Secretary	Immediate Supervisor
Head Cook	Building Principal, Food Service Coordinator
Assistant Head Cook, Cook, Sub Cook	Head Cook
Bus Driver, Substitute Bus Driver	District Business Coordinator
Bus Mechanic	District Business Coordinator
Custodian, Sub Custodian	District Business Coordinator/ Building Principal
Library Aide	Building Principal/Director of Technology
Classroom Aide	Building Principal/Assigned Teacher
Study Hall Aide	Building Principal/Assistant Principal

PIQUA CITY SCHOOL DISTRICT

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

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, 2010

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.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director

PIQUA CITY SCHOOL DISTRICT



FINANCIAL SECTION



Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Piqua City School District, Miami County (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Piqua City School District, Miami County as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows 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, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 3, the District has implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.



Natalie Millhuff-Stang, CPA
President/Owner
Millhuff-Stang, CPA, Inc.

December 12, 2011

PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011*

Unaudited

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, 2011. 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 2011 are as follows:

- ❑ In total, net assets increased \$2,448,399. Net assets of governmental activities increased \$2,180,401, which represents a 7% increase from 2010. Net assets of business-type activities increased \$267,998, which represents a 24% increase from 2010.
- ❑ General revenues accounted for \$31,386,025, or 81% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$7,240,090 or 19% of total revenues of \$38,626,115.
- ❑ The District had \$34,499,795 in expenses related to governmental activities; only \$5,294,171 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$31,386,025 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$29,288,674 in revenues and \$27,937,340 in expenditures. The general fund's fund balance increased from a balance of \$5,556,293 to an ending balance of \$6,909,944.
- ❑ Net assets of the enterprise fund increased \$279,331.

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

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011*

Unaudited

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's 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, 2011**

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 2011 compared to 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
		*				*
Current and other assets	\$31,093,076	\$27,529,158	\$1,286,991	\$1,030,648	\$32,380,067	\$28,559,806
Capital assets, Net	26,861,298	25,969,693	315,934	327,699	27,177,232	26,297,392
Total assets	<u>57,954,374</u>	<u>53,498,851</u>	<u>1,602,925</u>	<u>1,358,347</u>	<u>59,557,299</u>	<u>54,857,198</u>
Long-term Liabilities	13,737,294	10,513,221	73,710	81,164	13,811,004	10,594,385
Current and other liabilities	12,910,287	13,859,238	131,939	147,905	13,042,226	14,007,143
Total liabilities	<u>26,647,581</u>	<u>24,372,459</u>	<u>205,649</u>	<u>229,069</u>	<u>26,853,230</u>	<u>24,601,528</u>
Net assets						
Invested in capital assets, net of related debt	18,928,936	18,168,187	315,934	327,699	19,244,870	18,495,886
Restricted	4,510,541	3,587,583	0	0	4,510,541	3,587,583
Unrestricted	<u>7,867,316</u>	<u>7,370,622</u>	<u>1,081,342</u>	<u>801,579</u>	<u>8,948,658</u>	<u>8,172,201</u>
Total net assets	<u><u>\$31,306,793</u></u>	<u><u>\$29,126,392</u></u>	<u><u>\$1,397,276</u></u>	<u><u>\$1,129,278</u></u>	<u><u>\$32,704,069</u></u>	<u><u>\$30,255,670</u></u>

*As restated. Additional information on the restatement can be found in Note 3.

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PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2011 compared to 2010:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for Services and Sales	\$767,324	\$769,276	\$546,857	\$613,175	\$1,314,181	\$1,382,451
Operating Grants	4,526,847	4,265,347	1,399,062	1,074,209	5,925,909	5,339,556
Total Program Revenues	<u>5,294,171</u>	<u>5,034,623</u>	<u>1,945,919</u>	<u>1,687,384</u>	<u>7,240,090</u>	<u>6,722,007</u>
General Revenues:						
Property Taxes	11,666,794	10,653,258	0	0	11,666,794	10,653,258
Income Taxes	4,724,090	4,494,674	0	0	4,724,090	4,494,674
Intergovernmental, Unrestricted	14,444,884	13,925,534	0	0	14,444,884	13,925,534
Other	550,257	179,566	0	0	550,257	179,566
Total General Revenues	<u>31,386,025</u>	<u>29,253,032</u>	<u>0</u>	<u>0</u>	<u>31,386,025</u>	<u>29,253,032</u>
Total Revenues	<u>36,680,196</u>	<u>34,287,655</u>	<u>1,945,919</u>	<u>1,687,384</u>	<u>38,626,115</u>	<u>35,975,039</u>
Program Expenses						
Instruction	21,406,030	20,847,397	0	0	21,406,030	20,847,397
Support Services:						
Pupils	1,491,789	1,526,170	0	0	1,491,789	1,526,170
Instructional Staff	2,034,765	2,064,970	0	0	2,034,765	2,064,970
Board of Education	23,825	29,714	0	0	23,825	29,714
Administration	2,390,523	2,377,327	0	0	2,390,523	2,377,327
Fiscal Services	629,529	400,031	0	0	629,529	400,031
Business	2,338	26,713	0	0	2,338	26,713
Operation and Maintenance of Plant	3,018,583	2,883,562	0	0	3,018,583	2,883,562
Pupil Transportation	1,522,099	1,432,056	0	0	1,522,099	1,432,056
Central	269,213	314,184	0	0	269,213	314,184
Operation of Non-Instructional Services	301,869	148,034	0	0	301,869	148,034
Extracurricular Activities	915,886	845,301	0	0	915,886	845,301
Interest and Fiscal Charges	493,346	493,693	0	0	493,346	493,693
Food Service	0	0	1,677,921	1,762,234	1,677,921	1,762,234
Total Expenses	<u>34,499,795</u>	<u>33,389,152</u>	<u>1,677,921</u>	<u>1,762,234</u>	<u>36,177,716</u>	<u>35,151,386</u>
Change in Net Assets	2,180,401	898,503	267,998	(74,850)	2,448,399	823,653
Beginning Net Assets	29,126,392	28,227,889	1,129,278	1,204,128	30,255,670	29,432,017
Ending Net Assets	<u>\$31,306,793</u>	<u>\$29,126,392</u>	<u>\$1,397,276</u>	<u>\$1,129,278</u>	<u>\$32,704,069</u>	<u>\$30,255,670</u>

Governmental Activities

Net assets of the District's governmental activities increased \$2,180,401. An increase in the amount of property tax available for advance resulted in a 10% increase in property tax revenues. The increase in other revenue can be attributed to gains in the market value of District investments. Overall, expenses remained stable, increasing approximately 3%.

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

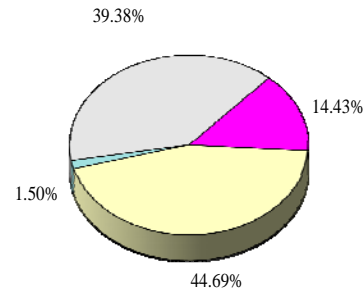
Unaudited

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 1.25% 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 32% and 13% respectively of revenues for governmental activities for Piqua City Schools in fiscal year 2011. The District's reliance upon tax revenues is demonstrated by the following graph indicating 45% of total revenues from general tax revenues:

Revenue Sources	2011	Percent of Total
General Grants	\$14,444,884	39.38%
Program Revenues	5,294,171	14.43%
General Tax Revenues	16,390,884	44.69%
General Other	550,257	1.50%
Total Revenue	<u>\$36,680,196</u>	<u>100.00%</u>



Business-Type Activities

Net assets of the business-type activities increased \$267,998 or approximately 24%. These programs had revenues of \$1,945,919 and expenses of \$1,677,921 for fiscal year 2011. Business-type activities receive no support from tax revenues and remain self-supporting. Federal reimbursements received resulted in the increase in operating grants and contributions.

PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011*

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$13,926,039, which is above last year's total of \$9,060,280. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2011 and 2010.

	Fund Balance June 30, 2011	Restated Fund Balance June 30, 2010	Increase (Decrease)
General	\$6,909,944	\$5,556,293	\$1,353,651
Permanent Improvement	2,568,308	1,943,323	624,985
Building Acquisition and Construction	2,874,250	0	2,874,250
Other Governmental	1,573,537	1,560,664	12,873
Total	\$13,926,039	\$9,060,280	\$4,865,759

Permanent Improvement Fund – The Permanent Improvement Fund reported an increase in fund balance of \$624,985, or approximately 32%, which can be attributed to an increase in the amount of property tax available for advance.

Building Acquisition and Construction Fund – The Building Acquisition and Construction Fund reported the issuance of \$3.77 million of Certificates of Participation to be used for the costs of energy efficiency improvements.

General Fund – The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2011 Revenues	Restated 2010 Revenues	Increase (Decrease)
Taxes	\$14,467,918	\$13,373,851	\$1,094,067
Tuition	3,980	3,625	355
Transportation Fees	49,763	49,100	663
Investment Earnings	277,652	(170,983)	448,635
Extracurricular Activities	163,294	162,342	952
Class Materials and Fees	124,656	128,420	(3,764)
Intermediate Sources	0	25,000	(25,000)
Intergovernmental - State	13,911,090	13,382,161	528,929
Intergovernmental - Federal	136,729	195,614	(58,885)
All Other Revenue	153,592	262,236	(108,644)
Total	\$29,288,674	\$27,411,366	\$1,877,308

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Unaudited

General Fund revenues in 2011 increased approximately 7% when compared to revenues in fiscal year 2010. An increase in the amount of property tax available for advance resulted in an 8% increase in property tax revenues. The increase in investment earnings can be attributed to gains in the market value of District investments.

	2011	Restated 2010	Increase (Decrease)
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Instruction	\$16,782,116	\$15,997,656	\$784,460
Supporting Services:			
Pupils	1,287,892	1,377,771	(89,879)
Instructional Staff	1,969,695	1,898,120	71,575
Board of Education	23,825	29,714	(5,889)
Administration	2,310,451	2,233,741	76,710
Fiscal Services	591,629	393,654	197,975
Business	2,338	30,502	(28,164)
Operation & Maintenance of Plant	2,966,365	2,870,763	95,602
Pupil Transportation	1,367,494	1,432,380	(64,886)
Central	245,247	303,857	(58,610)
Extracurricular Activities	390,288	334,994	55,294
Principal Retirement	0	38,801	(38,801)
Interest and Fiscal Charges	0	615	(615)
Total	<u>\$27,937,340</u>	<u>\$26,942,568</u>	<u>\$994,772</u>

General fund expenditures remained stable when compared with the prior year, increasing \$994,772 or about 4%. Special education costs contributed to the increase in instruction.

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 2011 the District amended its General Fund budget several times. Final budget basis revenue of \$27.9 million was greater than original estimates due to increases in income tax revenues. Actual budget basis revenue of \$28.1 million was not significantly different from the final budget. Original budgeted, final budgeted and actual budget basis expenditures were not significantly different.

PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011*

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011 the School District had \$27,177,232 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, equipment and vehicles. Of this total, \$26,861,298 was related to governmental activities and \$315,934 to the business-type activities. The following table shows fiscal year 2011 and 2010 balances:

	Governmental Activities		Increase (Decrease)
	2011	2010	
Land	\$323,722	\$323,722	\$0
Construction in Progress	855,230	0	855,230
Land Improvements	2,956,449	2,330,722	625,727
Buildings and Improvements	31,568,608	31,501,647	66,961
Machinery and Equipment	4,511,594	4,515,733	(4,139)
Vehicles	2,409,492	2,409,492	0
Less: Accumulated Depreciation	(15,763,797)	(15,111,623)	(652,174)
Totals	\$26,861,298	\$25,969,693	\$891,605

	Business-Type Activities		Increase (Decrease)
	2011	2010	
Machinery and Equipment	\$947,283	\$946,852	\$431
Less: Accumulated Depreciation	(631,349)	(619,153)	(12,196)
Totals	\$315,934	\$327,699	(\$11,765)

The installation of an artificial football field as well as an HVAC project at Piqua High School contributed to the increases in land improvements and construction in progress. Additional information on the District's capital assets can be found in Note 9.

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

Unaudited

Debt

At June 30, 2011, the District had \$7.7 million in bonds outstanding, \$745,000 due within one year. In addition, the District had \$3.77 million in certificates of participation outstanding, \$250,000 due within one year. The following table summarizes the District's long term obligations as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement Refunding	\$7,672,565	\$8,262,560
Certificates of Participation	3,770,000	0
Compensated Absences	2,294,729	2,250,661
Total Governmental Activities	<u>13,737,294</u>	<u>10,513,221</u>
Business-Type Activities:		
Compensated Absences	73,710	81,164
Totals	<u>\$13,811,004</u>	<u>\$10,594,385</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, 2011, 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 13.

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 along with state and federal aid to provide the funds necessary to maintain its educational programs. In recent years residential growth in Piqua has been for the most part nonexistent, the economy of the community has been impacted by the national, state and local economic pressures 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. 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. The Board placed a renewal of its 5 year permanent improvement levy on the ballot on November 3, 2009. The community continued to show its support toward the District with the approval of both of these issues. On November 8, 2011 voters passed a 4.92 mill levy which will provide the local share needed to construct two new pre-kindergarten to third grade buildings and one fourth through sixth grade building.

PIQUA CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011***

Unaudited

Once again the state foundation dollars are now flowing through a new formula. This formula is known as the Bridge Formula. At this point, it is our understanding there will be yet another new formula that will be released before the end of the calendar year 2011. This formula will remain for the remainder of the current biennial budget. Currently, we are learning more and more detail to this new funding mechanism and the effects it has on Piqua City Schools.

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, 2011

	Governmental Activities	Business-Type Activities	Total	Component Unit Piqua Education Foundation
Assets:				
Pooled Cash and Investments	\$ 16,868,468	\$ 949,893	\$ 17,818,361	\$ 0
Cash and Cash Equivalents	0	0	0	52,037
Investments	0	0	0	2,906,661
Receivables:				
Taxes	13,181,022	0	13,181,022	0
Accounts	6,286	5	6,291	15,225
Intergovernmental	420,682	0	420,682	0
Interest	1,093	0	1,093	0
Internal Balance	(303,866)	303,866	0	0
Inventory of Supplies at Cost	16,476	33,227	49,703	0
Restricted Assets:				
Cash and Cash Equivalents	834,143	0	834,143	246,420
Cash with Fiscal Agent	762	0	762	0
Unamortized Bond Issuance Cost	68,010	0	68,010	0
Non-Depreciable Capital Assets	1,178,952	0	1,178,952	0
Depreciable Capital Assets, Net	25,682,346	315,934	25,998,280	0
Total Assets	57,954,374	1,602,925	59,557,299	3,220,343
Liabilities:				
Accounts Payable	313,059	1,859	314,918	1,020
Accrued Wages and Benefits	2,923,874	72,242	2,996,116	3,399
Intergovernmental Payable	649,934	57,838	707,772	0
Scholarships Payable	0	0	0	244,334
Matured Bonds and Interest Payable	762	0	762	0
Unearned Revenue	8,924,802	0	8,924,802	1,697
Accrued Interest Payable	97,856	0	97,856	0
Long Term Liabilities:				
Due Within One Year	1,445,375	15,905	1,461,280	0
Due in More Than One Year	12,291,919	57,805	12,349,724	0
Total Liabilities	26,647,581	205,649	26,853,230	250,450

PIQUA CITY SCHOOL DISTRICT

	Governmental Activities	Business-Type Activities	Total	Component Unit Piqua Education Foundation
Net Assets:				
Invested in Capital Assets, Net of Related Debt	18,928,936	315,934	19,244,870	0
Restricted For:				
Capital Projects	2,589,369	0	2,589,369	0
Debt Service	942,770	0	942,770	0
Other Purposes	912,316	0	912,316	0
Permanent Fund:				
Expendable	21,902	0	21,902	0
Nonexpendable	44,184	0	44,184	0
Unrestricted	7,867,316	1,081,342	8,948,658	2,969,893
Total Net Assets	\$ 31,306,793	\$ 1,397,276	\$ 32,704,069	\$ 2,969,893

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Activities For the Fiscal Year Ended June 30, 2011

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 21,406,030	\$ 291,930	\$ 3,956,918
Support Services:			
Pupils	1,491,789	52	164,329
Instructional Staff	2,034,765	0	33,602
Board of Education	23,825	0	0
Administration	2,390,523	0	84,880
Fiscal Services	629,529	0	0
Business	2,338	0	0
Operation and Maintenance of Plant	3,018,583	0	0
Pupil Transportation	1,522,099	49,763	59
Central	269,213	0	20,475
Operation of Non-Instructional Services	301,869	0	266,584
Extracurricular Activities	915,886	425,579	0
Interest and Fiscal Charges	493,346	0	0
Total Governmental Activities	34,499,795	767,324	4,526,847
Business-Type Activities:			
Food Service	1,677,921	546,857	1,399,062
Total Business-Type Activities	1,677,921	546,857	1,399,062
Total Primary Government	\$ 36,177,716	\$ 1,314,181	\$ 5,925,909
Component Unit:			
Piqua Education Foundation	\$ 254,547	\$ 0	\$ 0
Total Component Unit	\$ 254,547	\$ 0	\$ 0

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

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Governmental Activities	Business-Type Activities	Total	Piqua Education Foundation
\$ (17,157,182)	\$ 0	\$ (17,157,182)	
(1,327,408)	0	(1,327,408)	
(2,001,163)	0	(2,001,163)	
(23,825)	0	(23,825)	
(2,305,643)	0	(2,305,643)	
(629,529)	0	(629,529)	
(2,338)	0	(2,338)	
(3,018,583)	0	(3,018,583)	
(1,472,277)	0	(1,472,277)	
(248,738)	0	(248,738)	
(35,285)	0	(35,285)	
(490,307)	0	(490,307)	
(493,346)	0	(493,346)	
(29,205,624)	0	(29,205,624)	
0	267,998	267,998	
0	267,998	267,998	
(29,205,624)	267,998	(28,937,626)	
			\$ (254,547)
			(254,547)
9,751,326	0	9,751,326	0
900,216	0	900,216	0
1,015,252	0	1,015,252	0
4,724,090	0	4,724,090	0
14,444,884	0	14,444,884	0
302,254	0	302,254	579,096
248,003	0	248,003	161,893
31,386,025	0	31,386,025	740,989
2,180,401	267,998	2,448,399	486,442
29,126,392	1,129,278	30,255,670	2,483,451
\$ 31,306,793	\$ 1,397,276	\$ 32,704,069	\$ 2,969,893

PIQUA CITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2011

	General	Permanent Improvement	Building Acquisition and Construction	Other Governmental Funds	Total Governmental Funds
Assets:					
Pooled Cash and Investments	\$ 6,230,897	\$ 2,403,769	\$ 2,921,763	\$ 1,550,293	\$ 13,106,722
Receivables:					
Taxes	11,305,494	992,904	0	882,624	13,181,022
Accounts	6,217	0	0	69	6,286
Intergovernmental	0	0	0	420,682	420,682
Interest	1,093	0	0	0	1,093
Interfund Loans Receivable	126,596	0	0	0	126,596
Inventory of Supplies at Cost	16,476	0	0	0	16,476
Restricted Assets:					
Cash and Cash Equivalents	834,143	0	0	0	834,143
Cash with Fiscal Agent	0	0	0	762	762
Total Assets	\$ 18,520,916	\$ 3,396,673	\$ 2,921,763	\$ 2,854,430	\$ 27,693,782
Liabilities:					
Accounts Payable	\$ 159,051	\$ 1,178	\$ 47,513	\$ 105,317	\$ 313,059
Accrued Wages and Benefits	2,702,528	0	0	221,346	2,923,874
Intergovernmental Payable	612,790	0	0	37,144	649,934
Matured Bonds and Interest Payable	0	0	0	762	762
Interfund Loans Payable	0	0	0	126,596	126,596
Deferred Revenue - Taxes	8,028,159	827,187	0	736,592	9,591,938
Deferred Revenue	0	0	0	53,136	53,136
Compensated Absences Payable	108,444	0	0	0	108,444
Total Liabilities	11,610,972	828,365	47,513	1,280,893	13,767,743
Fund Balance:					
Nonspendable	16,476	0	0	43,919	60,395
Restricted	834,143	2,568,308	2,874,250	1,629,930	7,906,631
Assigned	596,081	0	0	94,184	690,265
Unassigned	5,463,244	0	0	(194,496)	5,268,748
Total Fund Balance	6,909,944	2,568,308	2,874,250	1,573,537	13,926,039
Total Liabilities and Fund Balance	\$ 18,520,916	\$ 3,396,673	\$ 2,921,763	\$ 2,854,430	\$ 27,693,782

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Reconciliation of Total Governmental Fund Balances To Net Assets of Governmental Activities June 30, 2011

Total Governmental Fund Balances	\$ 13,926,039
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	26,861,298
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	720,272
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.	3,457,880
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	(7,422,530)
Certificates of Participation	(3,770,000)
Deferred Loss on Early Retirement of Debt	339,527
Unamortized Bond Issuance Cost	68,010
Interest Accretion on Capital Appreciation Bonds	(589,562)
Compensated Absences Payable	(2,186,285)
Accrued Interest Payable	(97,856)
	<u>(13,658,696)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 31,306,793</u>

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, 2011

	General	Permanent Improvement	Building Acquisition and Construction	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local Sources:					
Taxes	\$ 14,467,918	\$ 1,012,384	\$ 0	\$ 898,154	\$ 16,378,456
Tuition	3,980	0	0	0	3,980
Transportation Fees	49,763	0	0	0	49,763
Investment Earnings	277,652	1,514	1,122	1,207	281,495
Extracurricular Activities	163,294	0	0	425,579	588,873
Class Materials and Fees	124,656	0	0	0	124,656
Intermediate Sources	0	0	0	33,062	33,062
Intergovernmental - State	13,911,090	300,663	0	379,008	14,590,761
Intergovernmental - Federal	136,729	0	0	4,257,333	4,394,062
All Other Revenue	153,592	15,070	0	79,341	248,003
Total Revenue	<u>29,288,674</u>	<u>1,329,631</u>	<u>1,122</u>	<u>6,073,684</u>	<u>36,693,111</u>
Expenditures:					
Current:					
Instruction	16,782,116	344,499	0	3,932,406	21,059,021
Supporting Services:					
Pupils	1,287,892	0	0	210,425	1,498,317
Instructional Staff	1,969,695	0	0	35,135	2,004,830
Board of Education	23,825	0	0	0	23,825
Administration	2,310,451	3,272	0	90,820	2,404,543
Fiscal Services	591,629	18,109	0	16,024	625,762
Business	2,338	0	0	0	2,338
Operation and Maintenance of Plant	2,966,365	0	0	240	2,966,605
Pupil Transportation	1,367,494	0	0	1,198	1,368,692
Central	245,247	0	0	23,052	268,299
Operation of Non-Instructional Services	0	0	0	300,829	300,829
Extracurricular Activities	390,288	0	0	447,814	838,102
Capital Outlay	0	338,766	896,872	0	1,235,638
Debt Service:					
Principal Retirement	0	0	0	710,000	710,000
Interest and Fiscal Charges	0	0	0	292,868	292,868
Total Expenditures	<u>27,937,340</u>	<u>704,646</u>	<u>896,872</u>	<u>6,060,811</u>	<u>35,599,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,351,334	624,985	(895,750)	12,873	1,093,442
Other Financing Sources (Uses):					
Sale of Capital Assets	2,292	0	0	0	2,292
Certificates of Participation Issued	0	0	3,770,000	0	3,770,000
Total Other Financing Sources (Uses)	<u>2,292</u>	<u>0</u>	<u>3,770,000</u>	<u>0</u>	<u>3,772,292</u>
Net Change in Fund Balance	1,353,626	624,985	2,874,250	12,873	4,865,734
Fund Balance at Beginning of Year - Restated	5,556,293	1,943,323	0	1,560,664	9,060,280
Increase in Inventory Reserve	25	0	0	0	25
Fund Balance End of Year	<u>\$ 6,909,944</u>	<u>\$ 2,568,308</u>	<u>\$ 2,874,250</u>	<u>\$ 1,573,537</u>	<u>\$ 13,926,039</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

Net Change in Fund Balances - Total Governmental Funds	\$ 4,865,734
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	904,357
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.	(12,752)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(33,726)
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.	(3,188,507)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(71,971)
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.	(22,163)
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.	<u>(260,571)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ 2,180,401</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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 12,955,895	\$ 13,728,073	\$ 13,729,067	\$ 994
Tuition	3,625	3,980	3,980	0
Transportation Fees	34,063	48,436	53,287	4,851
Investment Earnings	22,782	10,563	10,119	(444)
Class Material and Fees	128,156	125,107	125,477	370
Intermediate Sources	25,000	0	0	0
Intergovernmental - State	13,714,889	13,698,428	13,911,090	212,662
Intergovernmental - Federal	195,614	136,729	136,729	0
All Other Revenues	141,061	124,474	122,063	(2,411)
Total Revenues	<u>27,221,085</u>	<u>27,875,790</u>	<u>28,091,812</u>	<u>216,022</u>
Expenditures:				
Current:				
Instructional Services:				
Regular	12,760,469	12,310,925	12,305,500	5,425
Special	3,934,016	4,531,487	4,531,460	27
Other	75,610	36,548	36,083	465
Support Services:				
Pupils	1,410,043	1,310,668	1,307,157	3,511
Instructional Staff	1,911,072	2,016,479	2,001,750	14,729
Board of Education	29,714	23,532	23,517	15
Administration	2,292,976	2,329,786	2,326,039	3,747
Fiscal Services	383,048	597,472	595,454	2,018
Business	35,525	2,725	2,338	387
Operation and Maintenance of Plant	2,895,486	3,164,194	3,163,375	819
Pupil Transportation	1,306,075	1,433,507	1,431,994	1,513
Central	283,586	264,236	257,009	7,227
Extracurricular Activities	335,154	375,369	375,047	322
Capital Outlay	625	625	0	625
Total Expenditures	<u>27,653,399</u>	<u>28,397,553</u>	<u>28,356,723</u>	<u>40,830</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(432,314)	(521,763)	(264,911)	256,852

PIQUA CITY SCHOOL DISTRICT

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	0	2,292	2,292	0
Advances In	0	2,823	2,823	0
Advances Out	0	(126,596)	(126,596)	0
Refund of Prior Year's Expenditures	81,888	93,429	93,429	0
Refund of Prior Year's Receipts	(192,699)	(192,699)	0	192,699
Total Other Financing Sources (Uses):	(110,811)	(220,751)	(28,052)	192,699
Net Change in Fund Balance	(543,125)	(742,514)	(292,963)	449,551
Fund Balance at Beginning of Year	5,687,335	5,687,335	5,687,335	0
Prior Year Encumbrances	626,167	626,167	626,167	0
Fund Balance at End of Year	\$ 5,770,377	\$ 5,570,988	\$ 6,020,539	\$ 449,551

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities	Governmental Activities -
	Enterprise Fund Food Service	Internal Service Fund
Assets:		
<i>Current Assets:</i>		
Pooled Cash and Investments	\$ 949,893	\$ 3,761,746
Receivables:		
Accounts	5	0
Inventory of Supplies at Cost	33,227	0
<i>Total Current Assets</i>	983,125	3,761,746
<i>Non Current Assets:</i>		
Capital Assets, Net	315,934	0
Total Assets	1,299,059	3,761,746
Liabilities:		
<i>Current Liabilities:</i>		
Accounts Payable	1,859	0
Accrued Wages and Benefits	72,242	0
Intergovernmental Payable	57,838	0
Compensated Absences - Current	15,905	0
<i>Total Current Liabilities</i>	147,844	0
<i>Long Term Liabilities:</i>		
Compensated Absences Payable	57,805	0
Total Liabilities	205,649	0
Net Assets:		
Invested in Capital Assets	315,934	0
Unrestricted	777,476	3,761,746
Total Net Assets	\$ 1,093,410	\$ 3,761,746
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	303,866	
Net Assets of Business-type Activities	\$ 1,397,276	

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, 2011**

	Business-Type Activities	Governmental Activities -
	Enterprise Fund Food Service	Internal Service Fund
Operating Revenues:		
Sales	\$ 546,259	\$ 0
Total Operating Revenues	546,259	0
Operating Expenses:		
Salaries and Wages	557,422	0
Fringe Benefits	242,747	292,715
Contractual Services	21,955	0
Supplies and Materials	803,248	0
Depreciation	28,999	0
Total Operating Expenses	1,654,371	292,715
Operating Loss	(1,108,112)	(292,715)
Nonoperating Revenue (Expenses):		
Operating Grants	1,399,062	0
Investment Earnings	598	20,811
Loss on Disposal of Capital Assets	(12,217)	0
Total Nonoperating Revenues (Expenses)	1,387,443	20,811
Change in Net Assets	279,331	(271,904)
Net Assets Beginning of Year	814,079	4,033,650
Net Assets End of Year	\$ 1,093,410	\$ 3,761,746
Change in Net Assets - Total Enterprise Funds	279,331	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(11,333)	
Change in Net Assets - Total Business-type Activities	\$ 267,998	

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, 2011

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Food Service	Service Fund
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$546,302	\$0
Cash Payments for Goods and Services	(657,202)	0
Cash Payments to Employees for Services and Benefits	(824,452)	(292,715)
Net Cash Used by Operating Activities	<u>(935,352)</u>	<u>(292,715)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>		
Operating Grants Received	<u>1,229,514</u>	<u>0</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,229,514</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition of Equipment	<u>(29,451)</u>	<u>0</u>
Net Cash Used by Capital and Related Financing Activities	<u>(29,451)</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>		
Receipts of Interest	<u>598</u>	<u>20,811</u>
Net Cash Provided by Investing Activities	<u>598</u>	<u>20,811</u>
Net Increase (Decrease) in Cash and Cash Equivalents	265,309	(271,904)
Cash and Cash Equivalents at Beginning of Year	<u>684,584</u>	<u>4,033,650</u>
Cash and Cash Equivalents at End of Year	<u><u>\$949,893</u></u>	<u><u>\$3,761,746</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Used by Operating Activities:</u>		
Operating Loss	(\$1,108,112)	(\$292,715)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	28,999	0
Donated Commodities Used During the Year	169,548	0
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable	43	0
Increase in Inventory	(2,410)	0
Increase in Accounts Payable	863	0
Decrease in Accrued Wages and Benefits	(5,707)	0
Decrease in Intergovernmental Payables	(11,122)	0
Decrease in Compensated Absences	(7,454)	0
Total Adjustments	<u>172,760</u>	<u>0</u>
Net Cash Used by Operating Activities	<u><u>(\$935,352)</u></u>	<u><u>(\$292,715)</u></u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Net Assets
Fiduciary Funds
June 30, 2011

	Private Purpose Trust	
	Special Trust	Agency
	Fund	
Assets:		
Cash and Cash Equivalents	\$ 308,635	\$ 37,196
Investments	115,056	0
Total Assets	<u>423,691</u>	<u>37,196</u>
Liabilities:		
Accounts Payable	951	0
Due to Students	0	37,196
Total Liabilities	<u>951</u>	<u>37,196</u>
Net Assets:		
Unrestricted	422,740	0
Total Net Assets	<u>\$ 422,740</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Changes in Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2011

	Private Purpose Trust <u>Special Trust</u> <u>Fund</u>
Additions:	
Contributions:	
Sales	\$ 303
Private Donations	<u>7,919</u>
Total Contributions	<u>8,222</u>
Investment Earnings:	
Interest	4,888
Net Increase in the Fair Value of Investments	<u>4,151</u>
Total Investment Earnings	<u>9,039</u>
Total Additions	<u>17,261</u>
Deductions:	
Administrative Expenses	300
Community Gifts, Awards and Scholarships	<u>7,399</u>
Total Deductions	<u>7,699</u>
Change in Net Assets	9,562
Net Assets at Beginning of Year	<u>413,178</u>
Net Assets End of Year	<u><u>\$ 422,740</u></u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

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 134 noncertified and approximately 223 certified teaching personnel and administrative employees providing education to 3,638 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," and Statement No. 39, "*Determining Whether Certain Organizations are Component Units*," 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. Additionally, the primary government is required to consider other organizations for which the primary government is not financially accountable to determine whether the relationship is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the foregoing, the District's reporting entity has one component unit, The Piqua Education Foundation and 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 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 16 "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 Piqua Public Library was determined to be a related organization, see Note 17.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit - The component unit column in the government-wide financial statements includes the financial data of the District's component unit. It is reported in a separate column to emphasize that it is legally separate from the District. The Piqua Education Foundation is a legally separate, non-profit community organization whose purpose is exclusively educational and charitable and whose charge is to secure and distribute contributions from individuals, corporations and foundations for the benefit of the students in the Piqua City Schools. Financial information can be obtained from Sam Robinson, Treasurer, 326 N. Wayne Street, Piqua, Ohio 45356.

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.

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.

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.

Building Acquisition and Construction Fund - This fund accounts for the proceeds of debt and construction costs for energy efficiency improvements.

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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 Service Fund – This fund accounts for the financial transactions related to the food service operations of the District.

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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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.

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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Current property taxes measurable at June 30, 2011, and which are not intended to finance fiscal year 2011 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.

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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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.

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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 2011.

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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 on a budgetary basis.

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)	\$1,353,626
Increase (Decrease):	
Accrued Revenues at June 30, 2011, received during FY 2012	(3,486,866)
Accrued Revenues at June 30, 2010, received during FY 2011	2,310,465
Accrued Expenditures at June 30, 2011, paid during FY 2012	3,362,338
Accrued Expenditures at June 30, 2010, paid during FY 2011	(3,332,659)
Encumbrances Outstanding	(577,192)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	77,325
Budget Basis	<u>(\$292,963)</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 6, "Cash, Cash Equivalents and Investments."

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

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 reports its investments at fair value, except for nonparticipating investment contracts (certificates of deposit) which are reported at cost. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 6, "Cash, Cash Equivalents and Investments."

H. Inventory

On the 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 funds when purchased and in the enterprise funds when used.

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

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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:

Description	Governmental and Business-Type Activities Estimated Lives (in years)
Land Improvements	25
Buildings and 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:

Obligation	Fund
General Obligation Bonds	Debt Service Fund
Certificates of Participation	Debt Service Fund
Compensated Absences	General Fund, Title I Fund, Food Service Fund

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

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 \$4,510,541 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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

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. Amounts in the general fund are set aside to establish reserves for textbooks. The textbook reserves are required by state statute.

P. Fund Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance (Continued)

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

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 2011.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at June 30, 2011 of \$6,954 in the Race to the Top Fund, \$152,781 in the Title I Fund, and \$34,761 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.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE – RESTATEMENT OF FUND BALANCE/NET ASSETS

For fiscal 2011 the District implemented GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”.

Statement No. 54 provides more clearly defined categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. It also clarifies the existing governmental fund type definitions. While the application of this new standard did not have an effect on total prior year fund balances, it did result in the reclassification of funds as detailed below:

	General Fund	Other Governmental Funds	Governmental Activities
Fund Balance/Net Assets at June 30, 2010	\$5,311,960	\$1,804,997	\$29,126,392
Fund Reclassification	244,333	(244,333)	0
Fund Balance/Net Assets, as restated	<u>\$5,556,293</u>	<u>\$1,560,664</u>	<u>\$29,126,392</u>

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE – RESTATEMENT OF FUND BALANCE/NET ASSETS (Continued)

The District removed a portion of its taxes receivable from its financial statements because of the identification of errors in the balance. This change had no effect on fund balance or net assets since this portion of the receivable was reported in deferred/unearned revenue on the balance sheet and statement of net assets.

NOTE 4 – FUND BALANCES

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

Fund Balances	General	Permanent Improvement	Building Acquisition and Construction	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$16,476	\$0	\$0	\$0	\$16,476
Endowments	0	0	0	43,919	43,919
Total Nonspendable	16,476	0	0	43,919	60,395
Restricted:					
Statutory Reserves	834,143	0	0	0	834,143
Endowments	0	0	0	22,167	22,167
Staff Development and Support	0	0	0	31,713	31,713
Auxiliary Services	0	0	0	23,753	23,753
Extracurricular Activities	0	0	0	391,515	391,515
Learn and Serve Program	0	0	0	1,487	1,487
Technology Improvements	0	0	0	116,012	116,012
Special Education	0	0	0	86,031	86,031
Targeted Academic Assistance	0	0	0	33,090	33,090
Debt Service Payments	0	0	0	924,162	924,162
Capital Acquisition and Improvement	0	2,568,308	2,874,250	0	5,442,558
Total Restricted	834,143	2,568,308	2,874,250	1,629,930	7,906,631
Assigned to Other Purposes	596,081	0	0	94,184	690,265
Unassigned	5,463,244	0	0	(194,496)	5,268,748
Total Fund Balances	\$6,909,944	\$2,568,308	\$2,874,250	\$1,573,537	\$13,926,039

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 5 – 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 capital outlay exceeded depreciation in the current period:

Capital Outlay	\$1,792,060
Depreciation Expense	(887,703)
	<u>\$904,357</u>

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

Loss on Disposal of Capital Assets	(\$10,460)
Proceeds Received	(2,292)
	<u>(\$12,752)</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Tax Revenue	\$12,428
Decrease in Grants Receivable	(46,154)
	<u>(\$33,726)</u>

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

Bond Principal Payment	\$710,000
Certificates of Participation Issued	(3,770,000)
Deferred Loss on Early Retirement of Debt	(42,440)
Deferred Bond Issuance Cost	(8,502)
Bond Premium Amortization	50,943
Interest Accretion on Capital Appreciation Bonds	(128,508)
	<u>(\$3,188,507)</u>

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$22,188)
Increase in Supplies Inventory	25
	<u>(\$22,163)</u>

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 6 - 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, 2011**

NOTE 6 - 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 fiscal year end the carrying amount of the District's deposits was \$16,124,059 and the bank balance was \$16,632,254. Federal depository insurance covered \$4,416,382 of the bank balance and \$12,215,872 was collateralized by the financial institutions' public entity deposit pools in the manner described above.

B. Investments

The District's investments at June 30, 2011 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Common Stocks	\$115,056	N/A	\$115,056	\$0	\$0
FNMA	750,818	AAA ^{1,2}	0	375,366	375,452
FFCB	595,328	AAA ^{1,2}	0	495,313	100,015
FHLB	827,214	AAA ^{1,2}	0	50,464	776,750
FHLMC	701,678	AAA ^{1,2}	0	100,113	601,565
Total Investments	<u>\$2,990,094</u>		<u>\$115,056</u>	<u>\$1,021,256</u>	<u>\$1,853,782</u>

¹ Standard & Poor's

² Moody's Investor Service

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

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, 25.1% are FNMA, 19.9% are FFCB, 27.7% are FHLB, 23.5% are FHLMC and 3.8% 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. Component Unit

At fiscal year end, the carrying amount of the Piqua Education Foundation’s (component unit) deposits was \$52,037 and the bank balance was \$54,687. Federal depository insurance covered all of the bank balance. In addition, the Piqua Education Foundation had \$246,420 in cash and cash equivalents which was restricted for scholarships.

The Piqua Education Foundation has no formal policy which addresses the depository and investment risks identified in parts A and B of this note.

The Piqua Education Foundation’s investments at June 30, 2011 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Equities	\$2,357,773	N/A	\$2,357,773	\$0	\$0
FNMA	154,857	AAA ¹	0	101,775	53,082
FHLMC	50,208	AAA ¹	0	0	50,208
Corporate Bonds	343,823	A-AA ¹	343,823	0	0
Total Investments	<u>\$2,906,661</u>		<u>\$2,701,596</u>	<u>\$101,775</u>	<u>\$103,290</u>

¹ Standard & Poor’s

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 7 - TAXES

A. Property Tax

Property taxes include amounts levied against all real estate and public utility property, and telephone and telecommunications property used in business and located in the District. Real property taxes (other than public utility) collected during 2011 were levied after April 1, 2010 on assessed values as of January 1, 2010, 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 2010. Real property taxes are payable annually or semi-annually. The first payment is due December 31, with the remainder payable by June 20.

Tangible personal property tax revenues received during calendar year 2011 (other than public utility property) represent the collection of 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010 on values as of December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. House Bill No. 66 was to hold districts harmless by replacing a portion of the revenue lost by the District due to the phasing out of the tax. In fiscal years 2006-2009, the District was fully reimbursed for the lost revenue. In fiscal years after 2010, the District will not be reimbursed for the lost revenue.

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.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 7 - TAXES (Continued)

A. Property Tax (Continued)

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 2011 were as follows:

	2010 Second Half Collections	2011 First Half Collections
Agricultural/Residential and Other Real Estate	\$413,598,800	\$400,859,150
Public Utility Personal	4,709,220	4,912,550
Tangible Personal Property	641,520	305,640
Total Assessed Value	\$418,949,540	\$406,077,340
Tax rate per \$1,000 of assessed valuation	\$44.87	\$44.95

B. Income Tax

Effective January 1, 1991 the District levied a voted tax of 0.5 percent for general operations on the income of residents and of estates. In March 2008 the voters approved an additional 0.75 percent tax. 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 8 – INTERFUND TRANSACTIONS

On the Statement of Net Assets, the Business-Type Activities reported an internal balance at June 30, 2011 of \$303,866 which is offset in the Governmental Activities by the same amount.

Following is a summary of interfund receivables/payables for all funds at June 30, 2011:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$126,596	\$0
Other Governmental Funds	0	126,596
Totals	\$126,596	\$126,596

These Interfund Loans are short-term loans to cover a temporary cash deficit.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2011:

Historical Cost:

Class	June 30, 2010	Additions	Deletions	June 30, 2011
Capital assets not being depreciated:				
Land	\$323,722	\$0	\$0	\$323,722
Construction in Progress	0	855,230	0	855,230
	<u>323,722</u>	<u>855,230</u>	<u>0</u>	<u>1,178,952</u>
Capital assets being depreciated:				
Land Improvements	2,330,722	625,727	0	2,956,449
Buildings and Improvements	31,501,647	72,835	(5,874)	31,568,608
Machinery and Equipment	4,515,733	238,268	(242,407)	4,511,594
Vehicles	2,409,492	0	0	2,409,492
Total Cost	<u>\$41,081,316</u>	<u>\$1,792,060</u>	<u>(\$248,281)</u>	<u>\$42,625,095</u>
Accumulated Depreciation:				
Class	June 30, 2010	Additions	Deletions	June 30, 2011
Land Improvements	(\$376,862)	(\$71,991)	\$0	(\$448,853)
Buildings and Improvements	(10,228,991)	(473,191)	671	(10,701,511)
Machinery and Equipment	(3,155,554)	(209,183)	234,858	(3,129,879)
Vehicles	(1,350,216)	(133,338)	0	(1,483,554)
Total Depreciation	<u>(\$15,111,623)</u>	<u>(\$887,703) *</u>	<u>\$235,529</u>	<u>(\$15,763,797)</u>
Net Value:	<u>\$25,969,693</u>			<u>\$26,861,298</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$640,742
Support Services:	
Pupils	149
Instructional Staff	806
Administration	8,253
Operations & Maintenance of Plant	33,986
Pupil Transportation	124,943
Operation of Non-Instructional Services	1,040
Extracurricular Activities	77,784
Total Depreciation Expense	<u>\$887,703</u>

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2011:

Historical Cost:

Class	June 30, 2010	Additions	Deletions	June 30, 2011
Machinery and Equipment	\$946,852	\$29,451	(\$29,020)	\$947,283
Total Cost	<u>\$946,852</u>	<u>\$29,451</u>	<u>(\$29,020)</u>	<u>\$947,283</u>

Accumulated Depreciation:

Class	June 30, 2010	Additions	Deletions	June 30, 2011
Machinery and Equipment	(\$619,153)	(\$28,999)	\$16,803	(\$631,349)
Total Depreciation	<u>(\$619,153)</u>	<u>(\$28,999)</u>	<u>\$16,803</u>	<u>(\$631,349)</u>
<i>Net Value:</i>	<u>\$327,699</u>			<u>\$315,934</u>

NOTE 10 - RECEIVABLES

Receivables at June 30, 2011 consisted of interfund loans, taxes, accounts, intergovernmental, and interest receivable.

NOTE 11- 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 Employee Retirement System

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 (866) 280-7377. It is also posted on SERS' website, www.ohsers.org, under Employers/Audit Resources.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 11- DEFINED BENEFIT PENSION PLANS (Continued)

A. School Employee Retirement System (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 2011, 11.81 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 contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were \$571,739, \$522,103 and \$424,921 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.

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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 11- 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, 2011, 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 2010, 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 contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,762,221, \$1,809,143, and \$1,868,735 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2011 were \$53,251 made by the District and \$38,037 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2011, one member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 12 - 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 (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

A. School Employee Retirement System (Continued)

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 SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 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 2011, 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, 2011, 2010, and 2009 were \$127,193, \$79,184, and \$252,302 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 2011, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$36,793, \$31,048, and \$35,060 respectively; which were equal to the required contributions for each year.

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 or by calling (888) 227-7877.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

B. State Teachers Retirement System (Continued)

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 2011, 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, 2011, 2010, and 2009 were \$135,555, \$139,165, and \$143,749 respectively; which were equal to the required contributions for each year.

NOTE 13 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in the long term debt of the District for the year ended June 30, 2011 is as follows:

	Balance			Balance	Amount Due
	June 30, 2010	Additions	Deductions	June 30, 2011	Within One Year
Governmental Activities:					
General Obligation Bonds:					
School Improvement Refunding 3.00-4.2%	\$7,724,990	\$0	(\$710,000)	\$7,014,990	\$745,000
Bond Premium	458,483	0	(50,943)	407,540	0
Deferred Loss on Early Retirement	(381,967)	42,440	0	(339,527)	0
	7,801,506	42,440	(760,943)	7,083,003	745,000
Interest Accretion	461,054	128,508	0	589,562	0
Total General Obligation Bonds:	8,262,560	170,948	(760,943)	7,672,565	745,000
Certificates of Participation:					
Energy Conservation Improvement 6.75%	0	3,770,000	0	3,770,000	250,000
Compensated Absences	2,250,661	385,999	(341,931)	2,294,729	450,375
Total Governmental Activities	10,513,221	4,326,947	(1,102,874)	13,737,294	1,445,375
Business-Type Activities:					
Compensated Absences	81,164	7,095	(14,549)	73,710	15,905
Total Long-Term Debt and Other Obligations	\$10,594,385	\$4,334,042	(\$1,117,423)	\$13,811,004	\$1,461,280

The District’s overall debt margin was \$29,798,558 with an unvoted debt margin of \$406,077 at June 30, 2011.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 13 - 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, 2011, follows:

Years	General Obligation Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$745,000	\$260,683	\$1,005,683	\$250,000	\$489,631	\$739,631
2013	775,000	226,873	1,001,873	250,000	504,476	754,476
2014	297,357	730,142	1,027,499	250,000	504,476	754,476
2015	262,634	759,865	1,022,499	250,000	504,476	754,476
2016	815,000	190,689	1,005,689	250,000	504,476	754,476
2017-2021	4,119,999	409,420	4,529,419	1,250,000	2,522,380	3,772,380
2022-2026	0	0	0	1,270,000	2,522,380	3,792,380
Totals	<u>\$7,014,990</u>	<u>\$2,577,672</u>	<u>\$9,592,662</u>	<u>\$3,770,000</u>	<u>\$7,552,295</u>	<u>\$11,322,295</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 \$7,190,000 at June 30, 2011, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

NOTE 14 - 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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 14 - RISK MANAGEMENT (Continued)

The Avizent Company is responsible for processing claims. Willis Pooling serves as the Plan's administrator, sales representative, and marketing representative who establishes agreements between the Plan and its members. Financial information can be obtained from SORSA, Attn: Executive Director, 8050 North High Street, Suite 160, Columbus, Ohio 43235-6483.

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.

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 2011, but the maximum amount of additional premium that may be levied against the District is \$831,479.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 15 – SET-ASIDES

As stated in House Bill 412 and revised in House Bill 345, school districts are required to maintain two set-aside balances; one for capital acquisition and maintenance and one for textbooks and other instructional materials. A set-aside balance 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:

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside Cash Balance as of June 30, 2010	\$346,249	\$0
Current Year Set-Aside Requirement	510,639	510,639
Current Year Offset Credits	0	(939,871)
Qualifying Disbursements	<u>(22,745)</u>	<u>(343,051)</u>
Total	<u>\$834,143</u>	<u>(\$772,283)</u>
Set-aside Cash Balance	<u>\$834,143</u>	<u>\$0</u>

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. The set-aside requirement for textbooks and instructional materials will be eliminated effective July 1, 2011.

NOTE 16 – 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 900 educational agencies 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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

A. Metropolitan Dayton Educational Cooperative Association (Continued)

There are currently seventy-six consortium members (member school districts) in the Ohio counties of Butler, Clarke, Cuyahoga, Darke, Franklin, Greene, Hamilton, Lucas, Miami and Montgomery. These consortium members are comprised of public school districts, community schools, joint vocational 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.

For this reason, the Montgomery County Educational 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 2011, the Piqua City School District paid \$102,770 to MDECA. The MDECA's office is located in 225 Linwood Drive, Dayton, Ohio 45405.

B. Southwestern Ohio Educational Purchasing Council

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of over 126 public school districts in 18 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 2011, the Piqua City School District paid \$4,709 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Cooperative, Ken Swink, Director, 303 Corporate Center Drive, Suite 208 Vandalia, Ohio 45377.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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. Twenty-one representatives are elected from within the counties, i.e. Auglaize, Brown, Butler, Champaign, Clark, Clermont, 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.

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 2011, the Piqua City School District paid \$1,769 to the SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Larry Pogue, Executive 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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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.

NOTE 17 – RELATED ORGANIZATION

The Piqua 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 Piqua Public Library, William H. Stump, Financial Officer, 116 W. High Street, Piqua, Ohio 45356.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2011

NOTE 18 - 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, 2011.

B. Litigation

The District is party to legal proceedings. The District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

NOTE 19 – SUBSEQUENT EVENT

On November 8, 2011 voters passed a 4.92 mill levy which will provide the local share needed to construct two new pre-kindergarten to third grade buildings and one fourth through sixth grade building. The Ohio School Facilities Commission expects to pay for 47 percent of the cost, or \$25,793,854, while the District expects to pay the remaining 53 percent, or \$29,086,686. The 4.92 mills include half a mill for building maintenance as required by the Ohio School Facilities Commission.

PIQUA CITY SCHOOL DISTRICT

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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



PIQUA CITY SCHOOL DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

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. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

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.

Education Jobs Fund

To account for federal grants to provide for support services necessary to retain existing employees, to recall or rehire former employees, and to hire new employees in order to provide early childhood, elementary or secondary educational and related services.

Race to the Top Fund

To account for monies received to provide either a new program or expansion of an existing program in specific educational areas.

Title II-D Technology Fund

To account for federal revenues received to improve academic achievement through technology.

(Continued)

PIQUA CITY SCHOOL DISTRICT

Special Revenue Funds

School Conflict Management Grant Fund

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

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.

Fiscal Stabilization Fund

To account for federal revenues received from the American Recovery and Reinvestment Act (ARRA) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Title IV-A Fund

To account for grant funds to be used for drug abuse prevention, early intervention, rehabilitation referral and education. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.)

Poverty Based Assistance Fund

To account for disadvantaged pupil aid. (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.

Miscellaneous Federal Grant Fund

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

PIQUA CITY SCHOOL DISTRICT

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment levies when the government is obligated in some manner for payment.

Bond Retirement Fund

To account for resources that are used for payment of principal, interest and fiscal charges on general obligation debt.

Capital Projects Fund

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.

Permanent Fund

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, 2011**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Pooled Cash and Investments	\$ 611,893	\$ 778,130	\$ 94,184	\$ 66,086	\$ 1,550,293
Receivables:					
Taxes	0	882,624	0	0	882,624
Accounts	69	0	0	0	69
Intergovernmental	420,682	0	0	0	420,682
Restricted Assets:					
Cash with Fiscal Agent	0	762	0	0	762
Total Assets	\$ 1,032,644	\$ 1,661,516	\$ 94,184	\$ 66,086	\$ 2,854,430
Liabilities:					
Accounts Payable	\$ 105,317	\$ 0	\$ 0	\$ 0	\$ 105,317
Accrued Wages and Benefits	221,346	0	0	0	221,346
Intergovernmental Payable	37,144	0	0	0	37,144
Matured Bonds and Interest Payable	0	762	0	0	762
Interfund Loans Payable	126,596	0	0	0	126,596
Deferred Revenue - Taxes	0	736,592	0	0	736,592
Deferred Revenue	53,136	0	0	0	53,136
Total Liabilities	543,539	737,354	0	0	1,280,893
Fund Balance:					
Nonspendable	0	0	0	43,919	43,919
Restricted	683,601	924,162	0	22,167	1,629,930
Assigned	0	0	94,184	0	94,184
Unassigned	(194,496)	0	0	0	(194,496)
Total Fund Balance	489,105	924,162	94,184	66,086	1,573,537
Total Liabilities and Fund Balance	\$ 1,032,644	\$ 1,661,516	\$ 94,184	\$ 66,086	\$ 2,854,430

PIQUA CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Local Sources:					
Taxes	\$ 0	\$ 898,154	\$ 0	\$ 0	\$ 898,154
Investment Earnings	373	708	74	52	1,207
Extracurricular Activities	425,579	0	0	0	425,579
Intermediate Sources	33,062	0	0	0	33,062
Intergovernmental - State	178,939	200,069	0	0	379,008
Intergovernmental - Federal	4,257,333	0	0	0	4,257,333
All Other Revenue	79,076	0	0	265	79,341
Total Revenue	<u>4,974,362</u>	<u>1,098,931</u>	<u>74</u>	<u>317</u>	<u>6,073,684</u>
Expenditures:					
Current:					
Instruction	3,932,406	0	0	0	3,932,406
Supporting Services:					
Pupils	209,225	0	0	1,200	210,425
Instructional Staff	35,135	0	0	0	35,135
Administration	90,820	0	0	0	90,820
Fiscal Services	0	16,024	0	0	16,024
Operation and Maintenance of Plant	240	0	0	0	240
Pupil Transportation	1,198	0	0	0	1,198
Central	23,052	0	0	0	23,052
Operation of Non-Instructional Services	300,829	0	0	0	300,829
Extracurricular Activities	447,814	0	0	0	447,814
Principal Retirement	0	710,000	0	0	710,000
Interest and Fiscal Charges	0	292,868	0	0	292,868
Total Expenditures	<u>5,040,719</u>	<u>1,018,892</u>	<u>0</u>	<u>1,200</u>	<u>6,060,811</u>
Net Change in Fund Balance	(66,357)	80,039	74	(883)	12,873
Fund Balance at Beginning of Year - Restated	555,462	844,123	94,110	66,969	1,560,664
Fund Balance End of Year	<u>\$ 489,105</u>	<u>\$ 924,162</u>	<u>\$ 94,184</u>	<u>\$ 66,086</u>	<u>\$ 1,573,537</u>

PIQUA CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011**

	Other Grant	District Managed Activity	Auxiliary Services	Management Information System
Assets:				
Pooled Cash and Investments	\$ 33,774	\$ 400,563	\$ 34,460	\$ 95,032
Receivables:				
Accounts	0	69	0	0
Intergovernmental	0	0	0	0
Total Assets	<u>\$ 33,774</u>	<u>\$ 400,632</u>	<u>\$ 34,460</u>	<u>\$ 95,032</u>
Liabilities:				
Accounts Payable	\$ 676	\$ 5,056	\$ 10,707	\$ 0
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	8	4,061	0	0
Interfund Loans Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	<u>684</u>	<u>9,117</u>	<u>10,707</u>	<u>0</u>
Fund Balance:				
Restricted	33,090	391,515	23,753	95,032
Unassigned	0	0	0	0
Total Fund Balance (Deficit)	<u>33,090</u>	<u>391,515</u>	<u>23,753</u>	<u>95,032</u>
Total Liabilities and Fund Balance	<u>\$ 33,774</u>	<u>\$ 400,632</u>	<u>\$ 34,460</u>	<u>\$ 95,032</u>

PIQUA CITY SCHOOL DISTRICT

Education Jobs	Race to the Top	Title II-D Technology	School Conflict Management Grant	IDEA-B	Title I
\$ 0	\$ 0	\$ 7,839	\$ 703	\$ 39,249	\$ 0
0	0	0	0	0	0
83,268	137,396	50,535	0	146,252	0
<u>\$ 83,268</u>	<u>\$ 137,396</u>	<u>\$ 58,374</u>	<u>\$ 703</u>	<u>\$ 185,501</u>	<u>\$ 0</u>
\$ 0	\$ 49,840	\$ 4,620	\$ 0	\$ 33,172	\$ 0
3,346	8,235	4,270	0	36,610	134,810
645	7,946	640	0	5,176	17,971
48,267	78,329	0	0	0	0
0	0	27,864	0	24,512	0
<u>52,258</u>	<u>144,350</u>	<u>37,394</u>	<u>0</u>	<u>99,470</u>	<u>152,781</u>
31,010	0	20,980	703	86,031	0
0	(6,954)	0	0	0	(152,781)
<u>31,010</u>	<u>(6,954)</u>	<u>20,980</u>	<u>703</u>	<u>86,031</u>	<u>(152,781)</u>
<u>\$ 83,268</u>	<u>\$ 137,396</u>	<u>\$ 58,374</u>	<u>\$ 703</u>	<u>\$ 185,501</u>	<u>\$ 0</u>

(Continued)

PIQUA CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011**

	Title II-A	Miscellaneous Federal Grant	Total Nonmajor Special Revenue Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Pooled Cash and Investments	\$ 0	\$ 273	\$ 611,893
Receivables:			
Accounts	0	0	69
Intergovernmental	0	3,231	420,682
Total Assets	<u>\$ 0</u>	<u>\$ 3,504</u>	<u>\$ 1,032,644</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 1,246	\$ 105,317
Accrued Wages and Benefits	34,075	0	221,346
Intergovernmental Payable	686	11	37,144
Interfund Loans Payable	0	0	126,596
Deferred Revenue	0	760	53,136
Total Liabilities	<u>34,761</u>	<u>2,017</u>	<u>543,539</u>
Fund Balance:			
Restricted	0	1,487	683,601
Unassigned	(34,761)	0	(194,496)
Total Fund Balance (Deficit)	<u>(34,761)</u>	<u>1,487</u>	<u>489,105</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 3,504</u>	<u>\$ 1,032,644</u>



PIQUA CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011**

	Other Grant	District Managed Activity	Auxiliary Services	Management Information System
Revenues:				
Local Sources:				
Investment Earnings	\$ 0	\$ 313	\$ 60	\$ 0
Extracurricular Activities	0	425,579	0	0
Intermediate Sources	33,062	0	0	0
Intergovernmental - State	0	0	150,641	5,000
Intergovernmental - Federal	0	0	0	0
All Other Revenue	4,623	68,807	0	0
Total Revenue	37,685	494,699	150,701	5,000
Expenditures:				
Current:				
Instruction	16,515	0	0	0
Supporting Services:				
Pupils	0	6,966	0	0
Instructional Staff	0	0	0	0
Administration	219	0	0	780
Operation and Maintenance of Plant	0	240	0	0
Pupil Transportation	0	1,114	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	167,199	0
Extracurricular Activities	0	447,814	0	0
Total Expenditures	16,734	456,134	167,199	780
Net Change in Fund Balance	20,951	38,565	(16,498)	4,220
Fund Balance (Deficit) at				
Beginning of Year - Restated	12,139	352,950	40,251	90,812
Fund Balance (Deficit) End of Year	\$ 33,090	\$ 391,515	\$ 23,753	\$ 95,032

PIQUA CITY SCHOOL DISTRICT

Education Jobs	Race to the Top	Title II-D Technology	School Conflict Management Grant	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	0	0	0
181,716	137,396	200,881	0	1,414,680	1,066,490
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>181,716</u>	<u>137,396</u>	<u>200,881</u>	<u>0</u>	<u>1,414,680</u>	<u>1,066,490</u>
150,706	144,350	176,660	0	1,172,390	1,015,891
0	0	0	0	100,696	101,563
0	0	3,241	0	22,044	773
0	0	0	0	76,140	13,681
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	116,054	17,576
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>150,706</u>	<u>144,350</u>	<u>179,901</u>	<u>0</u>	<u>1,487,324</u>	<u>1,149,484</u>
31,010	(6,954)	20,980	0	(72,644)	(82,994)
<u>0</u>	<u>0</u>	<u>0</u>	<u>703</u>	<u>158,675</u>	<u>(69,787)</u>
<u>\$ 31,010</u>	<u>\$ (6,954)</u>	<u>\$ 20,980</u>	<u>\$ 703</u>	<u>\$ 86,031</u>	<u>\$ (152,781)</u>

(Continued)

PIQUA CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011**

	Fiscal Stabilization	Title IV-A	One Net	Poverty Based Assistance
Revenues:				
Local Sources:				
Investment Earnings	\$ 0	\$ 0	\$ 0	\$ 0
Extracurricular Activities	0	0	0	0
Intermediate Sources	0	0	0	0
Intergovernmental - State	0	0	20,475	2,823
Intergovernmental - Federal	1,010,300	0	0	0
All Other Revenue	0	0	0	5,646
Total Revenue	<u>1,010,300</u>	<u>0</u>	<u>20,475</u>	<u>8,469</u>
Expenditures:				
Current:				
Instruction	1,010,300	5,958	0	0
Supporting Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	23,052	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	<u>1,010,300</u>	<u>5,958</u>	<u>23,052</u>	<u>0</u>
Net Change in Fund Balance	0	(5,958)	(2,577)	8,469
Fund Balance (Deficit) at				
Beginning of Year - Restated	<u>0</u>	<u>5,958</u>	<u>2,577</u>	<u>(8,469)</u>
Fund Balance (Deficit) End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

Title II-A	Miscellaneous Federal Grant	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 373
0	0	425,579
0	0	33,062
0	0	178,939
231,631	14,239	4,257,333
0	0	79,076
231,631	14,239	4,974,362
226,967	12,669	3,932,406
0	0	209,225
0	9,077	35,135
0	0	90,820
0	0	240
0	84	1,198
0	0	23,052
0	0	300,829
0	0	447,814
226,967	21,830	5,040,719
4,664	(7,591)	(66,357)
(39,425)	9,078	555,462
\$ (34,761)	\$ 1,487	\$ 489,105

PIQUA CITY SCHOOL DISTRICT

***Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011***

	<u>Replacement</u>
Assets:	
Pooled Cash and Investments	\$ 94,184
Total Assets	<u>\$ 94,184</u>
Liabilities:	
Total Liabilities	<u>\$ 0</u>
Fund Balance:	
Assigned	94,184
Total Fund Balance	<u>94,184</u>
Total Liabilities and Fund Balance	<u>\$ 94,184</u>

PIQUA CITY SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011***

	<u>Replacement</u>
Revenues:	
Local Sources:	
Investment Earnings	\$ 74
Total Revenue	<u>74</u>
Expenditures:	
Total Expenditures	<u>0</u>
Net Change in Fund Balance	74
Fund Balance at Beginning of Year	94,110
Fund Balance End of Year	<u>\$ 94,184</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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 12,955,895	\$ 13,728,073	\$ 13,729,067	\$ 994
Tuition	3,625	3,980	3,980	0
Transportation Fees	34,063	48,436	53,287	4,851
Investment Earnings	22,782	10,563	10,119	(444)
Class Material and Fees	128,156	125,107	125,477	370
Intermediate Sources	25,000	0	0	0
Intergovernmental - State	13,714,889	13,698,428	13,911,090	212,662
Intergovernmental - Federal	195,614	136,729	136,729	0
All Other Revenues	141,061	124,474	122,063	(2,411)
Total Revenues	<u>27,221,085</u>	<u>27,875,790</u>	<u>28,091,812</u>	<u>216,022</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	8,989,310	9,229,320	9,228,819	501
Fringe Benefits	2,631,787	2,876,787	2,876,547	240
Purchased Services	1,102,237	168,970	168,075	895
Other Expenditures	10,127	13,877	13,859	18
Capital Outlay	27,008	21,971	18,200	3,771
Total Regular	<u>12,760,469</u>	<u>12,310,925</u>	<u>12,305,500</u>	<u>5,425</u>
Special:				
Salaries and Wages	1,150,878	1,250,378	1,250,315	63
Fringe Benefits	483,188	531,338	531,290	48
Purchased Services	2,292,850	2,740,249	2,739,869	380
Supplies and Materials	0	1,220	1,204	16
Capital Outlay	7,100	8,302	8,782	(480)
Total Special	<u>3,934,016</u>	<u>4,531,487</u>	<u>4,531,460</u>	<u>27</u>
Other:				
Salaries and Wages	43,192	14,192	13,804	388
Fringe Benefits	7,418	2,218	2,172	46
Purchased Services	0	6,360	6,360	0
Supplies and Materials	25,000	13,778	13,747	31
Total Other	<u>75,610</u>	<u>36,548</u>	<u>36,083</u>	<u>465</u>
Total Instructional Services	<u>16,770,095</u>	<u>16,878,960</u>	<u>16,873,043</u>	<u>5,917</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, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Support Services:				
Pupils:				
Salaries and Wages	1,042,930	948,930	948,064	866
Fringe Benefits	355,462	350,062	350,005	57
Purchased Services	251	251	1	250
Supplies and Materials	10,200	10,225	9,087	1,138
Capital Outlay	1,200	1,200	0	1,200
Total Pupils	<u>1,410,043</u>	<u>1,310,668</u>	<u>1,307,157</u>	<u>3,511</u>
Instructional Staff:				
Salaries and Wages	1,120,277	1,209,627	1,199,769	9,858
Fringe Benefits	590,010	713,510	711,751	1,759
Purchased Services	177,236	72,419	71,134	1,285
Supplies and Materials	23,549	20,273	18,446	1,827
Capital Outlay	0	650	650	0
Total Instructional Staff	<u>1,911,072</u>	<u>2,016,479</u>	<u>2,001,750</u>	<u>14,729</u>
Board of Education:				
Salaries and Wages	8,125	8,125	8,125	0
Fringe Benefits	1,028	1,198	1,198	0
Purchased Services	20,561	14,209	14,194	15
Total Board of Education	<u>29,714</u>	<u>23,532</u>	<u>23,517</u>	<u>15</u>
Administration:				
Salaries and Wages	1,326,055	1,355,055	1,354,679	376
Fringe Benefits	486,906	528,056	527,991	65
Purchased Services	406,929	397,417	396,917	500
Supplies and Materials	50,265	24,583	24,396	187
Other Expenditures	18,243	21,261	21,257	4
Capital Outlay	4,578	3,414	799	2,615
Total Administration	<u>2,292,976</u>	<u>2,329,786</u>	<u>2,326,039</u>	<u>3,747</u>
Fiscal Services:				
Salaries and Wages	226,404	231,304	231,272	32
Fringe Benefits	99,958	122,958	122,752	206
Purchased Services	44,480	24,730	24,480	250
Supplies and Materials	4,686	5,934	5,248	686
Other Expenditures	7,520	212,546	211,702	844
Total Fiscal Services	<u>383,048</u>	<u>597,472</u>	<u>595,454</u>	<u>2,018</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, 2011***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Business:				
Salaries and Wages	18,862	62	0	62
Fringe Benefits	16,663	2,663	2,338	325
Total Business	35,525	2,725	2,338	387
Operation and Maintenance of Plant:				
Salaries and Wages	1,128,007	1,079,007	1,078,593	414
Fringe Benefits	414,822	491,322	491,082	240
Purchased Services	1,188,191	1,386,127	1,386,087	40
Supplies and Materials	147,216	179,493	179,457	36
Capital Outlay	17,250	28,245	28,156	89
Total Operation and Maintenance Of Plant	2,895,486	3,164,194	3,163,375	819
Pupil Transportation:				
Salaries and Wages	716,532	678,532	678,238	294
Fringe Benefits	326,325	388,325	387,859	466
Purchased Services	87,518	116,874	116,591	283
Supplies and Materials	175,500	249,576	249,306	270
Other Expenditures	200	200	0	200
Total Pupil Transportation	1,306,075	1,433,507	1,431,994	1,513
Central:				
Salaries and Wages	106,640	106,640	104,683	1,957
Fringe Benefits	59,209	71,209	71,078	131
Purchased Services	117,737	86,387	81,248	5,139
Total Central	283,586	264,236	257,009	7,227
Total Support Services	10,547,525	11,142,599	11,108,633	33,966
Extracurricular Activities:				
Salaries and Wages	286,300	317,525	317,465	60
Fringe Benefits	47,947	53,287	53,239	48
Purchased Services	715	4,365	4,343	22
Capital Outlay	192	192	0	192
Total Extracurricular Activities	335,154	375,369	375,047	322
Capital Outlay:				
Purchased Services	625	625	0	625
Total Capital Outlay	625	625	0	625
Total Expenditures	27,653,399	28,397,553	28,356,723	40,830

(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, 2011**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(432,314)	(521,763)	(264,911)	256,852
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	0	2,292	2,292	0
Advances In	0	2,823	2,823	0
Advances Out	0	(126,596)	(126,596)	0
Refund of Prior Year's Expenditures	81,888	93,429	93,429	0
Refund of Prior Year's Receipts	(192,699)	(192,699)	0	192,699
Total Other Financing Sources (Uses):	(110,811)	(220,751)	(28,052)	192,699
Net Change in Fund Balance	(543,125)	(742,514)	(292,963)	449,551
Fund Balance at Beginning of Year	5,687,335	5,687,335	5,687,335	0
Prior Year Encumbrances	626,167	626,167	626,167	0
Fund Balance at End of Year	\$ 5,770,377	\$ 5,570,988	\$ 6,020,539	\$ 449,551

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Capital Projects Funds
For the Fiscal Year Ended June 30, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,257,354	\$ 1,257,118	\$ (236)
Total Expenditures and Other Financing Uses	<u>1,140,081</u>	<u>1,060,654</u>	<u>79,427</u>
Net Change in Fund Balance	117,273	196,464	79,191
Fund Balance at Beginning of Year	1,748,581	1,748,581	0
Prior Year Encumbrances	<u>214,341</u>	<u>214,341</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,080,195</u>	<u>\$ 2,159,386</u>	<u>\$ 79,191</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Capital Projects Funds
For the Fiscal Year Ended June 30, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 3,770,840	\$ 3,771,123	\$ 283
Total Expenditures and Other Financing Uses	<u>3,770,840</u>	<u>3,770,840</u>	<u>0</u>
Net Change in Fund Balance	0	283	283
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 283</u>	<u>\$ 283</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 201,657	\$ 201,619	\$ (38)
Total Expenditures and Other Financing Uses	<u>335,033</u>	<u>302,955</u>	<u>32,078</u>
Net Change in Fund Balance	(133,376)	(101,336)	32,040
Fund Balance at Beginning of Year	216,480	216,480	0
Prior Year Encumbrances	<u>32,054</u>	<u>32,054</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 115,158</u>	<u>\$ 147,198</u>	<u>\$ 32,040</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	OTHER GRANT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 27,685</u>	<u>\$ 37,685</u>	<u>\$ 10,000</u>
Total Expenditures and Other Financing Uses	<u>32,243</u>	<u>18,604</u>	<u>13,639</u>
Net Change in Fund Balance	(4,558)	19,081	23,639
Fund Balance at Beginning of Year	10,255	10,255	0
Prior Year Encumbrances	<u>3,171</u>	<u>3,171</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 8,868</u></u>	<u><u>\$ 32,507</u></u>	<u><u>\$ 23,639</u></u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 638,374	\$ 498,312	\$ (140,062)
Total Expenditures and Other Financing Uses	857,344	482,984	374,360
Net Change in Fund Balance	(218,970)	15,328	234,298
Fund Balance at Beginning of Year	330,634	330,634	0
Prior Year Encumbrances	27,866	27,866	0
Fund Balance at End of Year	<u>\$ 139,530</u>	<u>\$ 373,828</u>	<u>\$ 234,298</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 186,784</u>	<u>\$ 186,727</u>	<u>\$ (57)</u>
Total Expenditures and Other Financing Uses	<u>229,017</u>	<u>233,916</u>	<u>(4,899)</u>
Net Change in Fund Balance	(42,233)	(47,189)	(4,956)
Fund Balance at Beginning of Year	17,982	17,982	0
Prior Year Encumbrances	<u>29,800</u>	<u>29,800</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,549</u>	<u>\$ 593</u>	<u>\$ (4,956)</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

MANAGEMENT INFORMATION SYSTEM FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,000</u>	<u>\$ 5,000</u>	<u>\$ 4,000</u>
Total Expenditures and Other Financing Uses	<u>91,812</u>	<u>780</u>	<u>91,032</u>
Net Change in Fund Balance	(90,812)	4,220	95,032
Fund Balance at Beginning of Year	<u>90,812</u>	<u>90,812</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 95,032</u></u>	<u><u>\$ 95,032</u></u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	EDUCATION JOBS FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 717,755</u>	<u>\$ 146,715</u>	<u>\$ (571,040)</u>
Total Expenditures and Other Financing Uses	<u>665,738</u>	<u>146,715</u>	<u>519,023</u>
Net Change in Fund Balance	52,017	0	(52,017)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 52,017</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (52,017)</u></u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 215,725	\$ 78,329	\$ (137,396)
Total Expenditures and Other Financing Uses	137,396	127,807	9,589
Net Change in Fund Balance	78,329	(49,478)	(127,807)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 78,329</u>	<u>\$ (49,478)</u>	<u>\$ (127,807)</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 228,853	\$ 178,210	\$ (50,643)
Total Expenditures and Other Financing Uses	<u>179,377</u>	<u>178,934</u>	<u>443</u>
Net Change in Fund Balance	49,476	(724)	(50,200)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 49,476</u>	<u>\$ (724)</u>	<u>\$ (50,200)</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

SCHOOL CONFLICT MANAGEMENT GRANT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 10,000	\$ 0	\$ (10,000)
Total Expenditures and Other Financing Uses	10,681	0	10,681
Net Change in Fund Balance	(681)	0	681
Fund Balance at Beginning of Year	703	703	0
Fund Balance at End of Year	<u>\$ 22</u>	<u>\$ 703</u>	<u>\$ 681</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	IDEA-B FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 1,687,090</u>	<u>\$ 1,357,433</u>	<u>\$ (329,657)</u>
Total Expenditures and Other Financing Uses	<u>1,535,007</u>	<u>1,628,045</u>	<u>(93,038)</u>
Net Change in Fund Balance	152,083	(270,612)	(422,695)
Fund Balance at Beginning of Year	112,639	112,639	0
Prior Year Encumbrances	<u>127,770</u>	<u>127,770</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 392,492</u>	<u>\$ (30,203)</u>	<u>\$ (422,695)</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	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	<u>\$ 1,252,212</u>	<u>\$ 1,140,141</u>	<u>\$ (112,071)</u>
Total Expenditures and Other Financing Uses	<u>1,326,127</u>	<u>1,230,410</u>	<u>95,717</u>
Net Change in Fund Balance	(73,915)	(90,269)	(16,354)
Fund Balance at Beginning of Year	69,213	69,213	0
Prior Year Encumbrances	<u>21,056</u>	<u>21,056</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,354</u>	<u>\$ 0</u>	<u>\$ (16,354)</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,010,300	\$ 1,010,300	\$ 0
Total Expenditures and Other Financing Uses	<u>1,010,300</u>	<u>1,010,300</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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	TITLE IV-A FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>5,958</u>	<u>5,958</u>	<u>0</u>
Net Change in Fund Balance	(5,958)	(5,958)	0
Fund Balance at Beginning of Year	<u>5,958</u>	<u>5,958</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

***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, 2011***

	ONE NET FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 20,475	\$ 20,475	\$ 0
Total Expenditures and Other Financing Uses	<u>23,052</u>	<u>23,052</u>	<u>0</u>
Net Change in Fund Balance	(2,577)	(2,577)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	<u>2,577</u>	<u>2,577</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

POVERTY BASED ASSISTANCE FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 2,823	\$ 2,823	\$ 0
Total Expenditures and Other Financing Uses	2,823	2,823	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	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	\$ 231,631	\$ 231,631	\$ 0
Total Expenditures and Other Financing Uses	<u>210,901</u>	<u>234,810</u>	<u>(23,909)</u>
Net Change in Fund Balance	20,730	(3,179)	(23,909)
Fund Balance at Beginning of Year	<u>3,179</u>	<u>3,179</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 23,909</u>	<u>\$ 0</u>	<u>\$ (23,909)</u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

MISCELLANEOUS FEDERAL GRANT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 15,000	\$ 11,768	\$ (3,232)
Total Expenditures and Other Financing Uses	<u>24,865</u>	<u>23,690</u>	<u>1,175</u>
Net Change in Fund Balance	(9,865)	(11,922)	(2,057)
Fund Balance at Beginning of Year	249	249	0
Prior Year Encumbrances	<u>9,616</u>	<u>9,616</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ (2,057)</u></u>	<u><u>\$ (2,057)</u></u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Debt Service Fund
For the Fiscal Year Ended June 30, 2011***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,037,685	\$ 1,037,643	\$ (42)
Total Expenditures and Other Financing Uses	<u>1,018,892</u>	<u>1,018,892</u>	<u>0</u>
Net Change in Fund Balance	18,793	18,751	(42)
Fund Balance at Beginning of Year	<u>759,379</u>	<u>759,379</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 778,172</u>	<u>\$ 778,130</u>	<u>\$ (42)</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2011***

	REPLACEMENT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 100</u>	<u>\$ 74</u>	<u>\$ (26)</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	100	74	(26)
Fund Balance at Beginning of Year	<u>94,110</u>	<u>94,110</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 94,210</u></u>	<u><u>\$ 94,184</u></u>	<u><u>\$ (26)</u></u>

PIQUA CITY SCHOOL DISTRICT

***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, 2011***

	PERMANENT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 383	\$ 317	\$ (66)
Total Expenditures and Other Financing Uses	<u>6,200</u>	<u>2,200</u>	<u>4,000</u>
Net Change in Fund Balance	(5,817)	(1,883)	3,934
Fund Balance at Beginning of Year	65,969	65,969	0
Prior Year Encumbrances	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 61,152</u>	<u>\$ 65,086</u>	<u>\$ 3,934</u>

PIQUA CITY SCHOOL DISTRICT

Fiduciary Fund

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

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

***Statement Of Changes In Assets And Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2011***

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$39,669	\$41,020	(\$43,493)	\$37,196
Total Assets	<u>\$39,669</u>	<u>\$41,020</u>	<u>(\$43,493)</u>	<u>\$37,196</u>
Liabilities:				
Due to Students	\$39,669	\$41,020	(\$43,493)	\$37,196
Total Liabilities	<u>\$39,669</u>	<u>\$41,020</u>	<u>(\$43,493)</u>	<u>\$37,196</u>



STATISTICAL SECTION



STATISTICAL TABLES

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

Financial Trends	S 2– S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Revenue Capacity	S 14 – S 21
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.	
Debt Capacity	S 22 – S 29
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.	
Economic and Demographic Information	S 30 – S 32
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.	
Operating Information	S 33 – S 45
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.

Piqua City School District

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

	2002	2003	2004	2005
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$16,466,243	\$16,509,571	\$16,731,185	\$17,469,998
Restricted for:				
Capital Projects	1,477,057	1,637,564	1,966,516	1,336,198
Debt Service	352,802	482,876	380,838	577,311
Other Purposes	806,691	0	114,806	288,660
Permanent Fund:				
Expendable	0	0	0	0
Nonexpendable	0	0	0	0
Unrestricted (Deficit)	(96,861)	(399,114)	990,003	3,299,555
Total Governmental Activities Net Assets	<u>\$19,005,932</u>	<u>\$18,230,897</u>	<u>\$20,183,348</u>	<u>\$22,971,722</u>
Business-type Activities:				
Invested in Capital Assets, Net of Related Debt	\$410,407	\$388,091	\$372,947	\$360,100
Unrestricted (Deficit)	767,568	790,300	823,085	869,537
Total Business-type Activities Net Assets	<u>\$1,177,975</u>	<u>\$1,178,391</u>	<u>\$1,196,032</u>	<u>\$1,229,637</u>
Primary Government:				
Invested in Capital Assets, Net of Related Debt	\$16,876,650	\$16,897,662	\$17,104,132	\$17,830,098
Restricted	2,636,550	2,120,440	2,462,160	2,202,169
Unrestricted (Deficit)	670,707	391,186	1,813,088	4,169,092
Total Primary Government Net Assets	<u>\$20,183,907</u>	<u>\$19,409,288</u>	<u>\$21,379,380</u>	<u>\$24,201,359</u>

* As Restated

Source: District Treasurer's Office

Piqua City School District

*						
2006	2007	2008	2009	2010	2011	
\$18,034,488	\$18,301,335	\$17,911,256	\$17,985,350	\$18,168,187	\$18,928,936	
1,076,537	937,024	1,560,221	1,913,605	2,082,762	2,589,369	
509,255	730,481	788,458	840,185	857,711	942,770	
362,554	490,122	416,859	0	580,141	912,316	
0	31,044	28,582	27,126	23,050	21,902	
0	36,309	38,609	40,049	43,919	44,184	
3,135,840	3,192,601	4,263,735	7,421,574	7,370,622	7,867,316	
<u>\$23,118,674</u>	<u>\$23,718,916</u>	<u>\$25,007,720</u>	<u>\$28,227,889</u>	<u>\$29,126,392</u>	<u>\$31,306,793</u>	
\$343,706	\$366,053	\$342,971	\$314,533	\$327,699	\$315,934	
887,314	744,863	877,825	889,595	801,579	1,081,342	
<u>\$1,231,020</u>	<u>\$1,110,916</u>	<u>\$1,220,796</u>	<u>\$1,204,128</u>	<u>\$1,129,278</u>	<u>\$1,397,276</u>	
\$18,378,194	\$18,667,388	\$18,254,227	\$18,299,883	\$18,495,886	\$19,244,870	
1,948,346	2,224,980	2,832,729	2,820,965	3,587,583	4,510,541	
4,023,154	3,937,464	5,141,560	8,311,169	8,172,201	8,948,658	
<u>\$24,349,694</u>	<u>\$24,829,832</u>	<u>\$26,228,516</u>	<u>\$29,432,017</u>	<u>\$30,255,670</u>	<u>\$32,704,069</u>	

Piqua City School District

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

	2002	2003	2004	2005
Expenses				
Governmental Activities:				
Instruction	\$15,484,610	\$16,881,816	\$16,736,129	\$17,846,789
Support Services:				
Pupils	1,373,246	1,485,305	1,443,477	1,606,509
Instructional Staff	1,496,558	1,670,861	1,672,048	1,856,368
Board of Education	7,669	7,655	9,288	10,002
Administration	1,841,957	1,989,454	2,090,822	2,281,690
Fiscal Services	528,655	563,651	669,152	597,052
Business	88,768	84,935	74,505	85,456
Operation and Maintenance of Plant	2,439,177	2,323,836	2,519,590	2,778,643
Pupil Transportation	1,087,088	1,114,543	1,175,222	1,296,336
Central	30,539	28,787	64,643	129,257
Operation of Non-Instructional Services	290,074	277,923	316,379	304,911
Extracurricular Activities	829,544	720,679	679,708	638,177
Interest and Fiscal Charges	544,837	564,356	522,049	286,314
<i>Total Governmental Activities Expenses</i>	<u>26,042,722</u>	<u>27,713,801</u>	<u>27,973,012</u>	<u>29,717,504</u>
Business-type Activities:				
Food Service	<u>1,116,316</u>	<u>1,391,897</u>	<u>1,496,069</u>	<u>1,577,204</u>
<i>Total Business-type Activities Expenses</i>	<u>1,116,316</u>	<u>1,391,897</u>	<u>1,496,069</u>	<u>1,577,204</u>
<i>Total Primary Government Expenses</i>	<u><u>\$27,159,038</u></u>	<u><u>\$29,105,698</u></u>	<u><u>\$29,469,081</u></u>	<u><u>\$31,294,708</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$548,260	\$397,793	\$277,325	\$295,514
Support Services:				
Pupils	3,646	803	468	776
Operation and Maintenance of Plant	1,020	0	0	0
Pupil Transportation	37,215	38,122	35,848	37,911
Extracurricular Activities	451,141	277,957	261,546	336,562
Operating Grants and Contributions	2,202,968	1,917,459	2,551,904	2,646,302
Capital Grants and Contributions	3,348,034	11,132	0	32,550
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>6,592,284</u>	<u>2,643,266</u>	<u>3,127,091</u>	<u>3,349,615</u>

Piqua City School District

2006	2007	2008	2009	2010	2011
\$18,811,951	\$19,061,767	\$19,105,320	\$19,185,487	\$20,847,397	\$21,406,030
1,445,687	1,505,043	1,549,456	1,563,984	1,526,170	1,491,789
2,041,532	2,061,205	2,085,124	1,954,338	2,064,970	2,034,765
19,669	23,042	20,339	32,189	29,714	23,825
2,266,873	2,454,192	2,361,191	2,330,316	2,377,327	2,390,523
407,123	390,832	401,055	382,588	400,031	629,529
100,937	101,989	52,433	56,246	26,713	2,338
2,866,955	3,065,299	2,882,505	2,903,991	2,883,562	3,018,583
1,378,564	1,545,489	1,442,206	1,262,006	1,432,056	1,522,099
160,049	162,793	192,486	211,194	314,184	269,213
298,992	375,228	289,838	295,329	148,034	301,869
671,020	861,632	717,482	790,688	845,301	915,886
473,938	481,096	607,378	552,623	493,693	493,346
<u>30,943,290</u>	<u>32,089,607</u>	<u>31,706,813</u>	<u>31,520,979</u>	<u>33,389,152</u>	<u>34,499,795</u>
<u>1,617,780</u>	<u>1,684,194</u>	<u>1,682,680</u>	<u>1,808,378</u>	<u>1,762,234</u>	<u>1,677,921</u>
<u>1,617,780</u>	<u>1,684,194</u>	<u>1,682,680</u>	<u>1,808,378</u>	<u>1,762,234</u>	<u>1,677,921</u>
<u>\$32,561,070</u>	<u>\$33,773,801</u>	<u>\$33,389,493</u>	<u>\$33,329,357</u>	<u>\$35,151,386</u>	<u>\$36,177,716</u>
\$305,864	\$224,647	\$286,554	\$243,635	\$294,387	\$291,930
1,263	1,525	1,151	144	124	52
0	0	0	0	0	0
54,948	54,717	37,531	37,192	49,100	49,763
292,169	432,912	321,306	388,078	425,665	425,579
2,722,204	2,888,699	2,711,846	2,511,226	4,265,347	4,526,847
0	27,060	22,757	46,110	0	0
<u>3,376,448</u>	<u>3,629,560</u>	<u>3,381,145</u>	<u>3,226,385</u>	<u>5,034,623</u>	<u>5,294,171</u>

(Continued)

Piqua City School District

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

	2002	2003	2004	2005
Business-type Activities:				
Charges for Services				
Food Service	644,566	643,831	683,775	688,474
Operating Grants and Contributions	694,382	757,534	829,935	922,335
<i>Total Business-type Activities Program Revenues</i>	<u>1,338,948</u>	<u>1,401,365</u>	<u>1,513,710</u>	<u>1,610,809</u>
<i>Total Primary Government Program Revenues</i>	<u>7,931,232</u>	<u>4,044,631</u>	<u>4,640,801</u>	<u>4,960,424</u>
Net (Expense)/Revenue				
Governmental Activities	(19,450,438)	(25,070,535)	(24,845,921)	(26,367,889)
Business-type Activities	222,632	9,468	17,641	33,605
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$19,227,806)</u>	<u>(\$25,061,067)</u>	<u>(\$24,828,280)</u>	<u>(\$26,334,284)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$8,983,634	\$8,599,770	\$9,849,084	\$11,202,378
Debt Service	936,914	909,637	915,618	973,504
Capital Outlay	1,112,927	1,084,584	1,107,446	1,138,834
Income Taxes	1,731,104	1,818,714	1,809,227	1,938,151
Intergovernmental, Unrestricted	11,165,388	11,520,196	12,752,599	13,300,568
Investment Earnings	167,372	120,779	68,934	163,025
Miscellaneous	53,576	235,352	295,464	439,803
Loss on Disposal of Capital Assets	(153,317)	(2,584)	0	0
Transfers	0	9,052	0	0
<i>Total Governmental Activities</i>	<u>23,997,598</u>	<u>24,295,500</u>	<u>26,798,372</u>	<u>29,156,263</u>
Business-type Activities:				
Transfers	0	(9,052)	0	0
<i>Total Business-type Activities</i>	<u>0</u>	<u>(9,052)</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$23,997,598</u>	<u>\$24,286,448</u>	<u>\$26,798,372</u>	<u>\$29,156,263</u>
Change in Net Assets				
Governmental Activities	\$4,547,160	(\$775,035)	\$1,952,451	\$2,788,374
Business-type Activities	222,632	416	17,641	33,605
<i>Total Primary Government Change in Net Assets</i>	<u>\$4,769,792</u>	<u>(\$774,619)</u>	<u>\$1,970,092</u>	<u>\$2,821,979</u>

Source: District Treasurer's Office

Piqua City School District

2006	2007	2008	2009	2010	2011
681,810	702,248	679,999	685,399	613,175	546,857
937,353	861,842	1,112,561	1,106,311	1,074,209	1,399,062
1,619,163	1,564,090	1,792,560	1,791,710	1,687,384	1,945,919
4,995,611	5,193,650	5,173,705	5,018,095	6,722,007	7,240,090
(27,566,842)	(28,460,047)	(28,325,668)	(28,294,594)	(28,354,529)	(29,205,624)
1,383	(120,104)	109,880	(16,668)	(74,850)	267,998
<u>(\$27,565,459)</u>	<u>(\$28,580,151)</u>	<u>(\$28,215,788)</u>	<u>(\$28,311,262)</u>	<u>(\$28,429,379)</u>	<u>(\$28,937,626)</u>
\$10,805,308	\$10,065,680	\$10,045,856	\$10,064,281	\$8,884,069	\$9,751,326
999,966	1,060,120	874,031	926,598	840,002	900,216
1,075,099	1,026,558	1,027,335	1,039,595	929,187	1,015,252
2,063,347	2,253,023	2,260,523	3,382,521	4,494,674	4,724,090
13,308,075	13,915,936	14,538,480	15,554,509	13,925,534	14,444,884
296,912	451,410	370,748	179,416	(134,954)	302,254
368,501	287,562	497,499	367,843	314,520	248,003
0	0	0	0	0	0
0	0	0	0	0	0
<u>28,917,208</u>	<u>29,060,289</u>	<u>29,614,472</u>	<u>31,514,763</u>	<u>29,253,032</u>	<u>31,386,025</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$28,917,208</u>	<u>\$29,060,289</u>	<u>\$29,614,472</u>	<u>\$31,514,763</u>	<u>\$29,253,032</u>	<u>\$31,386,025</u>
\$1,350,366	\$600,242	\$1,288,804	\$3,220,169	\$898,503	\$2,180,401
1,383	(120,104)	109,880	(16,668)	(74,850)	267,998
<u>\$1,351,749</u>	<u>\$480,138</u>	<u>\$1,398,684</u>	<u>\$3,203,501</u>	<u>\$823,653</u>	<u>\$2,448,399</u>

Piqua City School District

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Nonspendable	\$0	\$0	\$0	\$0	\$0
Restricted	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	1,410,741	908,531	795,741	1,456,423	1,410,729
Unreserved	<u>(1,977,685)</u>	<u>(2,375,623)</u>	<u>(1,286,924)</u>	<u>124,232</u>	<u>47,121</u>
<i>Total General Fund</i>	<u>(566,944)</u>	<u>(1,467,092)</u>	<u>(491,183)</u>	<u>1,580,655</u>	<u>1,457,850</u>
All Other Governmental Funds					
Nonspendable	0	0	0	0	0
Restricted	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	0	0
Reserved	660,562	628,775	742,935	1,353,394	1,195,149
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	486,775	184,770	305,494	583,840	299,023
Capital Projects Funds	<u>1,302,054</u>	<u>1,488,380</u>	<u>1,733,102</u>	<u>726,819</u>	<u>606,341</u>
Total All Other Governmental Funds	<u>2,449,391</u>	<u>2,301,925</u>	<u>2,781,531</u>	<u>2,664,053</u>	<u>2,100,513</u>
<i>Total Governmental Funds</i>	<u>\$1,882,447</u>	<u>\$834,833</u>	<u>\$2,290,348</u>	<u>\$4,244,708</u>	<u>\$3,558,363</u>

Source: District Treasurer's Office

Note: The District implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.

* As restated due to GASB 54 implementation

Piqua City School District

2007	2008	2009	* 2010	2011
\$0	\$0	\$0	\$0	\$16,476
0	0	0	0	834,143
0	0	0	0	596,081
0	0	0	0	5,463,244
1,946,237	1,081,482	1,680,710	1,666,828	0
(754,678)	753,375	3,216,012	3,889,465	0
<u>1,191,559</u>	<u>1,834,857</u>	<u>4,896,722</u>	<u>5,556,293</u>	<u>6,909,944</u>
0	0	0	0	43,919
0	0	0	0	7,072,488
0	0	0	0	94,184
0	0	0	0	(194,496)
1,267,544	979,919	1,173,221	1,286,033	0
604,671	705,088	552,290	366,883	0
530,095	1,418,931	1,638,364	1,851,071	0
<u>2,402,310</u>	<u>3,103,938</u>	<u>3,363,875</u>	<u>3,503,987</u>	<u>7,016,095</u>
<u>\$3,593,869</u>	<u>\$4,938,795</u>	<u>\$8,260,597</u>	<u>\$9,060,280</u>	<u>\$13,926,039</u>

Piqua City School District

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

	2002	2003	2004	2005
Revenues:				
Local Sources:				
Taxes	\$12,588,015	\$12,424,401	\$13,464,803	\$15,296,945
Tuition	35,940	137,043	18,666	33,062
Transportation Fees	33,836	38,122	35,848	37,911
Investment Earnings	130,558	68,486	42,006	93,786
Extracurricular Activities	455,162	370,617	353,985	440,335
Class Materials and Fees	157,204	168,090	166,220	158,679
Intermediate Sources	0	0	0	8,842
Intergovernmental - State	11,770,392	11,843,762	13,188,158	13,766,336
Intergovernmental - Federal	1,698,000	1,554,911	2,296,840	2,204,242
All Other Revenue	411,390	235,355	295,464	439,803
Total Revenue	<u>27,280,497</u>	<u>26,840,787</u>	<u>29,861,990</u>	<u>32,479,941</u>
Expenditures:				
Current:				
Instruction	16,388,979	16,183,138	16,358,199	17,403,012
Supporting Services:				
Pupils	1,492,034	1,485,538	1,463,501	1,632,401
Instructional Staff	1,715,646	1,680,677	1,676,962	1,954,669
Board of Education	7,669	7,655	9,288	10,002
Administration	1,975,554	1,985,134	2,127,764	2,484,897
Fiscal Services	542,155	592,978	619,032	624,953
Business	97,136	90,036	77,078	88,423
Operation and Maintenance of Plant	2,418,031	2,365,280	2,494,020	2,897,305
Pupil Transportation	1,086,408	1,089,645	1,157,741	1,484,669
Central	30,539	28,787	62,856	128,722
Operation of Non-Instructional Services	271,086	256,590	290,601	299,653
Extracurricular Activities	741,995	621,347	572,846	603,368
Capital Outlay	868,120	327,019	145,684	684,360
Debt Service:				
Principal Retirement	455,000	840,000	850,000	875,000
Interest and Fiscal Charges	547,607	553,413	524,077	428,301
Total Expenditures	<u>28,637,959</u>	<u>28,107,237</u>	<u>28,429,649</u>	<u>31,599,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,357,462)	(1,266,450)	1,432,341	880,206

Piqua City School District

2006	2007	2008	2009	2010	2011
\$14,990,760	\$14,419,517	\$14,150,431	\$15,387,973	\$15,142,143	\$16,378,456
49,074	3,196	7,460	5,030	3,625	3,980
54,948	54,717	37,531	37,192	49,100	49,763
139,379	239,887	214,974	102,858	(165,964)	281,495
392,676	504,759	457,060	491,461	588,007	588,873
156,283	149,604	143,340	135,222	128,420	124,656
14,137	10,710	30,562	69,506	46,692	33,062
13,640,495	14,424,266	14,856,722	15,843,854	14,051,556	14,590,761
2,024,983	2,523,093	2,421,712	2,386,862	3,993,343	4,394,062
368,501	287,562	497,499	367,843	314,520	248,003
<u>31,831,236</u>	<u>32,617,311</u>	<u>32,817,291</u>	<u>34,827,801</u>	<u>34,151,442</u>	<u>36,693,111</u>
18,391,170	18,570,721	18,247,045	18,235,730	19,869,739	21,059,021
1,513,694	1,496,885	1,574,056	1,596,274	1,474,825	1,498,317
2,200,140	2,067,550	2,075,287	1,955,021	1,999,864	2,004,830
19,669	23,042	20,339	32,189	29,714	23,825
2,317,642	2,416,263	2,274,443	2,199,678	2,258,046	2,404,543
457,939	375,270	404,047	376,558	393,654	625,762
105,655	100,888	54,748	54,058	30,502	2,338
2,963,996	2,982,253	2,823,351	2,854,147	2,873,207	2,966,605
1,308,677	1,463,409	1,369,429	1,597,794	1,638,063	1,368,692
159,645	161,456	191,322	211,419	313,907	268,299
294,329	371,664	286,744	294,428	165,805	300,829
621,321	807,362	664,053	737,425	792,759	838,102
908,969	661,705	349,557	208,690	437,616	1,235,638
881,401	799,456	807,637	829,274	753,801	710,000
376,603	350,135	337,922	324,805	313,420	292,868
<u>32,520,850</u>	<u>32,648,059</u>	<u>31,479,980</u>	<u>31,507,490</u>	<u>33,344,922</u>	<u>35,599,669</u>
(689,614)	(30,748)	1,337,311	3,320,311	806,520	1,093,442

(Continued)

Piqua City School District

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

	2002	2003	2004	2005
Other Financing Sources (Uses):				
Sale of Capital Assets	20,733	2,784	1,579	5,940
Certificates of Participation Issued	0	0	0	0
General Obligation Notes Issued	1,050,000	0	0	0
Refunding Bonds Issued	0	0	0	9,154,131
Payment to Refunded Bond Escrow Agent	0	0	0	(9,026,607)
Other Financing Sources - Capital Leases	0	0	21,595	538,893
Transfers In	0	216,809	4,078	423,951
Transfers Out	0	(757)	(4,078)	(22,154)
Total Other Financing Sources (Uses)	<u>1,070,733</u>	<u>218,836</u>	<u>23,174</u>	<u>1,074,154</u>
Net Change in Fund Balance	<u>(\$286,729)</u>	<u>(\$1,047,614)</u>	<u>\$1,455,515</u>	<u>\$1,954,360</u>
Debt Service as a Percentage of Noncapital Expenditures	3.61%	5.02%	4.86%	4.22%

Source: District Treasurer's Office

Piqua City School District

2006	2007	2008	2009	2010	2011
3,269	7,560	900	1,400	0	2,292
0	0	0	0	0	3,770,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	42,212	0	0	0	0
0	0	0	0	0	0
<u>3,269</u>	<u>49,772</u>	<u>900</u>	<u>1,400</u>	<u>0</u>	<u>3,772,292</u>
<u>(\$686,345)</u>	<u>\$19,024</u>	<u>\$1,338,211</u>	<u>\$3,321,711</u>	<u>\$806,520</u>	<u>\$4,865,734</u>

3.99%	3.60%	3.66%	3.73%	3.28%	2.97%
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Piqua City School District

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

Tax year	2001	2002	2003	2004
Real Property				
Assessed	\$333,483,290	\$338,895,480	\$344,418,880	\$362,252,930
Actual	952,809,400	968,272,800	984,053,943	1,035,008,371
Public Utility				
Assessed	7,357,810	7,755,360	7,417,100	7,340,430
Actual	21,022,314	22,158,171	21,191,714	20,972,657
Tangible Personal Property				
Assessed	82,471,680	85,311,390	78,654,750	67,163,130
Actual	329,886,720	341,245,560	314,619,000	268,652,520
Total				
Assessed	423,312,780	431,962,230	430,490,730	436,756,490
Actual	1,303,718,434	1,331,676,531	1,319,864,657	1,324,633,548
Assessed Value as a Percentage of Actual Value				
	32.47%	32.44%	32.62%	32.97%
Total Direct Tax Rate				
	40.50	40.42	40.42	45.31

Source: Miami County Auditor

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

Assessed value of Real Property is at 35%, Assessed value of Public Utility is at 35% and Assessed Value of Tangible Personal Property is at 25% through 2005, at 18.75% for 2006, 12.5% for 2007, and 6.25% for 2008 and 0% for 2009 and 2010. Additionally, telephone and telecommunications property was reclassified to general business personal property and assessed at 10% for 2009 and 5% for 2010.

Piqua City School District

2005	2006	2007	2008	2009	2010
\$367,838,530	\$374,683,270	\$406,911,920	\$407,511,780	\$413,598,800	\$400,859,150
1,050,967,229	1,070,523,629	1,162,605,486	1,164,319,371	1,181,710,857	1,145,311,857
6,919,730	6,323,530	4,459,970	4,819,310	4,709,220	4,912,550
19,770,657	18,067,229	12,742,771	13,769,457	13,454,914	14,035,857
65,430,770	53,859,240	36,592,810	17,687,650	641,520	305,640
261,723,080	287,249,280	292,742,480	283,002,400	6,415,200	6,112,800
440,189,030	434,866,040	447,964,700	430,018,740	418,949,540	406,077,340
1,332,460,966	1,375,840,138	1,468,090,737	1,461,091,228	1,201,580,971	1,165,460,514
33.04%	31.61%	30.51%	29.43%	34.87%	34.84%
45.05	45.25	44.50	44.82	44.87	44.95

Piqua City School District

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Direct District Rates					
General Fund	35.00	35.00	35.00	39.89	39.85
Bond Retirement Fund	2.50	2.42	2.42	2.42	2.40
Permanent Improvement Fund	3.00	3.00	3.00	3.00	2.80
Total	<u>40.50</u>	<u>40.42</u>	<u>40.42</u>	<u>45.31</u>	<u>45.05</u>
Overlapping Rates					
City of Piqua	4.45	4.43	4.43	4.43	4.40
Joint Vocational School	4.90	4.90	4.90	5.46	5.45
Miami County	8.43	9.13	9.13	9.13	9.11
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

2006	2007	2008	2009	2010
39.80	39.40	39.72	39.72	39.80
2.65	2.30	2.30	2.35	2.35
2.80	2.80	2.80	2.80	2.80
45.25	44.50	44.82	44.87	44.95
4.40	4.40	4.42	4.42	4.42
5.45	5.35	5.18	5.36	5.32
8.81	8.80	8.81	8.81	8.81
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 2010		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Bell Telephone	Telephone Utility	\$218,460	1	71.49%
New Par	Telephone Utility	32,830	2	10.74%
Cricket Communications Inc	Telephone Utility	13,320	3	4.36%
Sprintcom Inc	Telephone Utility	11,410	4	3.73%
TWC Digital Phone LLC	Telephone Utility	8,880	5	2.91%
T Mobile Central LLC	Telephone Utility	6,670	6	2.18%
Ameritech Advanced Data Services	Telephone Utility	5,060	7	1.66%
Sprint Nextel Corp	Telephone Utility	3,140	8	1.03%
Cincinnati SMSA Ltd Partnership	Telephone Utility	2,260	9	0.74%
Cincinnati Bell Wireless LLC	Telephone Utility	2,030	10	0.66%
Subtotal		304,060		99.50%
All Others		1,580		0.50%
Total		<u>\$305,640</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2001		
		Assessed Value	Rank	Percent of Total Assessed Value
Evenflo Juvenile	Manufacturer - Juvenile Furniture	\$7,427,380	1	9.01%
Hartzell Propeller	Manufacturer - Aircraft Propellers	6,148,500	2	7.46%
Jackson Tube	Manufacturer - Steel Tubing	6,011,980	3	7.29%
Miami Acquisition Corporation	Manufacturer - Steel Tubing	5,637,210	4	6.84%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	2,656,250	5	3.22%
Miami Valley Steel	Manufacturer - Steel Processing	2,578,770	6	3.13%
Hartzell Hardwoods	Manufacturer - Hard Lumber	1,950,050	7	2.36%
Paul Sherry Chevrolet	Automobile Retailer	1,884,390	8	2.28%
Industry Products Company	Tool and Die	1,732,820	9	2.10%
Hartzell Fans	Manufacturer - Industrial Fans	1,700,030	10	2.06%
Subtotal		37,727,380		45.75%
All Others		44,744,300		54.25%
Total		<u>\$82,471,680</u>		<u>100.00%</u>

Source: Miami County Auditor - Land and Buildings
Based on valuation of property in 2010 and 2001

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 and Public Utilities Tax Current Year and Nine Years Ago

Name of Taxpayer	Nature of Business	Calendar Year 2010		
		Assessed Value	Rank	Percent of Total Assessed Value
Harvey A Tolson Enterprises	Real Estate	\$3,724,630	1	0.93%
Midamco	Hospitality	3,624,310	2	0.89%
Wal-Mart	Retail	3,180,870	3	0.78%
Miami Valley Realty	Real Estate	2,324,010	4	0.57%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,161,150	5	0.53%
Home Depot Inc.	Retail	2,084,010	6	0.51%
Jackson Tube	Manufacturer - Steel Tubing	1,960,010	7	0.48%
Dayton Power and Light Co.	Electricity	1,911,350	8	0.47%
Pioneer Rural Electric	Electricity	1,582,620	9	0.39%
HCF Realty of Garbry Ridge Inc	Real Estate	1,435,710	10	0.35%
Subtotal		<u>23,988,670</u>		<u>5.90%</u>
All Others		<u>381,783,030</u>		<u>94.10%</u>
Total		<u><u>\$405,771,700</u></u>		<u><u>100.00%</u></u>

Name of Taxpayer	Nature of Business	Calendar Year 2001		
		Assessed Value	Rank	Percent of Total Assessed Value
Midamco	Hospitality	\$10,345,670	1	3.04%
Ohio Bell Telephone	Utility	2,630,010	2	0.77%
Jackson Tube	Manufacturer - Steel Tubing	2,624,410	3	0.77%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,229,270	4	0.65%
Med-Terra Inc.	Real Estate	2,207,480	5	0.65%
HCF Reality of Garbry	Senior Housing	2,123,500	6	0.62%
Fifth Third Bank	Banking	1,777,390	7	0.52%
Dayton Power and Light Co.	Electricity	1,626,580	8	0.48%
NK New Plan Exchange	Shopping Mall	1,607,140	9	0.47%
Bubzay Ventures		<u>1,539,930</u>	10	<u>0.45%</u>
Subtotal		28,711,380		8.42%
All Others		<u>312,129,720</u>		<u>91.58%</u>
Total		<u><u>\$340,841,100</u></u>		<u><u>100.00%</u></u>

Source: Miami County Auditor - Land and Buildings
Based on valuation of property in 2010 and 2001

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*

Collection Year	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Total Tax Levy	\$11,758,537	\$12,134,631	\$12,017,350	\$14,122,098
Collections within the Fiscal Year of the Levy				
Current Tax Collections	11,128,261	11,692,681	11,686,585	13,777,100
Percent of Levy Collected	94.64%	96.36%	97.25%	97.56%
Delinquent Tax Collections (1)	<u>214,775</u>	<u>287,621</u>	<u>248,690</u>	<u>525,669</u>
Total Tax Collections	11,343,036	11,980,302	11,935,275	14,302,769
Percent of Total Tax Collections To Tax Levy	96.47%	98.73%	99.32%	101.28%
Accumulated Outstanding Delinquent Taxes	818,370	965,901	1,107,525	1,093,320
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	6.96%	7.96%	9.22%	7.74%

(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

2005	2006	2007	2008	2009	2010
\$14,192,530	\$14,177,788	\$13,678,615	\$13,196,070	\$12,524,772	\$12,544,610
13,882,416	13,844,988	13,147,245	12,774,025	12,097,727	12,145,139
97.81%	97.65%	96.12%	96.80%	96.59%	96.82%
<u>607,446</u>	<u>581,075</u>	<u>402,960</u>	<u>464,920</u>	<u>458,414</u>	<u>482,501</u>
14,489,862	14,426,063	13,550,205	13,238,945	12,556,141	12,627,640
102.09%	101.75%	99.06%	100.32%	100.25%	100.66%
1,184,242	1,253,166	2,357,109	2,384,309	1,214,881	1,231,409
8.34%	8.84%	17.23%	18.07%	9.70%	9.82%

Piqua City School District

Ratio of Outstanding Debt By Type Last Ten Years

	2002	2003	2004	2005
Governmental Activities (1)				
Installment Notes Payable	\$1,050,000	\$700,000	\$350,000	\$0
Certificates of Participation	0	0	0	0
General Obligation Bonds Payable	11,125,432	10,635,432	10,135,432	9,735,546
Capital Leases	111,772	58,506	20,605	491,568
Total Primary Government	<u>\$12,287,204</u>	<u>\$11,393,938</u>	<u>\$10,506,037</u>	<u>\$10,227,114</u>
Population (2)				
Piqua City	20,738	20,738	20,738	20,738
Outstanding Debt Per Capita	\$592	\$549	\$507	\$493
Income (3)				
Personal (in thousands)	\$575,728	\$587,383	\$612,061	\$630,663
Percentage of Personal Income	2.13%	1.94%	1.72%	1.62%

* 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

*					
2006	2007	2008	2009	2010	2011
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	3,770,000
10,221,398	9,719,528	9,290,773	8,805,425	8,262,560	7,672,565
390,167	280,711	163,075	38,801	0	0
<u>\$10,611,565</u>	<u>\$10,000,239</u>	<u>\$9,453,848</u>	<u>\$8,844,226</u>	<u>\$8,262,560</u>	<u>\$11,442,565</u>
20,738	20,738	20,738	20,582	20,551	20,522
\$512	\$482	\$456	\$430	\$402	\$558
\$635,516	\$665,628	\$747,003	\$713,743	\$717,661	\$716,649
1.67%	1.50%	1.27%	1.24%	1.15%	1.60%

Piqua City School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2002	2003	2004	2005
Population ⁽¹⁾	20,738	20,738	20,738	20,738
Estimated Actual Value	1,303,718,434	1,331,676,531	1,319,864,657	1,324,633,548
General Bonded Debt ⁽²⁾				
General Obligation Bonds	11,125,432	10,635,432	10,135,432	9,735,546
Resources Available to Pay Principal ⁽³⁾	229,055	262,134	318,529	578,706
Net General Bonded Debt	10,896,377	10,373,298	9,816,903	9,156,840
Ratio of Net Bonded Debt to Estimated Actual Value	0.84%	0.78%	0.74%	0.69%
Net Bonded Debt per Capita	525.43	500.21	473.38	441.55

* 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

*					
2006	2007	2008	2009	2010	2011
20,738	20,738	20,738	20,582	20,551	20,522
1,332,460,966	1,375,840,138	1,468,090,737	1,461,091,228	1,201,580,971	1,165,460,514
10,221,398	9,719,528	9,290,773	8,805,425	8,262,560	7,672,565
565,738	718,046	779,667	827,565	844,123	924,162
9,655,660	9,001,482	8,511,106	7,977,860	7,418,437	6,748,403
0.72%	0.65%	0.58%	0.55%	0.62%	0.58%
465.60	434.06	410.41	387.61	360.98	328.84



Piqua City School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2011*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Piqua City School District	Amount Applicable to Piqua City School District
Direct:			
Piqua City School District	\$7,672,565	100.00%	\$7,672,565
Overlapping:			
Miami County	8,620,000	20.61%	1,776,582
City of Piqua	325,000	100.00%	325,000
		Subtotal	<u>2,101,582</u>
		Total	<u><u>\$9,774,147</u></u>

Source: Ohio Municipal Advisory Council, June 2011

Piqua City School District

Debt Limitations Last Ten Years

	2002	2003	2004	2005
Net Assessed Valuation	\$423,312,780	\$431,962,230	\$430,490,730	\$436,756,490
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	38,098,150	38,876,601	38,744,166	39,308,084
Applicable District Debt Outstanding	11,125,432	10,635,432	10,135,432	9,735,546
Less: Applicable Debt Service Fund Amounts (2)	(229,055)	(262,134)	(318,529)	(578,706)
Net Indebtedness Subject to Limitation	<u>10,896,377</u>	<u>10,373,298</u>	<u>9,816,903</u>	<u>9,156,840</u>
Overall Legal Debt Margin	<u>\$27,201,773</u>	<u>\$28,503,303</u>	<u>\$28,927,263</u>	<u>\$30,151,244</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	423,313	431,962	430,491	436,756
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$423,313</u>	<u>\$431,962</u>	<u>\$430,491</u>	<u>\$436,756</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,809,815	3,887,660	3,874,417	3,930,808
Applicable District Debt Outstanding	<u>(1,050,000)</u>	<u>(700,000)</u>	<u>(350,000)</u>	<u>0</u>
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$2,759,815</u>	<u>\$3,187,660</u>	<u>\$3,524,417</u>	<u>\$3,930,808</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

*					
2006	2007	2008	2009	2010	2011
\$440,189,030	\$434,866,040	\$447,964,700	\$430,018,740	\$418,949,540	\$406,077,340
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
39,617,013	39,137,944	40,316,823	38,701,687	37,705,459	36,546,961
10,221,398	9,719,528	9,290,773	8,805,425	8,262,560	7,672,565
(565,738)	(718,046)	(779,667)	(827,565)	(844,123)	(924,162)
<u>9,655,660</u>	<u>9,001,482</u>	<u>8,511,106</u>	<u>7,977,860</u>	<u>7,418,437</u>	<u>6,748,403</u>
<u>\$29,961,353</u>	<u>\$30,136,462</u>	<u>\$31,805,717</u>	<u>\$30,723,827</u>	<u>\$30,287,022</u>	<u>\$29,798,558</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
440,189	434,866	447,965	430,019	418,950	406,077
0	0	0	0	0	0
<u>\$440,189</u>	<u>\$434,866</u>	<u>\$447,965</u>	<u>\$430,019</u>	<u>\$418,950</u>	<u>\$406,077</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,961,701	3,913,794	4,031,682	3,870,169	3,770,546	3,654,696
0	0	0	0	0	0
<u>\$3,961,701</u>	<u>\$3,913,794</u>	<u>\$4,031,682</u>	<u>\$3,870,169</u>	<u>\$3,770,546</u>	<u>\$3,654,696</u>

Piqua City School District

Demographic and Economic Statistics Last Ten Years

Calendar Year	2001	2002	2003	2004	2005
Population (1)					
Piqua City	20,738	20,738	20,738	20,738	20,738
Miami County	98,868	98,868	98,868	100,797	100,797
Income (2) (a)					
Total Personal (in thousands)	575,728	587,383	612,061	630,663	635,516
Per Capita	27,762	28,324	29,514	30,411	30,645
Unemployment Rate (3)					
Federal	4.8%	5.8%	6.0%	5.5%	5.0%
State	4.3%	5.7%	6.1%	6.0%	5.9%
Miami County	4.6%	4.3%	5.3%	5.5%	5.7%
Fiscal Year	2002	2003	2004	2005	2006
School Enrollment (4)					
Grades K - 3	1,125	1,126	1,203	1,197	1,148
Grades 4 - 6	916	879	804	829	825
Grades 7 - 8	598	614	660	644	586
Grades 9 - 12	1,207	1,241	1,265	1,252	1,233
Total	<u>3,846</u>	<u>3,860</u>	<u>3,932</u>	<u>3,922</u>	<u>3,792</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 (2010 not available),
Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office

Piqua City School District

2006	2007	2008	2009	2010
20,738	20,738	20,582	20,551	20,522
100,797	101,914	101,085	101,256	102,506
665,628	747,003	713,743	717,661	716,649
32,097	36,021	34,678	34,921	34,921
4.6%	4.8%	5.8%	9.3%	9.6%
5.5%	5.7%	6.6%	10.2%	10.1%
5.5%	5.0%	6.4%	11.7%	10.5%
2007	2008	2009	2010	2011
1,093	1,096	1,140	1,154	1,166
868	850	851	831	793
557	572	600	568	579
1,248	1,219	1,189	1,139	1,100
<u>3,766</u>	<u>3,737</u>	<u>3,780</u>	<u>3,692</u>	<u>3,638</u>

Piqua City School District

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2011		
		Number of Employees	Rank	Percentage of Total Employment
Industry Products	Die Cutting, Silk Screening	351	1	3.61%
Evenflo Company	Manufacturer - Juvenile Furniture	285	2	2.93%
Hartzell Propeller	Manufacturer - Aircraft Propellers	268	3	2.75%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	240	4	2.47%
Jackson Tube Service	Manufacturer - Steel Tubing	160	5	1.64%
Miami Valley Steel	Manufacturer - Steel Products	130	6	1.34%
Nitto Denko Automotive Ohio	Gaskets and Insulating Products	122	7	1.25%
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	102	8	1.05%
Hobart Brothers	Manufacturer - Welding Wire	94	9	0.97%
Harmony Systems	Plastic Injection Molder	88	10	0.90%
Total		<u>1,840</u>		
Total Employment within the District (1)		<u>9,734</u>		

Employer	Nature of Business	2002		
		Number of Employees	Rank	Percentage of Total Employment
Evenflo Company	Manufacturer - Juvenile Furniture	655	1	6.43%
Jackson Tube	Manufacturer - Steel Tubing	350	2	3.44%
LTV Copperweld	Manufacturer - Steel Tubing	315	3	3.09%
Hartzell Propeller	Manufacturer - Aircraft Propellers	313	4	3.07%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	300	5	2.95%
Industry Products	Die Cutting, Silk Screening	285	6	2.80%
Piqua Technologies	Manufacturer - Auto Industry Seals	185	7	1.82%
Miami Valley Steel	Manufacturer - Steel Products	145	8	1.42%
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	143	9	1.40%
Hammer Graphics, Inc.	Printing, Mailing, Computer Services	132	10	1.30%
Total		<u>2,823</u>		
Total Employment within the District (2)		<u>10,186</u>		

Sources: District Treasurer's Office

(1) US Census Bureau, estimate

(2) 2000 Census

Piqua City School District

School District Employees by Type Last Six Years

	2006	2007	2008	2009	2010	2011
Supervisory						
Instructional Administrators	4.00	4.00	4.00	4.00	4.00	4.00
Noninstructional Administrators	6.00	6.00	4.00	4.00	4.00	4.00
Consultants/Supervisors of Instruction	1.00	2.00	2.00	3.00	3.00	3.00
Principals	9.00	9.00	9.00	9.00	9.00	9.00
Assistant Principals	3.00	3.00	3.00	3.00	3.00	3.00
Instruction						
Classroom Teachers:						
Kindergarten Center	10.00	10.00	9.00	10.00	11.00	11.00
Primary: Grades 1-3	47.00	47.00	45.00	46.00	45.00	46.00
Intermediate: Grades 4-6	47.00	45.00	43.00	43.00	42.00	43.00
Junior High School	41.00	27.00	27.00	27.00	27.00	27.00
High School	52.00	45.00	43.00	44.00	44.00	44.00
Student Services						
Guidance Counselors	8.00	8.00	8.00	8.00	7.00	7.00
Psychologists	2.00	2.00	2.00	2.00	2.00	2.00
Librarians	2.00	1.00	1.00	1.00	0.00	0.00
Speech and Hearing Specialists	N/A	3.00	3.00	3.00	2.00	2.00
Nurses	N/A	2.00	2.00	1.00	1.00	1.00
Physical Education	N/A	7.00	7.00	7.00	7.00	6.00
Fine Arts	N/A	15.00	15.00	15.00	15.00	15.00
Other Professionals (noninstructional)	2.00	0.00	0.00	0.00	0.00	0.00
Support Services						
Clerical/Secretaries	26.00	24.00	23.00	23.00	22.00	22.00
EMIS Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Food Service	45.00	43.00	40.00	37.00	34.00	31.00
Library Aides	8.00	10.00	9.00	10.00	10.00	10.00
Maintenance/Grounds	28.00	28.00	24.00	25.00	21.00	21.00
Parents as Teachers	4.00	3.00	3.00	3.00	3.00	3.00
Transportation	22.00	22.00	22.00	22.00	21.00	21.00
Tutors/Aides	33.00	31.00	16.00	18.00	19.00	18.00
Technology	0.00	2.00	2.00	2.00	4.00	3.00
Warehouse	1.00	1.00	0.00	0.00	0.00	0.00
<i>Total Employees</i>	<u>402.00</u>	<u>401.00</u>	<u>367.00</u>	<u>371.00</u>	<u>361.00</u>	<u>357.00</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	2002	2003	2004	2005	2006
Enrollment	3,846	3,860	3,932	3,922	3,792
Modified Accrual Basis					
Operating Expenditures	28,637,959	28,107,237	28,429,649	31,599,735	32,520,850
Cost per Pupil	7,446	7,282	7,230	8,057	8,576
Percentage of Change	6.6%	(2.2%)	(0.7%)	11.4%	6.4%
Accrual Basis					
Expenses	\$26,042,722	27,713,801	27,973,012	29,717,504	30,943,290
Cost per Pupil	6,771	7,180	7,114	7,577	8,160
Percentage of Change	(1.2%)	6.0%	(0.9%)	6.5%	7.7%
Teaching Staff	217	213	212	207	207

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

Piqua City School District

2007	2008	2009	2010	2011
3,766	3,737	3,780	3,692	3,638
32,648,059	31,479,980	31,507,490	33,344,922	35,599,669
8,669	8,424	8,335	9,032	9,786
1.1%	(2.83%)	(1.05%)	8.4%	8.3%
32,089,607	31,706,813	31,520,979	33,389,152	34,499,795
8,521	8,485	8,339	9,044	9,483
4.4%	(0.43%)	(1.72%)	8.5%	4.9%
217	204	206	201	202

Piqua City School District

Operating Indicators by Function Last Ten Years

	2002	2003	2004	2005
Governmental Activities				
Support Services				
Pupils				
Enrollment	3,846	3,860	3,932	3,922
Graduates	243	226	271	262
Percent of Students with Disabilities	15.30%	14.80%	15.50%	15.80%
Percent of Students with English as Second Language	N/A	0.3%	0.3%	0.6%
Administration				
School Attendance Rate	96.5%	96.1%	96.0%	96.0%
Operation and Maintenance of Plant				
District Square Footage Maintained	607,115	607,115	607,115	607,115
Pupil Transportation				
Average Daily Students Transported	2,520	2,829	2,814	2,542
Average Miles Driven per Day	2,007	1,782	1,931	2,140
Average Miles per Bus	17,351	15,274	16,552	18,342
Number of Buses	21	21	21	21
Business-Type Activities				
Food Service				
Student Meals Served Daily	2,356	2,407	2,434	2,521
Free/Reduced Price Meals Daily	1,068	1,139	1,191	1,291
Percentage of Free/Reduced Price Meals Daily	45.33%	47.32%	48.93%	51.21%
Student Breakfasts Served Daily	876	893	1,022	1,147
Free/Reduced Price Breakfasts Daily	599	642	734	837
Percentage of Free/Reduced Price Breakfasts Daily	68.38%	71.89%	71.82%	72.97%

Source: District Treasurer's Office

N/A - not available

Piqua City School District

2006	2007	2008	2009	2010	2011
3,792	3,766	3,737	3,780	3,692	3,638
280	244	255	273	285	244
15.50%	15.80%	15.60%	13.64%	14.59%	14.35%
0.6%	0.8%	0.7%	0.4%	0.4%	0.5%
96.0%	95.2%	95.0%	95.2%	95.0%	95.3%
607,115	608,145	608,145	608,145	608,145	608,145
2,691	2,625	2,474	2,437	2,141	1,939
2,129	2,147	2,053	1,911	1,891	1,664
17,419	16,013	15,311	16,727	16,762	14,262
22	24	24	22	21	21
2,498	2,498	2,510	2,599	2,598	2,586
1,294	1,296	1,340	1,447	1,562	1,607
51.80%	51.88%	53.39%	55.68%	60.12%	62.14%
1,094	1,148	1,143	1,181	1,187	1,170
802	848	864	920	966	967
73.31%	73.87%	75.59%	77.90%	81.38%	82.65%

Piqua City School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	2001	2002	2003	2004	2005
District Average Salary	44,501	45,303	47,871	49,730	49,642
County Average Salary	42,134	43,188	45,146	46,851	48,691
State Average Salary	42,892	44,266	45,515	47,495	49,342

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

*Operating Indicators - Teacher by Education
Last Ten Years*

Fiscal Year	2002	2003	2004	2005	2006
Bachelor's Degree	29	25	30	27	26
Bachelor + 15	2	2	3	6	1
Bachelor + 30	60	39	36	34	35
Master's Degree	45	68	63	64	73
Master's Degree + 10	81	68	70	65	61
Master's Degree + 30	0	11	10	11	11
Total	217	213	212	207	207

Source: District Treasurer's Office

Piqua City School District

2006	2007	2008	2009	2010
51,291	52,983	53,979	53,788	54,891
47,569	49,212	49,635	50,034	53,014
51,346	52,596	54,210	55,583	56,995

2007	2008	2009	2010	2011
24	17	14	13	13
4	10	10	5	1
33	25	22	18	15
84	84	91	97	102
57	53	49	46	48
15	15	20	22	23
217	204	206	201	202

Piqua City School District

Capital Asset Statistics by Building Last Ten Years

	2002	2003	2004	2005
Secondary				
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	1,100	1,100	1,120	1,077
Piqua Junior High School				
Square Footage	126,000	126,000	126,000	126,000
Capacity (students)	800	800	800	800
Enrollment	614	660	644	590
Intermediate				
Bennett Intermediate School				
Square Footage	48,739	48,739	48,739	48,739
Capacity (students)	800	800	800	800
Enrollment	260	232	252	248
Wilder Intermediate School				
Square Footage	47,651	47,651	47,651	47,651
Capacity (students)	800	800	800	800
Enrollment	300	292	283	275
Washington Intermediate School				
Square Footage	35,523	35,523	35,523	35,523
Capacity (students)	360	360	360	360
Enrollment	319	280	294	312
Primary				
Favorite Hill Primary School				
Square Footage	40,366	40,366	40,366	40,366
Capacity (students)	400	400	400	400
Enrollment	289	303	324	325
High Street Primary School				
Square Footage	20,816	20,816	20,816	20,816
Capacity (students)	360	360	360	360
Enrollment	273	269	288	275

Piqua City School District

2006	2007	2008	2009	2010	2011
185,375	185,375	185,375	185,375	185,375	185,375
12,000	12,000	12,000	12,000	12,000	12,000
1,050	1,248	1,219	1,189	1,139	1,100
126,000	126,000	126,000	126,000	126,000	126,000
800	800	800	800	800	800
557	557	572	600	568	579
48,739	48,739	48,739	48,739	48,739	48,739
800	800	800	800	800	800
249	249	242	245	293	292
47,651	47,651	47,651	47,651	47,651	47,651
800	800	800	800	800	800
293	293	299	297	299	281
35,523	35,523	35,523	35,523	35,523	35,523
360	360	360	360	360	360
326	326	305	309	282	267
40,366	40,366	40,366	40,366	40,366	40,366
400	400	400	400	400	400
306	306	282	296	300	296
20,816	20,816	20,816	20,816	20,816	20,816
360	360	360	360	360	360
259	259	253	302	271	272

(Continued)

Piqua City School District

*Capital Asset Statistics by Building
Last Ten Years*

	2002	2003	2004	2005
Springcreek Primary School				
Square Footage	25,326	25,326	25,326	25,326
Capacity (students)	360	360	360	360
Enrollment	245	264	260	271
Nicklin Avenue Learning Center				
Square Footage	21,519	21,519	21,519	21,519
Capacity (students)	375	375	375	375
Enrollment	319	367	325	298
All Other				
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

2006	2007	2008	2009	2010	2011
25,326	25,326	25,326	25,326	25,326	25,326
360	360	360	360	360	360
260	260	268	229	238	255
21,519	21,519	21,519	21,519	21,519	21,519
375	375	375	375	375	375
268	268	297	313	302	296
12,800	13,830	13,830	13,830	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

	2002	2003	2004	2005	2006
Cost per Student (ODE) (1)					
Piqua	7,186	7,211	7,092	7,855	8,348
Ohio (Average)	8,073	8,441	8,768	9,028	9,343
Attendance Rate					
Piqua	94.10%	94.40%	94.50%	94.70%	94.90%
Ohio (Average)	95.00%	94.90%	95.30%	95.20%	94.10%
Graduation Rate					
Piqua	84.50%	84.90%	88.20%	83.80%	83.80%
Ohio (Average)	82.80%	83.90%	84.30%	85.90%	86.20%

Source:

District's Student Records and Ohio Department of Education

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

Piqua City School District

2007	2008	2009	2010	2011
8,893	8,654	8,345	9,377	9,905
9,586	9,939	9,990	10,253	10,571
95.20%	95.00%	95.20%	95.00%	95.30%
94.10%	94.20%	94.30%	94.30%	94.50%
87.90%	92.40%	90.40%	93.10%	93.80%
86.10%	86.90%	84.60%	83.00%	84.30%





Dave Yost • 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 31, 2012