

PIQUA CITY SCHOOL DISTRICT

Miami County, Ohio



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**



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, 2013 through June 30, 2014. 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

April 16, 2015

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PIQUA CITY SCHOOL DISTRICT

Miami County, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

Prepared by:
Jeremie Hittle
Treasurer



PIQUA CITY SCHOOL DISTRICT

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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 22, 2014

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, 2014 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, results of operations and cash flows, where applicable, 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 the 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 3,604 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, 2014

The Piqua Education Foundation, a legally separate organization, is included in the District's reporting entity and reported as a discretely 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 abundant with opportunities based on meeting the needs, growing, and challenging the skills of Piqua students. Piqua's curriculum includes a wide range of electives in career and 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, learning, and student achievement.

INSTRUCTION MATERIALS -- Piqua City School District instructional materials are selected on a five-year replacement. Materials include print, manipulatives, media, and technology that provide learning activities and opportunities 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. Designated days at the beginning of the school year are used for professional development at the building and district levels. Staff members are also encouraged to participate in a variety of district supported professional development opportunities throughout the school year and summer. All professional development is evaluated by the staff and administration. It is reinforced with follow-up training, professional discussions, presentations at building meetings, and monitoring of implementation.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2014

INTERVENTION AND SPECIAL PROGRAMS -- The Piqua City Schools recognizes its responsibility to identify students who are not meeting grade level growth benchmarks. The Piqua City School District has developed Response to Intervention (RTI) teams at each grade level in order to provide appropriate intervention for students identified with learning gaps. Students in the Piqua City School District are assessed using the state provided OAA, the Northwest Evaluation Association tool (NWEA) along with staff developed student growth measures. The NWEA tool and student growth measures afford teachers accurate and comprehensive data to inform each child's optimal learning path. The RTI teams complete careful data analysis in order to create needed student intervention plans, lesson plans and progress monitoring assessments to guide the process. Students are moved through appropriate intervention as skills are learned. The RTI process contributes to a more meaningful identification of learning and behavioral disabilities, improve instruction quality, and provide all students with the best opportunity to succeed in school.

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES -- The Piqua City School District recognizes its responsibility to provide appropriate programming for its identified gifted and talented students. The program provides enrolled students extended opportunities for advanced thinking skills development and independent research. The gifted services continuum begins with 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 to; whole class instruction, small group instruction, independent studies, gifted tutorials, and advanced placement coursework at the elementary, intermediate, junior high and high school levels. Currently, Piqua High School offers AP courses in Art, Biology, Calculus, Chemistry, Physics, Economics, English, Literature and Composition, Government, Statistics, Macroeconomics, US History, World History, Music Theory, Spanish, German, and French.

OHIO NORTHERN UNIVERSITY CONCURRENT ENROLLMENT

Piqua High School Sophomores, Juniors, and Seniors with qualifying GPA and ACT scores can take advantage of earning Ohio Northern University credit through the concurrent enrollment program at Piqua High School. Students may take college courses within the high school. Ohio Northern tuition for concurrent enrollment courses is paid by the District based upon successful completion of each course. Currently, Piqua High School offers the following concurrent enrollment courses: Pre-Calculus, Human Biology, US History to 1865, US History Since 1865, International Relations, Government and Politics, Sociology, Studio Art/2D Design, Athletic Training, and Electronics.

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 student 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 needs in a variety of settings. Our District takes pride in the service level our special education students receive 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.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2014

ECONOMIC CONDITIONS AND OUTLOOK -- During calendar year 2013, 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 took effect during the current calendar year of 2011.

In 1990 a ½% School District Income Tax was approved by the voters of Piqua. 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 2014. 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 2015 may deviate significantly from the forecast.

The diligence of the 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 City School District profile released from the Ohio Department of Education and based upon the new state standards and new report card system for the 2013-2014 school year show marks in Performance Indicators of 14/24 (58.3%) which equates to a "D" overall for the district, Performance Index "C" (78.6%), Value-Added: Gifted "C", Students with Disabilities "C", Lowest 20% Achievement "C", Overall Value-Added "F", Graduation Rate four year "C", and Graduation Rate five year "B", Annual Measurable Objectives "D" 31.4%, 12.1% mobility rate, and "Moderate Success" in Wellness and Physical Education. Piqua High School statistics show an ACT mean score of 19 with a record number of 189 students taking the test.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2014

Collaborative leadership teams have targeted the five areas of the strategic plan including academic performance, staff, facilities, school/community relations and finance. District, building and teacher goals have specifically addressed student growth. OAA student achievement results, Student Learning Objectives, and Northwest Evaluation Association (NWEA) student growth measurement are utilized to ensure a typical year's growth and focus strategies on Value Added performance. Orton Gillingham reading strategies for all K-3 staff members continue to be a professional development focus.

To address the "facilities" components of the strategic plan, the board of education approved resolutions to place a bond issue on the November 8, 2011 ballot which the community passed. Since passage, District staff, along with the Ohio School Facilities Commission, Gilbane Building Company, and Fanning Howey Architecture Company designed and engaged in the construction of three new elementary buildings including: Springcreek Primary (PreK-3), Washington Primary (PreK-3), and Piqua Central Intermediate (4-6). The scheduled completion is January of 2015 for the two primary buildings and August of 2015 for the intermediate building.

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 continues to be used throughout the District as a major component of the strategic plan to increase student achievement. Staff development focus continues on utilizing student achievement data to raise expectations for all students. Our goal continues to have all students reading, writing, and applying math skills at their level. State report card targets Student Achievement, Gap Closing, Performance Index and Value Added. The recent District initiatives implemented to improve these areas include Career/College Readiness, College Board Springboard Language Arts, Response to Intervention (RTI), Orton Gillingham and a general focus on effective teaching strategies. Building level collaborative leadership teams will continue to gain autonomy and provide direction for resources in the instructional and professional areas.

STEM (Science Technology Engineering and Mathematics) continues to be a focus with attention directed at increasing critical thinking, creativity and collaboration. Recently added pre-engineering courses including Robotics, Engineering CAD I, CAD II and Electronics will continue to be developed with other like courses designed to enhance the Pre-Engineering department at Piqua High School. Expansion of a STEM course to the Piqua Junior High School is also being explored. Our partnership with Edison Community College and Upper Valley Career Center will continue to develop shared pathways for STEM and other opportunities on our shared campus.

Piqua City Schools continues a partnership with 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 all classroom instruction. RttT initiatives continued in the final year 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, 2014

Piqua City Schools Strategic Plan for 2014-2019

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 2016 all students will reach high standards of Mastery

Objectives:

To build the academic expectations and foundation for students to obtain the highest rating from the State of Ohio

Implementation of the Common Core State Standards

To continue utilizing data to drive instruction and monitor student levels of Mastery and individual growth

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 a typical year's growth or higher for all students

To have all students reading at or above grade level

Facilities

Goal: By 2015 complete three new elementary schools project

Objectives:

To work with the OSFC to ensure that construction is aligned with District and community needs

To develop plans for decommissioning buildings and the reuse or sale of abandoned sites or buildings

To complete and commission the three new buildings of the OSFC Classroom Facilities project by August, 2015

To develop a plan for relocating the board of education offices to a District owned site

Staff

Goal: By 2015 the District will develop and provide professional development in content, instructional practices, state standards, data and assessments

Objectives:

To maximize teacher interaction and student engagement by increasing skills in creativity, critical thinking, communication collaboration and STEM (Science/Technology/Engineering/Math) to advance career and college readiness

Apply Rigor/Relevance/Relationships Framework in District classrooms where roles shift from teacher-centered instruction to student-centered learning

To provide staff development for all staff to reinforce relevant goals promoting student academic growth

To provide OTES and OPES staff development support

To recognize and celebrate staff contributions and accomplishments

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2014

School/Community Relations

Goal: By 2015 staff, parent & community involvement will be increased in support of student learning

Objectives:

- To provide a wide range of opportunities for volunteerism
- To realign school/business/organization partnerships to the future new building configuration
- To increase information flow with community members
- To encourage staff to be active members of Piqua community
- To regularly apply Character Counts framework in all classrooms
- To increase preschool connections
- To communicate through a variety of formats the progress of all facility improvement processes

Finance

Goal: Through 2015 continue sound conservative fiscal forecasting and management to operate within our resources

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
- To renew the five year Permanent Improvement Levy expiring December 31, 2014

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PIQUA CITY SCHOOL DISTRICT

*Letter of Transmittal
For the Fiscal Year Ended June 30, 2014*

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 funds, except agency funds, 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, 2014

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, 2014. The auditor's unmodified 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 seventeen consecutive years (fiscal years ended 1997-2013). 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, 2014*

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



Jeremie Hittle, Treasurer

PIQUA CITY SCHOOL DISTRICT

Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June 30, 2014

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 2013 Board	Began Service as a Board Member	Present Term Expires
Andy Hite, President	January 2006	December 31, 2017
Mimi Crawford, Vice President	January 2006	December 31, 2013
Bob Luby	January 2006	December 31, 2017
Frank Patrizio	January 2012	December 31, 2015
Lori Webster	September 2002	December 31, 2015

December 2014 Board	Began Service as a Board Member	Present Term Expires
Andy Hite, President	January 2006	December 31, 2017
Lori Webster, Vice President	September 2002	December 31, 2015
Bob Luby	January 2006	December 31, 2017
Frank Patrizio	January 2012	December 31, 2015
Steve Greggerson	January 2014	December 31, 2018

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 current contract is through 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, Jeremie Hittle has held the position since September, 2013. His current contract is through July 31, 2016.

PIQUA CITY SCHOOL DISTRICT

Management Team Members and Treasurer's Office Staff For the Fiscal Year Ended June 30, 2014

Management Team Members

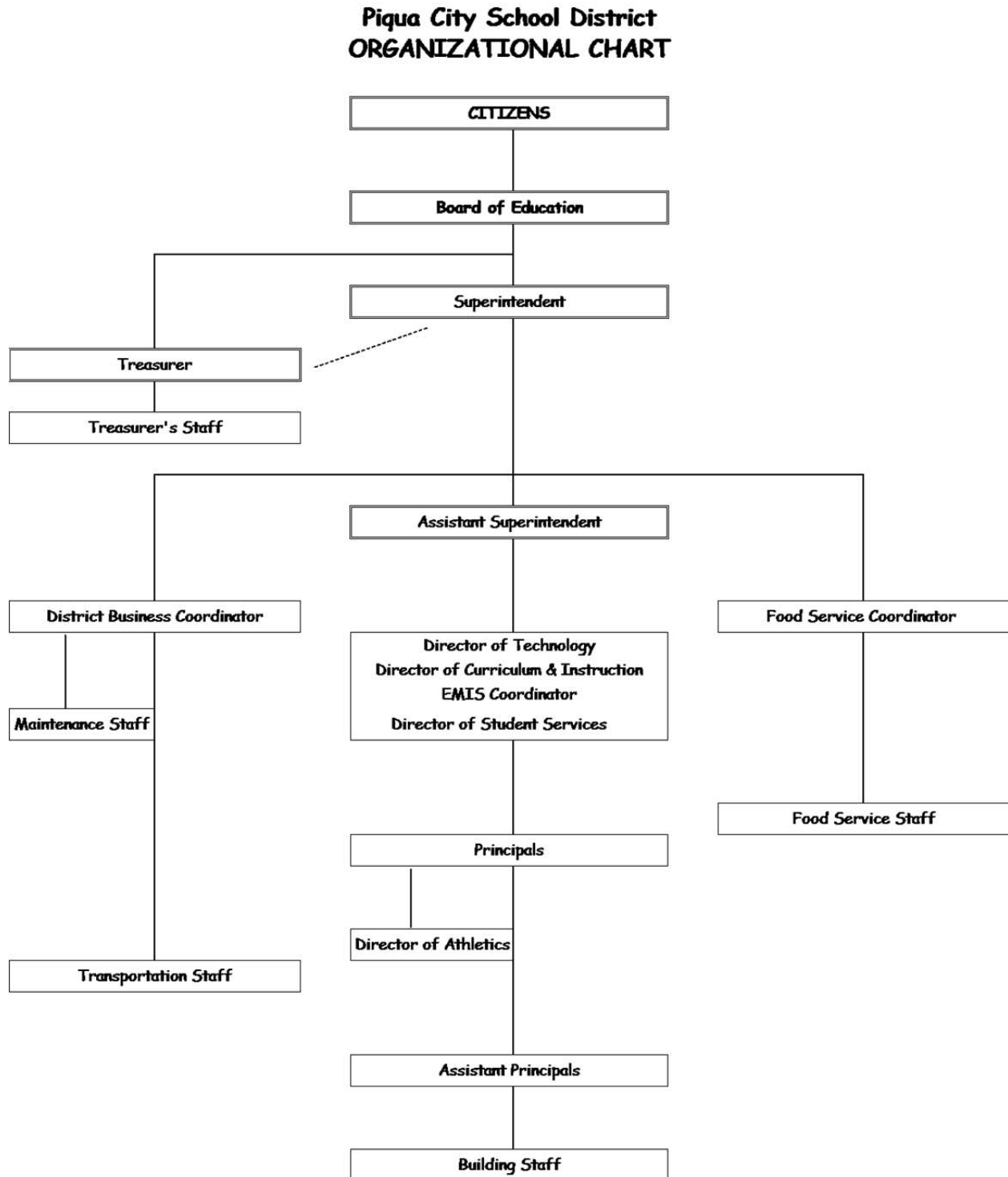
Richard A. Hanes	Superintendent of Schools
Jeremie Hittle	Treasurer
Brad Hall	Assistant Superintendent
Jean Hill	EMIS Coordinator
Roger Ely	District Business Coordinator
Chip Hare	Director of Athletics
Terri Meyer	Food Service Coordinator
Dave Shellhaas, Dwayne Thompson	Director of Curriculum and Instruction
Erich Heidenreich	Director of District Technology
Kimberly Piper	Director of Student Services
Thomas Roeser, Ph.D.	School Psychologist
Daryl Boyd	School Psychologist
Andrea Austin	School Psychologist
Tony Lyons	Principal, Piqua High School
Darrell Hite	Assistant Principal, Piqua High School
Chad Haemmerle	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
Jonathon Amlin	Principal, High Street Primary School
Loretta Henderson	Principal, Nicklin Learning Center
Teresa Anderson	Principal, Springcreek Primary School
Jonathon Amlin	Principal, Washington Intermediate School
Chris Barr	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, 2014



PIQUA CITY SCHOOL DISTRICT

***Job Description Listing
For the Fiscal Year Ended June 30, 2014***

Position:	Responsible To:
Superintendent	Board of Education
Treasurer	Board of Education
Assistant Superintendent	Superintendent
EMIS Coordinator	Superintendent
District Business Coordinator	Superintendent
Director of Technology	Superintendent
Director of Curriculum and Instruction	Superintendent and Assistant Superintendent
Director of Student Services	Superintendent and Assistant Superintendent
Food Service Coordinator	Superintendent
Principal (Sr. High, Jr. High, Elem.)	Superintendent
Assistant Senior High School Principal	Senior High School Principal
Assistant Junior High School Principal	Junior High School Principal
Director of Athletics	Superintendent and Senior/Junior High 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 Director
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*



Government Finance Officers Association

**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, 2013

Executive Director/CEO

PIQUA CITY SCHOOL DISTRICT



FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Financial Statements

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, Ohio (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Piqua City School District, Miami County, Ohio, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014 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* in considering the District's internal control over financial reporting and compliance.



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

December 22, 2014



PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014*

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, 2014. 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 fiscal year 2014 are as follows:

- ❑ In total, net position increased \$4,275,315. Net position of governmental activities increased \$4,305,288, which represents a 7% increase from fiscal year 2013. Net position of business-type activities decreased \$29,973, which represents a 2% decrease from fiscal year 2013.
- ❑ General revenues accounted for \$35,124,381, or 85% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$6,009,727 or 15% of total revenues of \$41,134,108.
- ❑ The District had \$35,161,301 in expenses related to governmental activities; only \$4,342,208 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes) of \$35,124,381 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$32,181,675 in revenues and \$29,922,677 in expenditures. The general fund's fund balance increased from a balance of \$8,686,312 to an ending balance of \$10,945,163.
- ❑ Net position of the enterprise fund decreased \$27,539.

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, 2014*

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 position includes all of the District's assets, liabilities, and deferred outflows/inflows of resources. 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 position and how it has changed. Net position is one way to measure the District's financial health.

- Over time, increases or decreases in the District's net position is 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 Position 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, 2014**

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 Position and Changes in Fiduciary Net Position. 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 position for fiscal year 2014 compared to fiscal year 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other Assets	\$61,649,413	\$85,495,046	\$1,422,111	\$1,442,879	\$63,071,524	\$86,937,925
Capital Assets, Net	57,986,610	31,874,071	255,560	268,486	58,242,170	32,142,557
Total Assets	<u>119,636,023</u>	<u>117,369,117</u>	<u>1,677,671</u>	<u>1,711,365</u>	<u>121,313,694</u>	<u>119,080,482</u>
Deferred Outflows of Resources	<u>212,207</u>	<u>254,647</u>	<u>0</u>	<u>0</u>	<u>212,207</u>	<u>254,647</u>
Long-term Liabilities	39,974,852	41,499,793	81,268	78,208	40,056,120	41,578,001
Current and other Liabilities	4,948,938	4,529,865	85,919	92,700	5,034,857	4,622,565
Total Liabilities	<u>44,923,790</u>	<u>46,029,658</u>	<u>167,187</u>	<u>170,908</u>	<u>45,090,977</u>	<u>46,200,566</u>
Deferred Inflows of Resources	<u>10,446,893</u>	<u>11,421,847</u>	<u>0</u>	<u>0</u>	<u>10,446,893</u>	<u>11,421,847</u>
Net Position						
Net Investment in Capital Assets	20,891,012	21,394,368	255,560	268,486	21,146,572	21,662,854
Restricted	32,226,228	29,628,647	0	0	32,226,228	29,628,647
Unrestricted	<u>11,360,307</u>	<u>9,149,244</u>	<u>1,254,924</u>	<u>1,271,971</u>	<u>12,615,231</u>	<u>10,421,215</u>
Total Net Position	<u>\$64,477,547</u>	<u>\$60,172,259</u>	<u>\$1,510,484</u>	<u>\$1,540,457</u>	<u>\$65,988,031</u>	<u>\$61,712,716</u>

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal year 2014 compared to fiscal year 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,244,936	\$965,931	\$405,110	\$474,457	\$1,650,046	\$1,440,388
Operating Grants	3,097,272	2,825,291	1,262,409	1,306,774	4,359,681	4,132,065
Total Program Revenues	<u>4,342,208</u>	<u>3,791,222</u>	<u>1,667,519</u>	<u>1,781,231</u>	<u>6,009,727</u>	<u>5,572,453</u>
General Revenues:						
Property Taxes	12,823,915	12,223,902	0	0	12,823,915	12,223,902
Income Taxes	5,457,157	5,390,586	0	0	5,457,157	5,390,586
Intergovernmental, Unrestricted	16,297,871	15,601,233	0	0	16,297,871	15,601,233
Other	545,438	628,157	0	0	545,438	628,157
Total General Revenues	<u>35,124,381</u>	<u>33,843,878</u>	<u>0</u>	<u>0</u>	<u>35,124,381</u>	<u>33,843,878</u>
Total Revenues	<u>39,466,589</u>	<u>37,635,100</u>	<u>1,667,519</u>	<u>1,781,231</u>	<u>41,134,108</u>	<u>39,416,331</u>
Program Expenses						
Instruction	21,934,785	22,155,945	0	0	21,934,785	22,155,945
Support Services:						
Pupils	972,157	870,161	0	0	972,157	870,161
Instructional Staff	1,715,488	2,164,903	0	0	1,715,488	2,164,903
Board of Education	40,625	30,160	0	0	40,625	30,160
Administration	2,480,794	2,318,480	0	0	2,480,794	2,318,480
Fiscal Services	660,369	682,210	0	0	660,369	682,210
Business	263	261	0	0	263	261
Operation and Maintenance of Plant	2,812,103	2,912,605	0	0	2,812,103	2,912,605
Pupil Transportation	1,679,345	1,677,670	0	0	1,679,345	1,677,670
Central	236,868	228,016	0	0	236,868	228,016
Operation of Non-Instructional Services	136,472	189,833	0	0	136,472	189,833
Extracurricular Activities	937,821	919,219	0	0	937,821	919,219
Interest and Fiscal Charges	1,554,211	1,839,145	0	0	1,554,211	1,839,145
Food Service	0	0	1,697,492	1,809,390	1,697,492	1,809,390
Total Expenses	<u>35,161,301</u>	<u>35,988,608</u>	<u>1,697,492</u>	<u>1,809,390</u>	<u>36,858,793</u>	<u>37,797,998</u>
Change in Net Position	4,305,288	1,646,492	(29,973)	(28,159)	4,275,315	1,618,333
Beginning Net Position	60,172,259	58,525,767	1,540,457	1,568,616	61,712,716	60,094,383
Ending Net Position	<u>\$64,477,547</u>	<u>\$60,172,259</u>	<u>\$1,510,484</u>	<u>\$1,540,457</u>	<u>\$65,988,031</u>	<u>\$61,712,716</u>

Governmental Activities

Net position of the District's governmental activities increased \$4,305,288. An increase in open enrollment fees resulted in an increase in charges for services. An increase in State school foundation monies contributed to an increase in unrestricted intergovernmental revenues. Overall, expenses remained stable, decreasing approximately 2%. Certain expenses previously classified as instructional staff were reclassified to instruction. In addition, technology support services are now being provided through the Miami County Educational Service Center. Both of these changes resulted in a decrease in instructional staff.

PIQUA CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014***

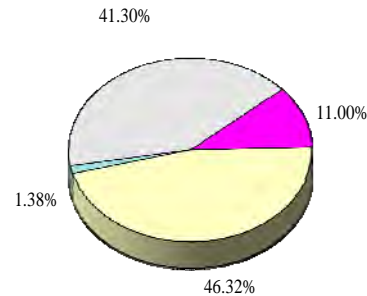
Unaudited

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 14% respectively of revenues for governmental activities for Piqua City Schools in fiscal year 2014. The District's reliance upon tax revenues is demonstrated by the following graph indicating 46% of total revenues from general tax revenues:

Revenue Sources	2014	Percent of Total
General Grants	\$16,297,871	41.30%
Program Revenues	4,342,208	11.00%
General Tax Revenues	18,281,072	46.32%
General Other	545,438	1.38%
Total Revenue	<u>\$39,466,589</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities decreased \$29,973 or approximately 2%. These programs had revenues of \$1,667,519 and expenses of \$1,697,492 for fiscal year 2014. Business-type activities receive no support from tax revenues and remain self-supporting.

PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014*

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$37,563,199, which is below last year's total of \$47,402,936. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2014 and 2013.

	Fund Balance June 30, 2014	Fund Balance June 30, 2013	Increase (Decrease)
General	\$10,945,163	\$8,686,312	\$2,258,851
Bond Retirement	2,320,114	2,297,573	22,541
OSFC Construction	20,775,264	33,198,313	(12,423,049)
Other Governmental	3,522,658	3,220,738	301,920
Total	\$37,563,199	\$47,402,936	(\$9,839,737)

Bond Retirement Fund – The Bond Retirement Fund balance increased approximately 1% from fiscal 2013 to fiscal 2014. Revenues and expenditures remained consistent with the previous fiscal year.

Ohio School Facilities Commission Construction Fund – The Ohio School Facilities Commission Construction (OSFC) Fund is reporting State grant monies and debt proceeds to be used for the construction of two new pre-kindergarten through third grade buildings and one fourth through sixth grade building.

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

	2014 Revenues	2013 Revenues	Increase (Decrease)
Taxes	\$14,821,474	\$14,403,190	\$418,284
Tuition	536,811	258,696	278,115
Transportation Fees	46,213	45,884	329
Investment Earnings	74,951	88,640	(13,689)
Extracurricular Activities	171,008	159,110	11,898
Class Materials and Fees	128,251	122,897	5,354
Intergovernmental - State	15,996,309	14,869,244	1,127,065
Intergovernmental - Federal	183,358	99,661	83,697
All Other Revenue	223,300	353,714	(130,414)
Total	\$32,181,675	\$30,401,036	\$1,780,639

PIQUA CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014***

Unaudited

General Fund revenues in fiscal year 2014 increased approximately 6% when compared with revenues in fiscal year 2013. An increase in open enrollment fees resulted in an increase in tuition. The increase in intergovernmental state revenues can be attributed to increases in State school foundation monies.

	2014 Expenditures	2013 Expenditures	Increase (Decrease)
Instruction	\$19,573,440	\$19,281,200	\$292,240
Supporting Services:			
Pupils	961,785	924,974	36,811
Instructional Staff	1,655,542	1,827,220	(171,678)
Board of Education	40,625	30,160	10,465
Administration	2,363,261	2,258,830	104,431
Fiscal Services	597,871	615,258	(17,387)
Business	263	261	2
Operation and Maintenance of Plant	2,770,650	2,618,058	152,592
Pupil Transportation	1,395,358	1,353,581	41,777
Central	179,345	207,601	(28,256)
Extracurricular Activities	384,537	380,216	4,321
Total	\$29,922,677	\$29,497,359	\$425,318

General Fund expenditures increased \$425,318 or approximately 1%. Certain expenditures previously classified as instructional staff were reclassified to instruction. In addition, technology support services are now being provided through the Miami County Educational Service Center. Both of these changes resulted in a decrease in instructional staff. An increase in operation and maintenance of plant can be attributed to structural repairs to the soccer stadium as well as repairs to HVAC equipment.

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 2014 the District amended its General Fund budget several times. Actual budget basis revenue of \$31.8 million was 6% higher than final budget estimates due to increases in foundation payments from the State. Final budget basis expenditures were 4% more than original budget estimates. 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, 2014*

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014 the District had \$58,242,170 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, equipment and vehicles. Of this total, \$57,986,610 was related to governmental activities and \$255,560 to the business-type activities. The following tables show fiscal year 2014 and 2013 balances:

	Governmental Activities		Increase (Decrease)
	*		
	2014	2013	
Land	\$371,613	\$371,613	\$0
Construction in Progress	33,919,791	7,094,366	26,825,425
Land Improvements	2,700,990	2,700,990	0
Buildings and Improvements	31,225,407	31,546,898	(321,491)
Machinery and Equipment	4,484,514	4,657,371	(172,857)
Vehicles	2,608,704	2,581,485	27,219
Less: Accumulated Depreciation	(17,324,409)	(17,078,652)	(245,757)
Totals	\$57,986,610	\$31,874,071	\$26,112,539

	Business-Type Activities		Increase (Decrease)
	2014	2013	
Machinery and Equipment	\$945,741	\$946,919	(\$1,178)
Less: Accumulated Depreciation	(690,181)	(678,433)	(11,748)
Totals	\$255,560	\$268,486	(\$12,926)

*Certain assets were reclassified based on the District's review of inventory records.

The construction of two new pre-kindergarten through third grade buildings and one fourth through sixth grade building resulted in the increase in construction in progress. Additional information on the District's capital assets can be found in Note 8.

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014**

Unaudited

Debt

At June 30, 2014, the District had \$34.0 million in bonds outstanding, \$937,633 due within one year. In addition, the District had \$3.8 million in certificates of participation outstanding. The following table summarizes the District's long term obligations as of June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Governmental Activities:		
General Obligation Bonds:		
School Improvement Refunding	\$5,957,992	\$6,696,374
School Facility Construction	28,085,461	28,758,363
Certificates of Participation	3,770,000	3,770,000
Compensated Absences	2,161,399	2,275,056
Total Governmental Activities	<u>39,974,852</u>	<u>41,499,793</u>
Business-Type Activities:		
Compensated Absences	81,268	78,208
Totals	<u><u>\$40,056,120</u></u>	<u><u>\$41,578,001</u></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, 2014, the 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 12.

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 affected by a stagnant 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 May 7, 2013. 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 May 6, 2014. 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.

We are in the second year of the state foundation dollars flowing through a new formula. This formula has helped produce more revenue to the District through state aid. However, this aid is only for a two year period of time and the formula is not fully funded. We will continue to monitor developments on school funding and hope for a long term solution to school funding in Ohio.

PIQUA CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014***

Unaudited

In conclusion, the Piqua City School District has committed itself to financial excellence for many years. We will continue to make management decisions that will keep the District out of deficit spending, while at the same time making sure every dollar possible goes to classroom instruction.

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 Jeremie Hittle, Treasurer of Piqua City School District.

PIQUA CITY SCHOOL DISTRICT

Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total	Component Unit Piqua Education Foundation
Assets:				
Pooled Cash and Investments	\$ 41,621,013	\$ 1,102,452	\$ 42,723,465	\$ 0
Cash and Cash Equivalents	0	0	0	43,337
Investments	0	0	0	3,596,752
Receivables:				
Taxes	14,920,962	0	14,920,962	0
Accounts	14,014	0	14,014	18,684
Intergovernmental	5,374,913	0	5,374,913	0
Internal Balance	(283,469)	283,469	0	0
Inventory of Supplies at Cost	1,218	36,190	37,408	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	218,138
Cash with Fiscal Agent	762	0	762	0
Non-Depreciable Capital Assets	34,291,404	0	34,291,404	0
Depreciable Capital Assets, Net	23,695,206	255,560	23,950,766	0
Total Assets	119,636,023	1,677,671	121,313,694	3,876,911
Deferred Outflows of Resources:				
Deferred Loss on Early Retirement of Debt	212,207	0	212,207	0
Liabilities:				
Accounts Payable	206,821	500	207,321	0
Accrued Wages and Benefits	2,641,169	63,222	2,704,391	1,803
Intergovernmental Payable	496,491	22,197	518,688	0
Contracts Payable	1,420,279	0	1,420,279	0
Scholarships Payable	0	0	0	253,000
Education Grants Payable	0	0	0	1,500
Matured Bonds and Interest Payable	762	0	762	0
Accrued Interest Payable	183,416	0	183,416	0
Long Term Liabilities:				
Due Within One Year	1,550,527	3,799	1,554,326	0
Due in More Than One Year	38,424,325	77,469	38,501,794	0
Total Liabilities	44,923,790	167,187	45,090,977	256,303
Deferred Inflows of Resources:				
Property Tax Levy for Next Fiscal Year	10,446,893	0	10,446,893	0
Net Position:				
Net Investment in Capital Assets	20,891,012	255,560	21,146,572	0
Restricted For:				
Capital Projects	28,663,014	0	28,663,014	0
Debt Service	2,224,714	0	2,224,714	0
Other Purposes	1,273,869	0	1,273,869	0
Permanent Fund:				
Expendable	18,712	0	18,712	0
Nonexpendable	45,919	0	45,919	0
Unrestricted	11,360,307	1,254,924	12,615,231	3,620,608
Total Net Position	\$ 64,477,547	\$ 1,510,484	\$ 65,988,031	\$ 3,620,608

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Activities For the Fiscal Year Ended June 30, 2014

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 21,934,785	\$ 836,070	\$ 2,673,191
Support Services:			
Pupils	972,157	71	4,934
Instructional Staff	1,715,488	0	45,922
Board of Education	40,625	0	0
Administration	2,480,794	0	74
Fiscal Services	660,369	0	0
Business	263	0	0
Operation and Maintenance of Plant	2,812,103	0	0
Pupil Transportation	1,679,345	46,213	0
Central	236,868	0	0
Operation of Non-Instructional Services	136,472	0	160,323
Extracurricular Activities	937,821	362,582	28,599
Interest and Fiscal Charges	1,554,211	0	184,229
Total Governmental Activities	35,161,301	1,244,936	3,097,272
Business-Type Activities:			
Food Service	1,697,492	405,110	1,262,409
Total Business-Type Activities	1,697,492	405,110	1,262,409
Total Primary Government	\$ 36,858,793	\$ 1,650,046	\$ 4,359,681
Component Unit:			
Piqua Education Foundation	\$ 267,626	\$ 0	\$ 0
Total Component Unit	\$ 267,626	\$ 0	\$ 0

General Revenues

Taxes:

- Property Taxes levied for: General Purposes
- Property Taxes levied for: Facilities Maintenance
- 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 Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Net (Expense) Revenue and Changes in Net Position			Component Unit
Governmental Activities	Business-Type Activities	Total	Piqua Education Foundation
\$ (18,425,524)	\$ 0	\$ (18,425,524)	
(967,152)	0	(967,152)	
(1,669,566)	0	(1,669,566)	
(40,625)	0	(40,625)	
(2,480,720)	0	(2,480,720)	
(660,369)	0	(660,369)	
(263)	0	(263)	
(2,812,103)	0	(2,812,103)	
(1,633,132)	0	(1,633,132)	
(236,868)	0	(236,868)	
23,851	0	23,851	
(546,640)	0	(546,640)	
<u>(1,369,982)</u>	<u>0</u>	<u>(1,369,982)</u>	
<u>(30,819,093)</u>	<u>0</u>	<u>(30,819,093)</u>	
<u>0</u>	<u>(29,973)</u>	<u>(29,973)</u>	
<u>0</u>	<u>(29,973)</u>	<u>(29,973)</u>	
<u>\$ (30,819,093)</u>	<u>\$ (29,973)</u>	<u>\$ (30,849,066)</u>	
			<u>\$ (267,626)</u>
			<u>(267,626)</u>
9,384,129	0	9,384,129	0
169,789	0	169,789	0
2,331,814	0	2,331,814	0
938,183	0	938,183	0
5,457,157	0	5,457,157	0
16,297,871	0	16,297,871	0
239,157	0	239,157	517,922
<u>306,281</u>	<u>0</u>	<u>306,281</u>	<u>240,374</u>
<u>35,124,381</u>	<u>0</u>	<u>35,124,381</u>	<u>758,296</u>
4,305,288	(29,973)	4,275,315	490,670
<u>60,172,259</u>	<u>1,540,457</u>	<u>61,712,716</u>	<u>3,129,938</u>
<u>\$ 64,477,547</u>	<u>\$ 1,510,484</u>	<u>\$ 65,988,031</u>	<u>\$ 3,620,608</u>

PIQUA CITY SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2014**

	General	Bond Retirement	OSFC Construction	Other Governmental Funds	Total Governmental Funds
Assets:					
Pooled Cash and Investments	\$ 10,313,066	\$ 1,922,656	\$ 22,195,543	\$ 3,916,482	\$ 38,347,747
Receivables:					
Taxes	11,406,134	2,384,601	0	1,130,227	14,920,962
Accounts	13,708	0	0	306	14,014
Intergovernmental	104,926	0	5,005,032	264,955	5,374,913
Interfund Loans Receivable	264,955	0	0	0	264,955
Inventory of Supplies at Cost	1,218	0	0	0	1,218
Restricted Assets:					
Cash with Fiscal Agent	0	762	0	0	762
Total Assets	\$ 22,104,007	\$ 4,308,019	\$ 27,200,575	\$ 5,311,970	\$ 58,924,571
Liabilities:					
Accounts Payable	\$ 96,882	\$ 0	\$ 0	\$ 109,939	\$ 206,821
Accrued Wages and Benefits	2,468,989	0	0	172,180	2,641,169
Intergovernmental Payable	472,498	0	0	23,993	496,491
Contracts Payable	0	0	1,420,279	0	1,420,279
Matured Bonds and Interest Payable	0	762	0	0	762
Interfund Loans Payable	0	0	0	264,955	264,955
Compensated Absences Payable	116,781	0	0	11,240	128,021
Total Liabilities	3,155,150	762	1,420,279	582,307	5,158,498
Deferred Inflows of Resources:					
Unavailable Amounts	356,286	88,016	5,005,032	306,647	5,755,981
Property Tax Levy for Next Fiscal Year	7,647,408	1,899,127	0	900,358	10,446,893
Total Deferred Inflows of Resources	8,003,694	1,987,143	5,005,032	1,207,005	16,202,874
Fund Balance:					
Nonspendable	1,218	0	0	45,919	47,137
Restricted	0	2,320,114	20,775,264	3,868,652	26,964,030
Assigned	969,061	0	0	94,398	1,063,459
Unassigned	9,974,884	0	0	(486,311)	9,488,573
Total Fund Balance	10,945,163	2,320,114	20,775,264	3,522,658	37,563,199
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 22,104,007	\$ 4,308,019	\$ 27,200,575	\$ 5,311,970	\$ 58,924,571

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities June 30, 2014

Total Governmental Fund Balances	\$ 37,563,199
<i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	57,986,610
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	5,755,981
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 position.	2,989,797
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	(33,537,805)
Certificates of Participation	(3,770,000)
Deferred Loss on Early Retirement of Debt	212,207
Interest Accretion on Capital Appreciation Bonds	(505,648)
Compensated Absences Payable	(2,033,378)
Accrued Interest Payable	(183,416)
	<u>(39,818,040)</u>
<i>Net Position of Governmental Activities</i>	<u>\$ 64,477,547</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, 2014

	General	Bond Retirement	OSFC Construction	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local Sources:					
Taxes	\$ 14,821,474	\$ 2,329,493	\$ 0	\$ 1,106,995	\$ 18,257,962
Tuition	536,811	0	0	0	536,811
Transportation Fees	46,213	0	0	0	46,213
Investment Earnings	74,951	1,710	146,649	3,884	227,194
Extracurricular Activities	171,008	0	0	362,582	533,590
Class Materials and Fees	128,251	0	0	0	128,251
Intermediate Sources	0	0	0	48,494	48,494
Intergovernmental - State	15,996,309	474,564	13,502,910	586,234	30,560,017
Intergovernmental - Federal	183,358	184,229	0	1,713,534	2,081,121
All Other Revenue	223,300	0	34,038	48,943	306,281
Total Revenues	32,181,675	2,989,996	13,683,597	3,870,666	52,725,934
Expenditures:					
Current:					
Instruction	19,573,440	0	0	2,451,258	22,024,698
Supporting Services:					
Pupils	961,785	0	0	15,205	976,990
Instructional Staff	1,655,542	0	0	53,428	1,708,970
Board of Education	40,625	0	0	0	40,625
Administration	2,363,261	0	0	20,668	2,383,929
Fiscal Services	597,871	43,300	0	20,573	661,744
Business	263	0	0	0	263
Operation and Maintenance of Plant	2,770,650	0	0	0	2,770,650
Pupil Transportation	1,395,358	0	0	176,094	1,571,452
Central	179,345	0	0	67,565	246,910
Operation of Non-Instructional Services	0	0	0	133,943	133,943
Extracurricular Activities	384,537	0	0	470,822	855,359
Capital Outlay	0	0	26,106,646	160,190	26,266,836
Debt Service:					
Principal Retirement	0	1,480,000	0	0	1,480,000
Interest and Fiscal Charges	0	1,444,155	0	0	1,444,155
Total Expenditures	29,922,677	2,967,455	26,106,646	3,569,746	62,566,524
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	2,258,998	22,541	(12,423,049)	300,920	(9,840,590)

PIQUA CITY SCHOOL DISTRICT

	General	Bond Retirement	OSFC Construction	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	0	1,000	1,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Net Change in Fund Balance	2,258,998	22,541	(12,423,049)	301,920	(9,839,590)
Fund Balance at Beginning of Year	8,686,312	2,297,573	33,198,313	3,220,738	47,402,936
Decrease in Inventory	(147)	0	0	0	(147)
Fund Balance End of Year	<u>\$ 10,945,163</u>	<u>\$ 2,320,114</u>	<u>\$ 20,775,264</u>	<u>\$ 3,522,658</u>	<u>\$ 37,563,199</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, 2014***

Net Change in Fund Balances - Total Governmental Funds \$ (9,839,590)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 26,173,783

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. (61,244)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (13,271,379)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. 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 position. 1,368,844

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,100

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. (15,911)

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. (50,315)

Change in Net Position of Governmental Activities \$ 4,305,288

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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 14,549,583	\$ 14,705,453	\$ 14,705,453	\$ 0
Tuition	261,500	481,169	536,986	55,817
Transportation Fees	45,000	37,152	37,280	128
Investment Earnings	12,000	12,132	13,113	981
Class Material and Fees	99,500	126,693	128,913	2,220
Intergovernmental - State	14,438,941	14,269,521	15,996,309	1,726,788
Intergovernmental - Federal	100,000	183,358	183,358	0
All Other Revenues	103,500	177,915	178,893	978
Total Revenues	29,610,024	29,993,393	31,780,305	1,786,912
Expenditures:				
Current:				
Instructional Services:				
Regular	13,590,359	12,905,669	12,905,669	0
Special	5,445,749	6,245,798	6,245,798	0
Other	375	739,627	739,627	0
Support Services:				
Pupils	1,309,405	959,065	959,065	0
Instructional Staff	1,374,728	1,688,835	1,688,835	0
Board of Education	31,523	41,175	41,175	0
Administration	2,371,359	2,449,255	2,449,255	0
Fiscal Services	374,417	627,028	627,028	0
Business	0	263	263	0
Operation and Maintenance of Plant	3,028,165	3,128,581	3,128,581	0
Pupil Transportation	1,427,769	1,473,902	1,473,902	0
Central	203,900	180,870	180,870	0
Extracurricular Activities	415,640	384,574	384,574	0
Total Expenditures	29,573,389	30,824,642	30,824,642	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,635	(831,249)	955,663	1,786,912

PIQUA CITY SCHOOL DISTRICT

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Advances In	0	184,992	184,992	0
Advances Out	0	(264,955)	(264,955)	0
Refund of Prior Year's Expenditures	65,000	223,762	223,762	0
Total Other Financing Sources (Uses):	<u>65,000</u>	<u>143,799</u>	<u>143,799</u>	<u>0</u>
 Net Change in Fund Balance	 101,635	 (687,450)	 1,099,462	 1,786,912
 Fund Balance at Beginning of Year	 7,287,233	 7,287,233	 7,287,233	 0
Prior Year Encumbrances	483,546	483,546	483,546	0
Fund Balance at End of Year	<u>\$ 7,872,414</u>	<u>\$ 7,083,329</u>	<u>\$ 8,870,241</u>	<u>\$ 1,786,912</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

**Statement of Net Position
Proprietary Funds
June 30, 2014**

	Business-Type Activities Enterprise Fund Food Service	Governmental Activities Internal Service Fund
Assets:		
<i>Current Assets:</i>		
Pooled Cash and Investments	\$ 1,102,452	\$ 3,273,266
Inventory of Supplies at Cost	36,190	0
<i>Total Current Assets</i>	1,138,642	3,273,266
 <i>Non Current Assets:</i>		
Capital Assets, Net	255,560	0
Total Assets	1,394,202	3,273,266
 Liabilities:		
<i>Current Liabilities:</i>		
Accounts Payable	500	0
Accrued Wages and Benefits	63,222	0
Intergovernmental Payable	22,197	0
Compensated Absences - Current	3,799	0
<i>Total Current Liabilities</i>	89,718	0
 <i>Long Term Liabilities:</i>		
Compensated Absences Payable	77,469	0
Total Liabilities	167,187	0
 Net Position:		
Investment in Capital Assets	255,560	0
Unrestricted	971,455	3,273,266
Total Net Position	\$ 1,227,015	\$ 3,273,266
 Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund.		
	283,469	
Net Position of Business-type Activities	\$ 1,510,484	

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

**Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014**

	Business-Type Activities	Governmental Activities
	Enterprise Fund Food Service	Internal Service Fund
Operating Revenues:		
Sales	\$ 404,013	\$ 0
Interfund Charges	0	360
Total Operating Revenues	404,013	360
Operating Expenses:		
Salaries and Wages	537,232	0
Fringe Benefits	256,620	65,143
Contractual Services	43,673	0
Supplies and Materials	818,222	0
Depreciation	30,066	0
Total Operating Expenses	1,685,813	65,143
Operating Loss	(1,281,800)	(64,783)
Nonoperating Revenue (Expenses):		
Operating Grants	1,262,409	0
Investment Earnings	1,097	12,034
Loss on Disposal of Capital Assets	(9,245)	0
Total Nonoperating Revenues (Expenses)	1,254,261	12,034
Change in Net Position	(27,539)	(52,749)
Net Position Beginning of Year	1,254,554	3,326,015
Net Position End of Year	\$ 1,227,015	\$ 3,273,266
Change in Net Position - Total Enterprise Funds	(27,539)	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund.	(2,434)	
Change in Net Position - Total Business-type Activities	\$ (29,973)	

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, 2014

	<u>Business-Type</u> <u>Activities</u>	<u>Governmental</u> <u>Activities</u>
	<u>Enterprise Fund</u>	<u>Internal</u>
	<u>Food Service</u>	<u>Service Fund</u>
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$404,013	\$0
Cash Received from Interfund Charges	0	360
Cash Payments for Goods and Services	(663,907)	0
Cash Payments to Employees for Services and Benefits	(797,173)	(65,143)
Net Cash Used by Operating Activities	(1,057,067)	(64,783)
<u>Cash Flows from Noncapital Financing Activities:</u>		
Operating Grants Received	1,060,830	0
Net Cash Provided by Noncapital Financing Activities	1,060,830	0
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition of Equipment	(26,385)	0
Net Cash Used by Capital and Related Financing Activities	(26,385)	0
<u>Cash Flows from Investing Activities:</u>		
Receipts of Interest	1,097	12,034
Net Cash Provided by Investing Activities	1,097	12,034
Net Decrease in Cash and Cash Equivalents	(21,525)	(52,749)
Cash and Cash Equivalents at Beginning of Year	1,123,977	3,326,015
Cash and Cash Equivalents at End of Year	\$1,102,452	\$3,273,266
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Used by Operating Activities:</u>		
Operating Loss	(\$1,281,800)	(\$64,783)
Adjustments to Reconcile Operating Loss to		
Net Cash Used by Operating Activities:		
Depreciation Expense	30,066	0
Donated Commodities Used During the Year	201,579	0
Changes in Assets and Liabilities:		
Increase in Inventory	(3,191)	0
Decrease in Accounts Payable	(400)	0
Decrease in Accrued Wages and Benefits	(1,213)	0
Decrease in Intergovernmental Payables	(5,168)	0
Increase in Compensated Absences	3,060	0
Total Adjustments	224,733	0
Net Cash Used by Operating Activities	(\$1,057,067)	(\$64,783)

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

**Statement of Net Position
Fiduciary Funds
June 30, 2014**

	Private Purpose	
	Trust	
	Special Trust	
	Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 301,211	\$ 65,338
Investments	53,594	0
Investments with Fiscal Agent	524,847	0
Total Assets	<u>879,652</u>	<u>65,338</u>
Liabilities:		
Accounts Payable	467	0
Due to Others	0	13,241
Due to Students	0	52,097
Total Liabilities	<u>467</u>	<u>65,338</u>
Net Position:		
Unrestricted	879,185	0
Total Net Position	<u>\$ 879,185</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2014

	Private Purpose Trust <u>Special Trust</u> Fund
Additions:	
Contributions:	
Sales	\$ 803
Private Donations	<u>11,309</u>
Total Contributions	<u>12,112</u>
Investment Earnings:	
Interest	7,912
Net Increase in the Fair Value of Investments	<u>79,899</u>
Total Investment Earnings	<u>87,811</u>
Total Additions	<u>99,923</u>
Deductions:	
Community Gifts, Awards and Scholarships	<u>23,795</u>
Total Deductions	<u>23,795</u>
Change in Net Position	76,128
Net Position at Beginning of Year	<u>803,057</u>
Net Position End of Year	<u><u>\$ 879,185</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, 2014

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 114 noncertified and approximately 204 certified teaching personnel and administrative employees providing education to 3,604 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 15 "Jointly Governed Organizations." Sometimes a government may appoint the voting majority of board members for another entity without establishing a bond of financial accountability with that entity that would justify its inclusion as a component unit. Generally accepted accounting principles refer to entities that meet this description as related organizations. The Piqua Public Library was determined to be a related organization, see Note 16.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (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, deferred outflows/inflows of resources, 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.

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

Ohio School Facilities Commission Construction Fund - This fund accounts for state grant monies and debt proceeds to be used for the construction of new school facilities.

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, 2014

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, liabilities, and deferred outflows/inflows of resources associated with the operation of the proprietary funds are included on the statement of net position. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

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 position and changes in net position. 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 funds, which account for student managed activities and athletic tournament monies, are custodial in nature (assets equal liabilities), and do not involve the measurement of results of operation.

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. 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, 2014

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, current liabilities, and deferred outflows/inflows of resources 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, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. 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, 2014

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, 2014, and which are not intended to finance fiscal year 2014 operations, have been recorded as deferred inflows of resources. 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.

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PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

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 budgetary basis of accounting. 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 and Major Special Revenue Funds are 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, 2014

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 2014.

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, 2014**

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 statement to the budgetary basis statement for the General Fund:

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$2,258,998
Increase (Decrease):	
Accrued Revenues	
at June 30, 2014,	
received during FY 2015	(4,201,733)
Accrued Revenues	
at June 30, 2013,	
received during FY 2014	3,997,461
Accrued Expenditures	
at June 30, 2014,	
paid during FY 2015	3,155,150
Accrued Expenditures	
at June 30, 2013,	
paid during FY 2014	(3,451,603)
Encumbrances Outstanding	(583,146)
Perspective Difference:	
Activity of Funds Reclassified	
for GAAP Reporting Purposes	(75,665)
Budget Basis	\$1,099,462

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 5, "Cash, Cash Equivalents and Investments."

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

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 5, "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 proprietary 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 Position, 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, 2014

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 Position and in the respective funds.

3. Depreciation

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

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Land Improvements	25
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:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Certificates of Participation	Debt Service Fund
Compensated Absences	General Fund, Food Service Fund

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

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 position, "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 Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on 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 position restricted for other purposes represents balances in special revenue funds which are restricted in use per grant agreements.

Of the District's \$32,226,228 in restricted net position, 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 position is available.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Pensions

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

N. Interfund Activity

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

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

O. Restricted Assets

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

P. 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, 2014

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. Assigned amounts represent intended uses established by policies of the School District Board of Education, including giving the Treasurer the authority to constrain monies for intended purposes. The School District Board of Education may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Through the District's purchasing policy the Board of Education has given the Treasurer the authority to constrain monies for intended purposes, which are also reported as assigned fund balance.

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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, *unavailable amounts*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

S. 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.

T. 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 2014.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at June 30, 2014 of \$24,101 in the School Conflict Management Grant Fund, \$213,253 in the IDEA-B Fund, \$227,476 in the Title I Fund, and \$21,481 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.

Compliance – The District had appropriations in excess of available resources at fiscal year-end in various funds contrary to Ohio Revised Code Section 5705.36.

NOTE 3 – 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	Bond Retirement	OSFC Construction	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Supplies Inventory	\$1,218	\$0	\$0	\$0	\$1,218
Endowments	0	0	0	45,919	45,919
Total Nonspendable	1,218	0	0	45,919	47,137
Restricted:					
Endowments	0	0	0	18,712	18,712
Classroom Facilities Maintenance	0	0	0	618,508	618,508
Auxiliary Services	0	0	0	36,881	36,881
Extracurricular Activities	0	0	0	300,430	300,430
Race to the Top Program	0	0	0	12,814	12,814
Technology Improvements	0	0	0	8,323	8,323
Targeted Academic Assistance	0	0	0	25,607	25,607
Debt Service Payments	0	2,320,114	0	0	2,320,114
Capital Acquisition and Improvement	0	0	20,775,264	2,847,377	23,622,641
Total Restricted	0	2,320,114	20,775,264	3,868,652	26,964,030
Assigned:					
Capital Replacement	0	0	0	94,398	94,398
Public School Support	441,559	0	0	0	441,559
Instruction	45,188	0	0	0	45,188
Support Services	482,314	0	0	0	482,314
Total Assigned:	969,061	0	0	94,398	1,063,459
Unassigned	9,974,884	0	0	(486,311)	9,488,573
Total Fund Balances	\$10,945,163	\$2,320,114	\$20,775,264	\$3,522,658	\$37,563,199

PIQUA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 4 – 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 position 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	\$27,075,282
Depreciation Expense	(901,499)
	<u>\$26,173,783</u>

Governmental revenues not reported in the funds:

Increase in Delinquent Tax Revenue	\$23,110
Decrease in Grants Receivable	(13,294,489)
	<u>(\$13,271,379)</u>

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

Bond Principal Payment	\$957,357
Deferred Loss on Early Retirement of Debt	(42,440)
Bond Premium Amortization	63,845
Reduction in Accreted Interest	522,643
Interest Accretion on Capital Appreciation Bonds	(132,561)
	<u>\$1,368,844</u>

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$15,764)
Decrease in Supplies Inventory	(147)
	<u>(\$15,911)</u>

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 5 - 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, 2014

NOTE 5 - 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 \$32,626,025 and the bank balance was \$32,986,116. Federal depository insurance covered \$7,284,422 of the bank balance and \$25,701,694 was collateralized by the financial institutions' public entity deposit pools in the manner described above.

B. Investments

The District's investments at June 30, 2014 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Common Stocks	\$192,662	N/A	\$192,662	\$0	\$0
Money Market Fund	14,348	AAAm/Aaa ^{1,2}	14,348	0	0
Corporate Bond Fund	87,308	AAA-BB ¹	87,308	0	0
Corporate Equities Fund	264,626	NA	264,626	0	0
REIT Fund	20,581	NA	20,581	0	0
Marketable CD's	4,801,524	AAA ³	1,907,231	2,334,505	559,788
Bankers Acceptances	244,983	A-1+/B+ ^{1,2}	244,983	0	0
FNMA	304,763	AA+/aa3 ^{1,2}	0	100,449	204,314
FAMCA	100,060	AA+/aa3 ^{1,2}	0	0	100,060
FFCB	104,829	AA+/aa3 ^{1,2}	0	104,829	0
FHLB	1,904,234	AA+/aa3 ^{1,2}	1,256,824	0	647,410
FHLMC	3,003,274	AA+/aa3 ^{1,2}	2,803,821	0	199,453
Total Investments	<u>\$11,043,192</u>		<u>\$6,792,384</u>	<u>\$2,539,783</u>	<u>\$1,711,025</u>

¹ Standard & Poor's

² Moody's Investor Service

³ All are fully FDIC insured and therefore have an implied AAA credit rating

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 5 - 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, 43% are in Marketable CD’s, 17% are FHLB, 27% are FHLMC, and 13% are in other investments.

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 \$43,337 and the bank balance was \$44,120. Federal depository insurance covered all of the bank balance. In addition, the Piqua Education Foundation had \$218,138 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, 2014 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Equities	\$2,577,701	N/A	\$2,577,701	\$0	\$0
REIT ETF	91,171	N/A	91,171	0	0
FNMA	100,973	AA+ ¹	50,305	0	50,668
FHLMC	50,905	AA+ ¹	0	50,905	0
Corporate Bonds	776,002	A-AA ¹	350,044	320,029	105,929
Total Investments	<u>\$3,596,752</u>		<u>\$3,069,221</u>	<u>\$370,934</u>	<u>\$156,597</u>

¹ Standard & Poor’s

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 6 - TAXES

A. Property Tax

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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 fiscal year 2014 were as follows:

	<u>2013 Second Half Collections</u>	<u>2014 First Half Collections</u>
Agricultural/Residential and Other Real Estate	\$397,123,530	\$371,221,370
Public Utility Personal	<u>5,745,070</u>	<u>5,843,490</u>
Total Assessed Value	<u><u>\$402,868,600</u></u>	<u><u>\$377,064,860</u></u>
Tax rate per \$1,000 of assessed valuation	\$49.88	\$50.45

PIQUA CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014***

NOTE 6 - TAXES (Continued)

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 7 – INTERFUND TRANSACTIONS

On the Statement of Net Position, the Business-Type Activities reported an internal balance at June 30, 2014 of \$283,469 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, 2014:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$264,955	\$0
Other Governmental Funds	0	264,955
Totals	<u>\$264,955</u>	<u>\$264,955</u>

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

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PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

NOTE 8 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2014:

<i>Historical Cost:</i>				
	**			
Class	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital assets not being depreciated:</i>				
Land	\$371,613	\$0	\$0	\$371,613
Construction in Progress	7,094,366	26,825,425	0	33,919,791
	<u>7,465,979</u>	<u>26,825,425</u>	<u>0</u>	<u>34,291,404</u>
<i>Capital assets being depreciated:</i>				
Land Improvements	2,700,990	0	0	2,700,990
Buildings and Improvements	31,546,898	0	(321,491)	31,225,407
Machinery and Equipment	4,657,371	73,481	(246,338)	4,484,514
Vehicles	2,581,485	176,376	(149,157)	2,608,704
Total Cost	<u>\$48,952,723</u>	<u>\$27,075,282</u>	<u>(\$716,986)</u>	<u>\$75,311,019</u>
<i>Accumulated Depreciation:</i>				
Class	June 30, 2013	Additions	Deletions	June 30, 2014
Land Improvements	(\$572,370)	(\$72,115)	\$0	(\$644,485)
Buildings and Improvements	(11,627,656)	(473,899)	298,894	(11,802,661)
Machinery and Equipment	(3,319,599)	(230,464)	207,691	(3,342,372)
Vehicles	(1,559,027)	(125,021)	149,157	(1,534,891)
Total Depreciation	<u>(\$17,078,652)</u>	<u>(\$901,499) *</u>	<u>\$655,742</u>	<u>(\$17,324,409)</u>
<i>Net Value:</i>	<u>\$31,874,071</u>			<u>\$57,986,610</u>

**Certain assets were reclassified based on the District's review of inventory records.

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$661,208
Support Services:	
Pupils	148
Instructional Staff	666
Administration	6,851
Operation and Maintenance of Plant	26,938
Pupil Transportation	120,697
Operation of Non-Instructional Services	2,529
Extracurricular Activities	82,462
Total Depreciation Expense	<u>\$901,499</u>

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

NOTE 8 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2014:

Historical Cost:

Class	June 30, 2013	Additions	Deletions	June 30, 2014
Machinery and Equipment	\$946,919	\$26,385	(\$27,563)	\$945,741
Total Cost	<u>\$946,919</u>	<u>\$26,385</u>	<u>(\$27,563)</u>	<u>\$945,741</u>

Accumulated Depreciation:

Class	June 30, 2013	Additions	Deletions	June 30, 2014
Machinery and Equipment	(\$678,433)	(\$30,066)	\$18,318	(\$690,181)
Total Depreciation	<u>(\$678,433)</u>	<u>(\$30,066)</u>	<u>\$18,318</u>	<u>(\$690,181)</u>
<i>Net Value:</i>	<u>\$268,486</u>			<u>\$255,560</u>

NOTE 9 - RECEIVABLES

Receivables at June 30, 2014 consisted of taxes, accounts and intergovernmental receivables.

NOTE 10- 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. That report can be obtained 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, 2014

NOTE 10- 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 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2014, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$687,750, \$676,229 and \$627,736 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.

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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 10- DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System (Continued)

Funding Policy - For the fiscal year ended June 30, 2014, plan members were required to contribute 11 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 2013, 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 14 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, 2014, 2013, and 2012 were \$1,581,383, \$1,756,972, and \$1,791,638 respectively; which were equal to the required contributions for each year. Contributions to the DC and Combined Plans for fiscal year 2014 were \$52,793 made by the District and \$41,480 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 Retirement System. As of June 30, 2014, one member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 11 - 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. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans 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 Retirement Board based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained 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, 2014

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

A. School Employee Retirement System (Continued)

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 2014, 0.14 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 2014, this amount was \$20,250.

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, 2014, 2013, and 2012 were \$72,238, \$69,861, and \$82,165 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 2014, 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, 2014, 2013, and 2012 were \$39,900, \$38,199, and \$37,071 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.

Funding Policy – Ohio Revised Code Chapter 3307 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 2014, 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, 2014, 2013, and 2012 were \$121,645, \$135,152, and \$137,818 respectively; which were equal to the required contributions for each year.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

NOTE 12 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in the long term debt of the District for the fiscal year ended June 30, 2014 is as follows:

		Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
School Improvement Refunding	3.00-4.2%	\$5,494,990	\$0	(\$297,357)	\$5,197,633	\$262,633
Bond Premium		305,654	0	(50,943)	254,711	0
		5,800,644	0	(348,300)	5,452,344	262,633
Interest Accretion		895,730	132,561	(522,643)	505,648	0
Total School Improvement Refunding Bonds		6,696,374	132,561	(870,943)	5,957,992	262,633
School Facility Construction	1.5-5.0%	28,410,000	0	(660,000)	27,750,000	675,000
Bond Premium		348,363	0	(12,902)	335,461	0
Total School Facility Construction Bonds		28,758,363	0	(672,902)	28,085,461	675,000
Total General Obligation Bonds		35,454,737	132,561	(1,543,845)	34,043,453	937,633
Certificates of Participation:						
Energy Conservation Improvement	6.75%	3,770,000	0	0	3,770,000	0
Compensated Absences		2,275,056	371,216	(484,873)	2,161,399	612,894
Total Governmental Activities		41,499,793	503,777	(2,028,718)	39,974,852	1,550,527
Business-Type Activities:						
Compensated Absences		78,208	6,859	(3,799)	81,268	3,799
Total Long-Term Debt and Other Obligations		\$41,578,001	\$510,636	(\$2,032,517)	\$40,056,120	\$1,554,326

The District's overall debt margin was \$2,212,498 with an unvoted debt margin of \$377,065 at June 30, 2014.

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PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014**

NOTE 12 - 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, 2014, follows:

Years	General Obligation Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$937,633	\$1,728,697	\$2,666,330	\$0	\$254,476	\$254,476
2016	1,500,000	1,145,921	2,645,921	0	254,476	254,476
2017	1,540,000	1,099,162	2,639,162	0	254,476	254,476
2018	1,595,000	1,050,212	2,645,212	0	254,476	254,476
2019	1,650,000	997,512	2,647,512	0	254,476	254,476
2020-2024	5,435,000	4,269,532	9,704,532	0	1,272,380	1,272,380
2025-2029	4,785,000	3,390,185	8,175,185	3,770,000	508,952	4,278,952
2030-2034	5,630,000	2,509,872	8,139,872	0	0	0
2035-2039	6,765,000	1,319,500	8,084,500	0	0	0
2040-2041	3,110,000	125,800	3,235,800	0	0	0
Totals	<u>\$32,947,633</u>	<u>\$17,636,393</u>	<u>\$50,584,026</u>	<u>\$3,770,000</u>	<u>\$3,053,712</u>	<u>\$6,823,712</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 \$5,145,000 at June 30, 2014, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

NOTE 13 - RISK MANAGEMENT

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

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2014

NOTE 13 - 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 2014, but the maximum amount of additional premium that may be levied against the District is \$1,033,609.

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PIQUA CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014***

NOTE 14 – SET-ASIDES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into reserve. During the fiscal year ended June 30, 2014, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition</u>
Set-aside Cash Balance as of June 30, 2013	\$0
Current Year Set-Aside Requirement	608,031
Current Year Offset Credits	(923,975)
Qualifying Disbursements	<u>(58,741)</u>
Total	<u>(\$374,685)</u>
Set-aside Cash Balance	<u><u>\$0</u></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.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

A. Metropolitan Dayton Educational Cooperative Association

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

The MDECA is one of twenty-three regional service organizations serving over 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, 2014

NOTE 15 – 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 2014, the Piqua City School District paid \$92,518 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 2014, the Piqua City School District paid \$1,792 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, 2014

NOTE 15 – 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 nominees run. One at-large non-public representative shall be elected by the non-public school SOITA members from 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 position 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 2014, the Piqua City School District paid \$5,345 to the SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Frank DePalma, Interim 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 Paul Carpenter, 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, 2014

NOTE 15 – 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 16 – 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, 2014***

NOTE 17 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2014.

B. Litigation

The District is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The District's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the District.

NOTE 18 – SIGNIFICANT COMMITMENTS

At June 30, 2014 the District had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$594,897
OSFC Construction Fund	25,349,336
Other Governmental Funds	<u>518,641</u>
Total Governmental Funds	<u><u>\$26,462,874</u></u>



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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.

(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.

One Net Fund

To account for grant monies to help implement internet technologies into the teaching and learning process.

Classroom Facilities Maintenance Fund

To account for levy proceeds for the maintenance of District facilities.

Title II-A Fund

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

PIQUA CITY SCHOOL DISTRICT

Capital Projects Funds

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.

Permanent Improvement Fund

The permanent improvement 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.

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, 2014**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Pooled Cash and Investments	\$ 992,655	\$ 2,859,196	\$ 64,631	\$ 3,916,482
Receivables:				
Taxes	172,050	958,177	0	1,130,227
Accounts	306	0	0	306
Intergovernmental	264,955	0	0	264,955
Total Assets	<u>\$ 1,429,966</u>	<u>\$ 3,817,373</u>	<u>\$ 64,631</u>	<u>\$ 5,311,970</u>
Liabilities:				
Accounts Payable	\$ 33,017	\$ 76,922	\$ 0	\$ 109,939
Accrued Wages and Benefits	172,180	0	0	172,180
Intergovernmental Payable	23,993	0	0	23,993
Interfund Loans Payable	264,955	0	0	264,955
Compensated Absences Payable	11,240	0	0	11,240
Total Liabilities	<u>505,385</u>	<u>76,922</u>	<u>0</u>	<u>582,307</u>
Deferred Inflows of Resources:				
Unavailable Amounts	271,306	35,341	0	306,647
Property Tax Levy for Next Fiscal Year	137,023	763,335	0	900,358
Total Deferred Inflows of Resources	<u>408,329</u>	<u>798,676</u>	<u>0</u>	<u>1,207,005</u>
Fund Balance:				
Nonspendable	0	0	45,919	45,919
Restricted	1,002,563	2,847,377	18,712	3,868,652
Assigned	0	94,398	0	94,398
Unassigned	(486,311)	0	0	(486,311)
Total Fund Balance	<u>516,252</u>	<u>2,941,775</u>	<u>64,631</u>	<u>3,522,658</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,429,966</u>	<u>\$ 3,817,373</u>	<u>\$ 64,631</u>	<u>\$ 5,311,970</u>

PIQUA CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Local Sources:				
Taxes	\$ 169,833	\$ 937,162	\$ 0	\$ 1,106,995
Investment Earnings	834	2,979	71	3,884
Extracurricular Activities	362,582	0	0	362,582
Intermediate Sources	48,494	0	0	48,494
Intergovernmental - State	369,510	216,724	0	586,234
Intergovernmental - Federal	1,713,534	0	0	1,713,534
All Other Revenue	47,943	0	1,000	48,943
Total Revenues	<u>2,712,730</u>	<u>1,156,865</u>	<u>1,071</u>	<u>3,870,666</u>
Expenditures:				
Current:				
Instruction	2,205,553	245,705	0	2,451,258
Supporting Services:				
Pupils	13,005	0	2,200	15,205
Instructional Staff	53,428	0	0	53,428
Administration	20,668	0	0	20,668
Fiscal Services	3,172	17,401	0	20,573
Pupil Transportation	1,218	174,876	0	176,094
Central	67,565	0	0	67,565
Operation of Non-Instructional Services	133,943	0	0	133,943
Extracurricular Activities	470,822	0	0	470,822
Capital Outlay	0	160,190	0	160,190
Total Expenditures	<u>2,969,374</u>	<u>598,172</u>	<u>2,200</u>	<u>3,569,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(256,644)	558,693	(1,129)	300,920
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	0	0	1,000
Total Other Financing Sources (Uses)	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
Net Change in Fund Balance	(255,644)	558,693	(1,129)	301,920
Fund Balance at Beginning of Year	<u>771,896</u>	<u>2,383,082</u>	<u>65,760</u>	<u>3,220,738</u>
Fund Balance End of Year	<u>\$ 516,252</u>	<u>\$ 2,941,775</u>	<u>\$ 64,631</u>	<u>\$ 3,522,658</u>

PIQUA CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014**

	Other Grant	District Managed Activity	Auxiliary Services	Race to the Top
Assets:				
Pooled Cash and Investments	\$ 25,607	\$ 317,752	\$ 38,288	\$ 12,853
Receivables:				
Taxes	0	0	0	0
Accounts	0	306	0	0
Intergovernmental	0	0	0	0
Total Assets	\$ 25,607	\$ 318,058	\$ 38,288	\$ 12,853
Liabilities:				
Accounts Payable	\$ 0	\$ 14,632	\$ 1,407	\$ 0
Accrued Wages and Benefits	0	140	0	0
Intergovernmental Payable	0	2,856	0	39
Interfund Loans Payable	0	0	0	0
Compensated Absences Payable	0	0	0	0
Total Liabilities	0	17,628	1,407	39
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balance:				
Restricted	25,607	300,430	36,881	12,814
Unassigned	0	0	0	0
Total Fund Balance (Deficit)	25,607	300,430	36,881	12,814
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 25,607	\$ 318,058	\$ 38,288	\$ 12,853

PIQUA CITY SCHOOL DISTRICT

School Conflict Management Grant	IDEA-B	Title I	One Net	Classroom Facilities Maintenance	Title II-A	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 8,323	\$ 589,832	\$ 0	\$ 992,655
0	0	0	0	172,050	0	172,050
0	0	0	0	0	0	306
9,548	169,787	85,620	0	0	0	264,955
<u>\$ 9,548</u>	<u>\$ 169,787</u>	<u>\$ 85,620</u>	<u>\$ 8,323</u>	<u>\$ 761,882</u>	<u>\$ 0</u>	<u>\$ 1,429,966</u>
\$ 14,553	\$ 2,290	\$ 135	\$ 0	\$ 0	\$ 0	\$ 33,017
0	36,835	114,516	0	0	20,689	172,180
0	4,341	15,965	0	0	792	23,993
9,548	169,787	85,620	0	0	0	264,955
0	0	11,240	0	0	0	11,240
<u>24,101</u>	<u>213,253</u>	<u>227,476</u>	<u>0</u>	<u>0</u>	<u>21,481</u>	<u>505,385</u>
9,548	169,787	85,620	0	6,351	0	271,306
0	0	0	0	137,023	0	137,023
<u>9,548</u>	<u>169,787</u>	<u>85,620</u>	<u>0</u>	<u>143,374</u>	<u>0</u>	<u>408,329</u>
0	0	0	8,323	618,508	0	1,002,563
<u>(24,101)</u>	<u>(213,253)</u>	<u>(227,476)</u>	<u>0</u>	<u>0</u>	<u>(21,481)</u>	<u>(486,311)</u>
<u>(24,101)</u>	<u>(213,253)</u>	<u>(227,476)</u>	<u>8,323</u>	<u>618,508</u>	<u>(21,481)</u>	<u>516,252</u>
<u>\$ 9,548</u>	<u>\$ 169,787</u>	<u>\$ 85,620</u>	<u>\$ 8,323</u>	<u>\$ 761,882</u>	<u>\$ 0</u>	<u>\$ 1,429,966</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, 2014**

	Other Grant	District Managed Activity	Auxiliary Services	Management Information System	Race to the Top
Revenues:					
Local Sources:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Investment Earnings	0	378	57	0	0
Extracurricular Activities	508	362,074	0	0	0
Intermediate Sources	48,494	0	0	0	0
Intergovernmental - State	0	0	119,698	0	0
Intergovernmental - Federal	0	0	0	0	95,092
All Other Revenue	876	47,067	0	0	0
Total Revenues	49,878	409,519	119,755	0	95,092
Expenditures:					
Current:					
Instruction	18,916	0	1,014	0	96,841
Supporting Services:					
Pupils	0	7,888	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	20,431	102
Fiscal Services	0	0	0	0	0
Pupil Transportation	0	1,218	0	0	0
Central	0	0	0	67,565	0
Operation of Non-Instructional Services	0	0	88,478	0	0
Extracurricular Activities	30,492	440,330	0	0	0
Total Expenditures	49,408	449,436	89,492	87,996	96,943
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	470	(39,917)	30,263	(87,996)	(1,851)
Other Financing Sources (Uses):					
Sale of Capital Assets	0	1,000	0	0	0
Total Other Financing Sources (Uses)	0	1,000	0	0	0
Net Change in Fund Balance	470	(38,917)	30,263	(87,996)	(1,851)
Fund Balance (Deficit) at Beginning of Year	25,137	339,347	6,618	87,996	14,665
Fund Balance (Deficit) End of Year	\$ 25,607	\$ 300,430	\$ 36,881	\$ 0	\$ 12,814

PIQUA CITY SCHOOL DISTRICT

School Conflict Management Grant	IDEA-B	Title I	One Net	Classroom Facilities Maintenance	Title II-A	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 169,833	\$ 0	\$ 169,833
0	0	0	0	399	0	834
0	0	0	0	0	0	362,582
0	0	0	0	0	0	48,494
159,755	0	0	16,200	73,857	0	369,510
0	597,974	827,597	0	0	192,871	1,713,534
0	0	0	0	0	0	47,943
<u>159,755</u>	<u>597,974</u>	<u>827,597</u>	<u>16,200</u>	<u>244,089</u>	<u>192,871</u>	<u>2,712,730</u>
113,328	741,973	1,008,898	14,008	0	210,575	2,205,553
0	5,117	0	0	0	0	13,005
0	24,944	28,484	0	0	0	53,428
0	0	135	0	0	0	20,668
0	0	0	0	3,172	0	3,172
0	0	0	0	0	0	1,218
0	0	0	0	0	0	67,565
0	30,429	15,036	0	0	0	133,943
0	0	0	0	0	0	470,822
<u>113,328</u>	<u>802,463</u>	<u>1,052,553</u>	<u>14,008</u>	<u>3,172</u>	<u>210,575</u>	<u>2,969,374</u>
46,427	(204,489)	(224,956)	2,192	240,917	(17,704)	(256,644)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>
46,427	(204,489)	(224,956)	2,192	240,917	(17,704)	(255,644)
(70,528)	(8,764)	(2,520)	6,131	377,591	(3,777)	771,896
<u>\$ (24,101)</u>	<u>\$ (213,253)</u>	<u>\$ (227,476)</u>	<u>\$ 8,323</u>	<u>\$ 618,508</u>	<u>\$ (21,481)</u>	<u>\$ 516,252</u>

PIQUA CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2014**

	Permanent Improvement	Building Acquisition and Construction	Replacement	Total Nonmajor Capital Projects Funds
Assets:				
Pooled Cash and Investments	\$ 2,691,514	\$ 73,284	\$ 94,398	\$ 2,859,196
Receivables:				
Taxes	958,177	0	0	958,177
Total Assets	\$ 3,649,691	\$ 73,284	\$ 94,398	\$ 3,817,373
Liabilities:				
Accounts Payable	\$ 76,333	\$ 589	\$ 0	\$ 76,922
Total Liabilities	76,333	589	0	76,922
Deferred Inflows of Resources:				
Unavailable Amounts	35,341	0	0	35,341
Property Tax Levy for Next Fiscal Year	763,335	0	0	763,335
Total Deferred Inflows of Resources	798,676	0	0	798,676
Fund Balance:				
Restricted	2,774,682	72,695	0	2,847,377
Assigned	0	0	94,398	94,398
Total Fund Balance	2,774,682	72,695	94,398	2,941,775
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,649,691	\$ 73,284	\$ 94,398	\$ 3,817,373

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, 2014**

	Permanent Improvement	Building Acquisition and Construction	Replacement	Total Nonmajor Capital Projects Funds
Revenues:				
Local Sources:				
Taxes	\$ 937,162	\$ 0	\$ 0	\$ 937,162
Investment Earnings	2,736	140	103	2,979
Intergovernmental - State	216,724	0	0	216,724
Total Revenues	<u>1,156,622</u>	<u>140</u>	<u>103</u>	<u>1,156,865</u>
Expenditures:				
Current:				
Instruction	245,705	0	0	245,705
Supporting Services:				
Fiscal Services	17,401	0	0	17,401
Pupil Transportation	174,876	0	0	174,876
Capital Outlay	131,727	28,463	0	160,190
Total Expenditures	<u>569,709</u>	<u>28,463</u>	<u>0</u>	<u>598,172</u>
Net Change in Fund Balance	586,913	(28,323)	103	558,693
Fund Balance at Beginning of Year	<u>2,187,769</u>	<u>101,018</u>	<u>94,295</u>	<u>2,383,082</u>
Fund Balance End of Year	<u>\$ 2,774,682</u>	<u>\$ 72,695</u>	<u>\$ 94,398</u>	<u>\$ 2,941,775</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 14,549,583	\$ 14,705,453	\$ 14,705,453	\$ 0
Tuition	261,500	481,169	536,986	55,817
Transportation Fees	45,000	37,152	37,280	128
Investment Earnings	12,000	12,132	13,113	981
Class Material and Fees	99,500	126,693	128,913	2,220
Intergovernmental - State	14,438,941	14,269,521	15,996,309	1,726,788
Intergovernmental - Federal	100,000	183,358	183,358	0
All Other Revenues	103,500	177,915	178,893	978
Total Revenues	29,610,024	29,993,393	31,780,305	1,786,912
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	8,874,390	8,541,471	8,541,471	0
Fringe Benefits	3,490,839	2,824,043	2,824,043	0
Purchased Services	754,424	1,209,259	1,209,259	0
Supplies and Materials	457,306	330,536	330,536	0
Capital Outlay	13,400	360	360	0
Total Regular	13,590,359	12,905,669	12,905,669	0
Special:				
Salaries and Wages	1,317,300	958,865	958,865	0
Fringe Benefits	530,205	426,138	426,138	0
Purchased Services	3,560,362	4,824,745	4,824,745	0
Supplies and Materials	16,500	1,917	1,917	0
Other Expenditures	19,882	32,772	32,772	0
Capital Outlay	1,500	1,361	1,361	0
Total Special	5,445,749	6,245,798	6,245,798	0
Other:				
Salaries and Wages	0	59	59	0
Fringe Benefits	375	60	60	0
Purchased Services	0	739,508	739,508	0
Total Other	375	739,627	739,627	0
Total Instructional Services	19,036,483	19,891,094	19,891,094	0

(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, 2014***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Support Services:				
Pupils:				
Salaries and Wages	991,780	653,774	653,774	0
Fringe Benefits	310,715	280,222	280,222	0
Supplies and Materials	6,910	25,069	25,069	0
Total Pupils	<u>1,309,405</u>	<u>959,065</u>	<u>959,065</u>	<u>0</u>
Instructional Staff:				
Salaries and Wages	707,300	1,044,345	1,044,345	0
Fringe Benefits	533,050	560,845	560,845	0
Purchased Services	113,778	71,843	71,843	0
Supplies and Materials	20,600	11,802	11,802	0
Total Instructional Staff	<u>1,374,728</u>	<u>1,688,835</u>	<u>1,688,835</u>	<u>0</u>
Board of Education:				
Salaries and Wages	8,125	8,125	8,125	0
Fringe Benefits	2,225	1,923	1,923	0
Purchased Services	21,173	31,127	31,127	0
Total Board of Education	<u>31,523</u>	<u>41,175</u>	<u>41,175</u>	<u>0</u>
Administration:				
Salaries and Wages	1,148,630	1,343,282	1,343,282	0
Fringe Benefits	613,580	538,306	538,306	0
Purchased Services	563,428	505,986	505,986	0
Supplies and Materials	21,421	39,955	39,955	0
Other Expenditures	22,110	21,288	21,288	0
Capital Outlay	2,190	438	438	0
Total Administration	<u>2,371,359</u>	<u>2,449,255</u>	<u>2,449,255</u>	<u>0</u>
Fiscal Services:				
Salaries and Wages	235,300	224,837	224,837	0
Fringe Benefits	136,700	118,264	118,264	0
Purchased Services	1,410	70,592	70,592	0
Supplies and Materials	985	4,942	4,942	0
Other Expenditures	22	208,393	208,393	0
Total Fiscal Services	<u>374,417</u>	<u>627,028</u>	<u>627,028</u>	<u>0</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, 2014***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Business:				
Fringe Benefits	0	263	263	0
Total Business	0	263	263	0
Operation and Maintenance of Plant:				
Salaries and Wages	1,004,850	944,757	944,757	0
Fringe Benefits	426,700	486,433	486,433	0
Purchased Services	1,414,260	1,498,688	1,498,688	0
Supplies and Materials	149,250	178,647	178,647	0
Capital Outlay	33,105	20,056	20,056	0
Total Operation and Maintenance Of Plant	3,028,165	3,128,581	3,128,581	0
Pupil Transportation:				
Salaries and Wages	665,800	692,743	692,743	0
Fringe Benefits	394,775	397,063	397,063	0
Purchased Services	72,666	58,776	58,776	0
Supplies and Materials	294,528	325,320	325,320	0
Total Pupil Transportation	1,427,769	1,473,902	1,473,902	0
Central:				
Salaries and Wages	106,500	105,415	105,415	0
Fringe Benefits	77,400	73,055	73,055	0
Purchased Services	20,000	2,400	2,400	0
Total Central	203,900	180,870	180,870	0
Total Support Services	10,121,266	10,548,974	10,548,974	0
Extracurricular Activities:				
Salaries and Wages	346,300	323,876	323,876	0
Fringe Benefits	64,652	58,374	58,374	0
Purchased Services	4,688	2,324	2,324	0
Total Extracurricular Activities	415,640	384,574	384,574	0
Total Expenditures	29,573,389	30,824,642	30,824,642	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	36,635	(831,249)	955,663	1,786,912

(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, 2014***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other Financing Sources (Uses):				
Advances In	0	184,992	184,992	0
Advances Out	0	(264,955)	(264,955)	0
Refund of Prior Year's Expenditures	65,000	223,762	223,762	0
Total Other Financing Sources (Uses):	<u>65,000</u>	<u>143,799</u>	<u>143,799</u>	<u>0</u>
 Net Change in Fund Balance	 101,635	 (687,450)	 1,099,462	 1,786,912
 Fund Balance at Beginning of Year	 7,287,233	 7,287,233	 7,287,233	 0
Prior Year Encumbrances	483,546	483,546	483,546	0
Fund Balance at End of Year	<u>\$ 7,872,414</u>	<u>\$ 7,083,329</u>	<u>\$ 8,870,241</u>	<u>\$ 1,786,912</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds - Debt Service Fund
For the Fiscal Year Ended June 30, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 2,794,257	\$ 2,959,985	\$ 165,728
Total Expenditures and Other Financing Uses	<u>3,094,783</u>	<u>3,094,783</u>	<u>0</u>
Net Change in Fund Balance	(300,526)	(134,798)	165,728
Fund Balance at Beginning of Year	<u>1,930,126</u>	<u>1,930,126</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,629,600</u>	<u>\$ 1,795,328</u>	<u>\$ 165,728</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 Fund
For the Fiscal Year Ended June 30, 2014***

OHIO SCHOOL FACILITIES COMMISSION CONSTRUCTION FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 16,999,723	\$ 13,545,406	\$ (3,454,317)
Total Expenditures and Other Financing Uses	50,866,685	50,866,703	(18)
Net Change in Fund Balance	(33,866,962)	(37,321,297)	(3,454,335)
Fund Balance at Beginning of Year	7,970,176	7,970,176	0
Prior Year Encumbrances	26,252,021	26,252,021	0
Fund Balance at End of Year	\$ 355,235	\$ (3,099,100)	\$ (3,454,335)

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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 276,697	\$ 277,061	\$ 364
Total Expenditures and Other Financing Uses	213,149	213,149	0
Net Change in Fund Balance	63,548	63,912	364
Fund Balance at Beginning of Year	346,128	346,128	0
Prior Year Encumbrances	22,182	22,182	0
Fund Balance at End of Year	<u>\$ 431,858</u>	<u>\$ 432,222</u>	<u>\$ 364</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, 2014***

	OTHER GRANT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Total Revenues and Other Financing Sources	\$ 49,878	\$ 49,878	\$ 0
Total Expenditures and Other Financing Uses	<u>51,844</u>	<u>51,844</u>	<u>0</u>
Net Change in Fund Balance	(1,966)	(1,966)	0
Fund Balance at Beginning of Year	21,808	21,808	0
Prior Year Encumbrances	<u>5,625</u>	<u>5,625</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25,467</u>	<u>\$ 25,467</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 390,888	\$ 410,924	\$ 20,036
Total Expenditures and Other Financing Uses	497,971	497,965	6
Net Change in Fund Balance	(107,083)	(87,041)	20,042
Fund Balance at Beginning of Year	311,866	311,866	0
Prior Year Encumbrances	55,380	55,380	0
Fund Balance at End of Year	<u>\$ 260,163</u>	<u>\$ 280,205</u>	<u>\$ 20,042</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 119,755	\$ 119,755	\$ 0
Total Expenditures and Other Financing Uses	97,230	97,230	0
Net Change in Fund Balance	22,525	22,525	0
Fund Balance at Beginning of Year	89	89	0
Prior Year Encumbrances	13,059	13,059	0
Fund Balance at End of Year	<u>\$ 35,673</u>	<u>\$ 35,673</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, 2014***

MANAGEMENT INFORMATION SYSTEM FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>87,996</u>	<u>87,996</u>	<u>0</u>
Net Change in Fund Balance	(87,996)	(87,996)	0
Fund Balance at Beginning of Year	<u>87,996</u>	<u>87,996</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 197,707	\$ 95,092	\$ (102,615)
Total Expenditures and Other Financing Uses	112,315	112,315	0
Net Change in Fund Balance	85,392	(17,223)	(102,615)
Fund Balance at Beginning of Year	25,049	25,049	0
Prior Year Encumbrances	248	248	0
Fund Balance at End of Year	<u>\$ 110,689</u>	<u>\$ 8,074</u>	<u>\$ (102,615)</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, 2014***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 295,517	\$ 169,303	\$ (126,214)
Total Expenditures and Other Financing Uses	246,905	246,905	0
Net Change in Fund Balance	48,612	(77,602)	(126,214)
Fund Balance at Beginning of Year	11,072	11,072	0
Prior Year Encumbrances	9,335	9,335	0
Fund Balance at End of Year	<u>\$ 69,019</u>	<u>\$ (57,195)</u>	<u>\$ (126,214)</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, 2014***

	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	\$ 1,190,629	\$ 933,186	\$ (257,443)
Total Expenditures and Other Financing Uses	938,346	938,346	0
Net Change in Fund Balance	252,283	(5,160)	(257,443)
Fund Balance at Beginning of Year	(189)	(189)	0
Prior Year Encumbrances	189	189	0
Fund Balance at End of Year	<u>\$ 252,283</u>	<u>\$ (5,160)</u>	<u>\$ (257,443)</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, 2014***

	TITLE I FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 1,521,828	\$ 1,168,963	\$ (352,865)
Total Expenditures and Other Financing Uses	<u>1,170,488</u>	<u>1,170,488</u>	<u>0</u>
Net Change in Fund Balance	351,340	(1,525)	(352,865)
Fund Balance at Beginning of Year	(2,258)	(2,258)	0
Prior Year Encumbrances	<u>2,258</u>	<u>2,258</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 351,340</u>	<u>\$ (1,525)</u>	<u>\$ (352,865)</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, 2014***

	ONE NET FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Total Revenues and Other Financing Sources	\$ 16,200	\$ 16,200	\$ 0
Total Expenditures and Other Financing Uses	<u>14,008</u>	<u>14,008</u>	<u>0</u>
Net Change in Fund Balance	2,192	2,192	0
Fund Balance at Beginning of Year	<u>6,131</u>	<u>6,131</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,323</u>	<u>\$ 8,323</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, 2014***

CLASSROOM FACILITIES MAINTENANCE FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 181,388	\$ 242,835	\$ 61,447
Total Expenditures and Other Financing Uses	<u>3,172</u>	<u>3,172</u>	<u>0</u>
Net Change in Fund Balance	178,216	239,663	61,447
Fund Balance at Beginning of Year	<u>350,169</u>	<u>350,169</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 528,385</u>	<u>\$ 589,832</u>	<u>\$ 61,447</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, 2014***

	TITLE II-A FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Total Revenues and Other Financing Sources	\$ 192,871	\$ 192,871	\$ 0
Total Expenditures and Other Financing Uses	<u>192,871</u>	<u>192,871</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,076,705	\$ 1,143,435	\$ 66,730
Total Expenditures and Other Financing Uses	710,381	710,377	4
Net Change in Fund Balance	366,324	433,058	66,734
Fund Balance at Beginning of Year	1,925,405	1,925,405	0
Prior Year Encumbrances	126,196	126,196	0
Fund Balance at End of Year	<u>\$ 2,417,925</u>	<u>\$ 2,484,659</u>	<u>\$ 66,734</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2014***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 114	\$ 140	\$ 26
Total Expenditures and Other Financing Uses	104,503	104,503	0
Net Change in Fund Balance	(104,389)	(104,363)	26
Fund Balance at Beginning of Year	11,793	11,793	0
Prior Year Encumbrances	93,362	93,362	0
Fund Balance at End of Year	<u>\$ 766</u>	<u>\$ 792</u>	<u>\$ 26</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2014***

	REPLACEMENT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Total Revenues and Other Financing Sources	\$ 88	\$ 103	\$ 15
Total Expenditures and Other Financing Uses	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	88	103	15
Fund Balance at Beginning of Year	<u>94,295</u>	<u>94,295</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 94,383</u>	<u>\$ 94,398</u>	<u>\$ 15</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, 2014***

	PERMANENT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u></u>
Total Revenues and Other Financing Sources	\$ 1,060	\$ 1,071	\$ 11
Total Expenditures and Other Financing Uses	<u>5,200</u>	<u>5,200</u>	<u>0</u>
Net Change in Fund Balance	(4,140)	(4,129)	11
Fund Balance at Beginning of Year	62,760	62,760	0
Prior Year Encumbrances	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 61,620</u>	<u>\$ 61,631</u>	<u>\$ 11</u>

PIQUA CITY SCHOOL DISTRICT

Fiduciary Funds

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 Funds

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.

Ohio High School Athletic Association (OHSAA) Tournament Fund

To account for athletic tournament monies held by the District in a custodial capacity.

PIQUA CITY SCHOOL DISTRICT

**Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2014**

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$37,648	\$56,216	(\$41,767)	\$52,097
Total Assets	<u>\$37,648</u>	<u>\$56,216</u>	<u>(\$41,767)</u>	<u>\$52,097</u>
Liabilities:				
Due to Students	\$37,648	\$56,216	(\$41,767)	\$52,097
Total Liabilities	<u>\$37,648</u>	<u>\$56,216</u>	<u>(\$41,767)</u>	<u>\$52,097</u>
<u>OHSAA Tournament Fund</u>				
Assets:				
Cash and Cash Equivalents	\$4,883	\$145,786	(\$137,428)	\$13,241
Total Assets	<u>\$4,883</u>	<u>\$145,786</u>	<u>(\$137,428)</u>	<u>\$13,241</u>
Liabilities:				
Due to Others	\$4,883	\$145,786	(\$137,428)	\$13,241
Total Liabilities	<u>\$4,883</u>	<u>\$145,786</u>	<u>(\$137,428)</u>	<u>\$13,241</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$42,531	\$202,002	(\$179,195)	\$65,338
Total Assets	<u>\$42,531</u>	<u>\$202,002</u>	<u>(\$179,195)</u>	<u>\$65,338</u>
Liabilities:				
Due to Others	\$4,883	\$145,786	(\$137,428)	\$13,241
Due to Students	37,648	56,216	(41,767)	52,097
Total Liabilities	<u>\$42,531</u>	<u>\$202,002</u>	<u>(\$179,195)</u>	<u>\$65,338</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 33
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 34 – S 47
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Piqua City School District

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

	2005	* 2006	2007	2008
Governmental Activities:				
Net Investment in Capital Assets	\$17,469,998	\$18,034,488	\$18,301,335	\$17,911,256
Restricted for:				
Capital Projects	1,336,198	1,076,537	937,024	1,560,221
Debt Service	577,311	509,255	730,481	788,458
Other Purposes	288,660	362,554	490,122	416,859
Permanent Fund:				
Expendable	0	0	31,044	28,582
Nonexpendable	0	0	36,309	38,609
Unrestricted	3,299,555	3,135,840	3,192,601	4,263,735
Total Governmental Activities Net Position	<u>\$22,971,722</u>	<u>\$23,118,674</u>	<u>\$23,718,916</u>	<u>\$25,007,720</u>
Business-type Activities:				
Net Investment in Capital Assets	\$360,100	\$343,706	\$366,053	\$342,971
Unrestricted	869,537	887,314	744,863	877,825
Total Business-type Activities Net Position	<u>\$1,229,637</u>	<u>\$1,231,020</u>	<u>\$1,110,916</u>	<u>\$1,220,796</u>
Primary Government:				
Net Investment in Capital Assets	\$17,830,098	\$18,378,194	\$18,667,388	\$18,254,227
Restricted	2,202,169	1,948,346	2,224,980	2,832,729
Unrestricted	4,169,092	4,023,154	3,937,464	5,141,560
Total Primary Government Net Position	<u>\$24,201,359</u>	<u>\$24,349,694</u>	<u>\$24,829,832</u>	<u>\$26,228,516</u>

* As Restated

Source: District Treasurer's Office

Piqua City School District

2009	2010	2011	2012	2013	2014
\$17,985,350	\$18,168,187	\$18,928,936	\$19,340,046	\$21,394,368	\$20,891,012
1,913,605	2,082,762	2,589,369	27,756,367	26,783,068	28,663,014
840,185	857,711	942,770	2,070,747	2,198,752	2,224,714
0	580,141	912,316	328,593	581,067	1,273,869
27,126	23,050	21,902	21,002	20,841	18,712
40,049	43,919	44,184	44,919	44,919	45,919
7,421,574	7,370,622	7,867,316	8,964,093	9,149,244	11,360,307
<u>\$28,227,889</u>	<u>\$29,126,392</u>	<u>\$31,306,793</u>	<u>\$58,525,767</u>	<u>\$60,172,259</u>	<u>\$64,477,547</u>
\$314,533	\$327,699	\$315,934	\$297,028	\$268,486	\$255,560
889,595	801,579	1,081,342	1,271,588	1,271,971	1,254,924
<u>\$1,204,128</u>	<u>\$1,129,278</u>	<u>\$1,397,276</u>	<u>\$1,568,616</u>	<u>\$1,540,457</u>	<u>\$1,510,484</u>
\$18,299,883	\$18,495,886	\$19,244,870	\$19,637,074	\$21,662,854	\$21,146,572
2,820,965	3,587,583	4,510,541	30,221,628	29,628,647	32,226,228
8,311,169	8,172,201	8,948,658	10,235,681	10,421,215	12,615,231
<u>\$29,432,017</u>	<u>\$30,255,670</u>	<u>\$32,704,069</u>	<u>\$60,094,383</u>	<u>\$61,712,716</u>	<u>\$65,988,031</u>

Piqua City School District

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

	2005	2006	2007	2008
Expenses				
Governmental Activities:				
Instruction	\$17,846,789	\$18,811,951	\$19,061,767	\$19,105,320
Support Services:				
Pupils	1,606,509	1,445,687	1,505,043	1,549,456
Instructional Staff	1,856,368	2,041,532	2,061,205	2,085,124
Board of Education	10,002	19,669	23,042	20,339
Administration	2,281,690	2,266,873	2,454,192	2,361,191
Fiscal Services	597,052	407,123	390,832	401,055
Business	85,456	100,937	101,989	52,433
Operation and Maintenance of Plant	2,778,643	2,866,955	3,065,299	2,882,505
Pupil Transportation	1,296,336	1,378,564	1,545,489	1,442,206
Central	129,257	160,049	162,793	192,486
Operation of Non-Instructional Services	304,911	298,992	375,228	289,838
Extracurricular Activities	638,177	671,020	861,632	717,482
Interest and Fiscal Charges	286,314	473,938	481,096	607,378
<i>Total Governmental Activities Expenses</i>	<u>29,717,504</u>	<u>30,943,290</u>	<u>32,089,607</u>	<u>31,706,813</u>
Business-type Activities:				
Food Service	<u>1,577,204</u>	<u>1,617,780</u>	<u>1,684,194</u>	<u>1,682,680</u>
<i>Total Business-type Activities Expenses</i>	<u>1,577,204</u>	<u>1,617,780</u>	<u>1,684,194</u>	<u>1,682,680</u>
<i>Total Primary Government Expenses</i>	<u><u>\$31,294,708</u></u>	<u><u>\$32,561,070</u></u>	<u><u>\$33,773,801</u></u>	<u><u>\$33,389,493</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$295,514	\$305,864	\$224,647	\$286,554
Support Services:				
Pupils	776	1,263	1,525	1,151
Pupil Transportation	37,911	54,948	54,717	37,531
Extracurricular Activities	336,562	292,169	432,912	321,306
Operating Grants and Contributions	2,646,302	2,722,204	2,888,699	2,711,846
Capital Grants and Contributions	32,550	0	27,060	22,757
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>3,349,615</u>	<u>3,376,448</u>	<u>3,629,560</u>	<u>3,381,145</u>

Piqua City School District

2009	2010	2011	2012	2013	2014
\$19,185,487	\$20,847,397	\$21,406,030	\$22,684,939	\$22,155,945	\$21,934,785
1,563,984	1,526,170	1,491,789	1,335,557	870,161	972,157
1,954,338	2,064,970	2,034,765	2,120,361	2,164,903	1,715,488
32,189	29,714	23,825	24,845	30,160	40,625
2,330,316	2,377,327	2,390,523	2,291,914	2,318,480	2,480,794
382,588	400,031	629,529	658,690	682,210	660,369
56,246	26,713	2,338	6,432	261	263
2,903,991	2,883,562	3,018,583	2,775,724	2,912,605	2,812,103
1,262,006	1,432,056	1,522,099	1,722,426	1,677,670	1,679,345
211,194	314,184	269,213	302,710	228,016	236,868
295,329	148,034	301,869	257,682	189,833	136,472
790,688	845,301	915,886	875,739	919,219	937,821
552,623	493,693	493,346	1,223,052	1,839,145	1,554,211
<u>31,520,979</u>	<u>33,389,152</u>	<u>34,499,795</u>	<u>36,280,071</u>	<u>35,988,608</u>	<u>35,161,301</u>
<u>1,808,378</u>	<u>1,762,234</u>	<u>1,677,921</u>	<u>1,774,101</u>	<u>1,809,390</u>	<u>1,697,492</u>
<u>1,808,378</u>	<u>1,762,234</u>	<u>1,677,921</u>	<u>1,774,101</u>	<u>1,809,390</u>	<u>1,697,492</u>
<u>\$33,329,357</u>	<u>\$35,151,386</u>	<u>\$36,177,716</u>	<u>\$38,054,172</u>	<u>\$37,797,998</u>	<u>\$36,858,793</u>
\$243,635	\$294,387	\$291,930	\$293,716	\$540,703	\$836,070
144	124	52	35	39	71
37,192	49,100	49,763	51,565	45,884	46,213
388,078	425,665	425,579	344,182	379,305	362,582
2,511,226	4,265,347	4,526,847	3,452,569	2,825,291	3,097,272
46,110	0	0	25,793,854	0	0
<u>3,226,385</u>	<u>5,034,623</u>	<u>5,294,171</u>	<u>29,935,921</u>	<u>3,791,222</u>	<u>4,342,208</u>

(Continued)

Piqua City School District

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

	2005	2006	2007	2008
Business-type Activities:				
Charges for Services				
Food Service	688,474	681,810	702,248	679,999
Operating Grants and Contributions	922,335	937,353	861,842	1,112,561
<i>Total Business-type Activities Program Revenues</i>	<u>1,610,809</u>	<u>1,619,163</u>	<u>1,564,090</u>	<u>1,792,560</u>
<i>Total Primary Government Program Revenues</i>	<u>4,960,424</u>	<u>4,995,611</u>	<u>5,193,650</u>	<u>5,173,705</u>
Net (Expense)/Revenue				
Governmental Activities	(26,367,889)	(27,566,842)	(28,460,047)	(28,325,668)
Business-type Activities	33,605	1,383	(120,104)	109,880
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$26,334,284)</u>	<u>(\$27,565,459)</u>	<u>(\$28,580,151)</u>	<u>(\$28,215,788)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$11,202,378	\$10,805,308	\$10,065,680	\$10,045,856
Facilities Maintenance	0	0	0	0
Debt Service	973,504	999,966	1,060,120	874,031
Capital Outlay	1,138,834	1,075,099	1,026,558	1,027,335
Income Taxes	1,938,151	2,063,347	2,253,023	2,260,523
Intergovernmental, Unrestricted	13,300,568	13,308,075	13,915,936	14,538,480
Investment Earnings	163,025	296,912	451,410	370,748
Miscellaneous	439,803	368,501	287,562	497,499
<i>Total Governmental Activities</i>	<u>29,156,263</u>	<u>28,917,208</u>	<u>29,060,289</u>	<u>29,614,472</u>
Change in Net Position				
Governmental Activities	2,788,374	1,350,366	600,242	1,288,804
Business-type Activities	33,605	1,383	(120,104)	109,880
<i>Total Primary Government Change in Net Position</i>	<u>\$2,821,979</u>	<u>\$1,351,749</u>	<u>\$480,138</u>	<u>\$1,398,684</u>

Source: District Treasurer's Office

Piqua City School District

2009	2010	2011	2012	2013	2014
685,399	613,175	546,857	536,698	474,457	405,110
<u>1,106,311</u>	<u>1,074,209</u>	<u>1,399,062</u>	<u>1,408,743</u>	<u>1,306,774</u>	<u>1,262,409</u>
<u>1,791,710</u>	<u>1,687,384</u>	<u>1,945,919</u>	<u>1,945,441</u>	<u>1,781,231</u>	<u>1,667,519</u>
<u>5,018,095</u>	<u>6,722,007</u>	<u>7,240,090</u>	<u>31,881,362</u>	<u>5,572,453</u>	<u>6,009,727</u>
(28,294,594)	(28,354,529)	(29,205,624)	(6,344,150)	(32,197,386)	(30,819,093)
<u>(16,668)</u>	<u>(74,850)</u>	<u>267,998</u>	<u>171,340</u>	<u>(28,159)</u>	<u>(29,973)</u>
<u>(\$28,311,262)</u>	<u>(\$28,429,379)</u>	<u>(\$28,937,626)</u>	<u>(\$6,172,810)</u>	<u>(\$32,225,545)</u>	<u>(\$30,849,066)</u>
\$10,064,281	\$8,884,069	\$9,751,326	\$9,013,333	\$8,829,511	\$9,384,129
0	0	0	144,359	195,212	169,789
926,598	840,002	900,216	2,065,576	2,281,813	2,331,814
1,039,595	929,187	1,015,252	930,571	917,366	938,183
3,382,521	4,494,674	4,724,090	4,922,054	5,390,586	5,457,157
15,554,509	13,925,534	14,444,884	15,954,919	15,601,233	16,297,871
179,416	(134,954)	302,254	95,818	156,983	239,157
367,843	314,520	248,003	436,494	471,174	306,281
<u>31,514,763</u>	<u>29,253,032</u>	<u>31,386,025</u>	<u>33,563,124</u>	<u>33,843,878</u>	<u>35,124,381</u>
3,220,169	898,503	2,180,401	27,218,974	1,646,492	4,305,288
<u>(16,668)</u>	<u>(74,850)</u>	<u>267,998</u>	<u>171,340</u>	<u>(28,159)</u>	<u>(29,973)</u>
<u>\$3,203,501</u>	<u>\$823,653</u>	<u>\$2,448,399</u>	<u>\$27,390,314</u>	<u>\$1,618,333</u>	<u>\$4,275,315</u>

Piqua City School District

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</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	1,456,423	1,410,729	1,946,237	1,081,482	1,680,710
Unreserved	<u>124,232</u>	<u>47,121</u>	<u>(754,678)</u>	<u>753,375</u>	<u>3,216,012</u>
<i>Total General Fund</i>	<u>1,580,655</u>	<u>1,457,850</u>	<u>1,191,559</u>	<u>1,834,857</u>	<u>4,896,722</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	1,353,394	1,195,149	1,267,544	979,919	1,173,221
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	583,840	299,023	604,671	705,088	552,290
Capital Projects Funds	<u>726,819</u>	<u>606,341</u>	<u>530,095</u>	<u>1,418,931</u>	<u>1,638,364</u>
Total All Other Governmental Funds	<u>2,664,053</u>	<u>2,100,513</u>	<u>2,402,310</u>	<u>3,103,938</u>	<u>3,363,875</u>
<i>Total Governmental Funds</i>	<u><u>\$4,244,708</u></u>	<u><u>\$3,558,363</u></u>	<u><u>\$3,593,869</u></u>	<u><u>\$4,938,795</u></u>	<u><u>\$8,260,597</u></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

*				
2010	2011	2012	2013	2014
\$0	\$16,476	\$1,533	\$1,365	\$1,218
0	834,143	0	0	0
0	596,081	582,016	757,641	969,061
0	5,463,244	7,199,254	7,927,306	9,974,884
1,666,828	0	0	0	0
3,889,465	0	0	0	0
<u>5,556,293</u>	<u>6,909,944</u>	<u>7,782,803</u>	<u>8,686,312</u>	<u>10,945,163</u>
0	43,919	44,919	44,919	45,919
0	7,072,488	35,123,558	38,662,999	26,964,030
0	94,184	94,237	94,295	94,398
0	(194,496)	(144,671)	(85,589)	(486,311)
1,286,033	0	0	0	0
366,883	0	0	0	0
1,851,071	0	0	0	0
<u>3,503,987</u>	<u>7,016,095</u>	<u>35,118,043</u>	<u>38,716,624</u>	<u>26,618,036</u>
<u>\$9,060,280</u>	<u>\$13,926,039</u>	<u>\$42,900,846</u>	<u>\$47,402,936</u>	<u>\$37,563,199</u>

Piqua City School District

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

	2005	2006	2007	2008
Revenues:				
Local Sources:				
Taxes	\$15,296,945	\$14,990,760	\$14,419,517	\$14,150,431
Tuition	33,062	49,074	3,196	7,460
Transportation Fees	37,911	54,948	54,717	37,531
Investment Earnings	93,786	139,379	239,887	214,974
Extracurricular Activities	440,335	392,676	504,759	457,060
Class Materials and Fees	158,679	156,283	149,604	143,340
Intermediate Sources	8,842	14,137	10,710	30,562
Intergovernmental - State	13,766,336	13,640,495	14,424,266	14,856,722
Intergovernmental - Federal	2,204,242	2,024,983	2,523,093	2,421,712
All Other Revenue	439,803	368,501	287,562	497,499
Total Revenues	<u>32,479,941</u>	<u>31,831,236</u>	<u>32,617,311</u>	<u>32,817,291</u>
Expenditures:				
Current:				
Instruction	17,403,012	18,391,170	18,570,721	18,247,045
Supporting Services:				
Pupils	1,632,401	1,513,694	1,496,885	1,574,056
Instructional Staff	1,954,669	2,200,140	2,067,550	2,075,287
Board of Education	10,002	19,669	23,042	20,339
Administration	2,484,897	2,317,642	2,416,263	2,274,443
Fiscal Services	624,953	457,939	375,270	404,047
Business	88,423	105,655	100,888	54,748
Operation and Maintenance of Plant	2,897,305	2,963,996	2,982,253	2,823,351
Pupil Transportation	1,484,669	1,308,677	1,463,409	1,369,429
Central	128,722	159,645	161,456	191,322
Operation of Non-Instructional Services	299,653	294,329	371,664	286,744
Extracurricular Activities	603,368	621,321	807,362	664,053
Capital Outlay	684,360	908,969	661,705	349,557
Debt Service:				
Principal Retirement	875,000	881,401	799,456	807,637
Interest and Fiscal Charges	428,301	376,603	350,135	337,922
Total Expenditures	<u>31,599,735</u>	<u>32,520,850</u>	<u>32,648,059</u>	<u>31,479,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	880,206	(689,614)	(30,748)	1,337,311

Piqua City School District

2009	2010	2011	2012	2013	2014
\$15,387,973	\$15,142,143	\$16,378,456	\$17,066,075	\$17,828,558	\$18,257,962
5,030	3,625	3,980	2,980	258,696	536,811
37,192	49,100	49,763	51,565	45,884	46,213
102,858	(165,964)	281,495	70,250	145,746	227,194
491,461	588,007	588,873	516,971	538,415	533,590
135,222	128,420	124,656	117,947	122,897	128,251
69,506	46,692	33,062	18,594	50,857	48,494
15,843,854	14,051,556	14,590,761	17,007,252	22,106,018	30,560,017
2,386,862	3,993,343	4,394,062	3,270,878	2,662,927	2,081,121
367,843	314,520	248,003	436,494	471,174	306,281
<u>34,827,801</u>	<u>34,151,442</u>	<u>36,693,111</u>	<u>38,559,006</u>	<u>44,231,172</u>	<u>52,725,934</u>
18,235,730	19,869,739	21,059,021	21,694,021	21,616,288	22,024,698
1,596,274	1,474,825	1,498,317	1,331,123	934,030	976,990
1,955,021	1,999,864	2,004,830	2,084,488	2,130,850	1,708,970
32,189	29,714	23,825	24,845	30,160	40,625
2,199,678	2,258,046	2,404,543	2,293,806	2,269,621	2,383,929
376,558	393,654	625,762	654,313	678,113	661,744
54,058	30,502	2,338	6,432	261	263
2,854,147	2,873,207	2,966,605	2,732,303	2,618,058	2,770,650
1,597,794	1,638,063	1,368,692	1,563,661	1,535,300	1,571,452
211,419	313,907	268,299	294,528	217,670	246,910
294,428	165,805	300,829	255,659	187,306	133,943
737,425	792,759	838,102	792,826	836,366	855,359
208,690	437,616	1,235,638	3,532,815	3,603,325	26,266,836
829,274	753,801	710,000	29,831,000	1,395,000	1,480,000
324,805	313,420	292,868	954,701	1,676,566	1,444,155
<u>31,507,490</u>	<u>33,344,922</u>	<u>35,599,669</u>	<u>68,046,521</u>	<u>39,728,914</u>	<u>62,566,524</u>
3,320,311	806,520	1,093,442	(29,487,515)	4,502,258	(9,840,590)

(Continued)

Piqua City School District

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

	2005	2006	2007	2008
Other Financing Sources (Uses):				
Sale of Capital Assets	5,940	3,269	7,560	900
Certificates of Participation Issued	0	0	0	0
General Obligation Notes Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0
Refunding Bonds Issued	9,154,131	0	0	0
Payment to Refunded Bond Escrow Agent	(9,026,607)	0	0	0
Other Financing Sources - Capital Leases	538,893	0	0	0
Transfers In	423,951	0	42,212	0
Transfers Out	(22,154)	0	0	0
Total Other Financing Sources (Uses)	<u>1,074,154</u>	<u>3,269</u>	<u>49,772</u>	<u>900</u>
Net Change in Fund Balance	<u>\$1,954,360</u>	<u>(\$686,345)</u>	<u>\$19,024</u>	<u>\$1,338,211</u>
 Debt Service as a Percentage of Noncapital Expenditures	 4.22%	 3.99%	 3.60%	 3.66%

Source: District Treasurer's Office

Piqua City School District

2009	2010	2011	2012	2013	2014
1,400	0	2,292	0	0	1,000
0	0	3,770,000	0	0	0
0	0	0	29,086,000	0	0
0	0	0	29,030,000	0	0
0	0	0	361,265	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	300,079	302,982	0
0	0	0	(300,079)	(302,982)	0
<u>1,400</u>	<u>0</u>	<u>3,772,292</u>	<u>58,477,265</u>	<u>0</u>	<u>1,000</u>
<u>\$3,321,711</u>	<u>\$806,520</u>	<u>\$4,865,734</u>	<u>\$28,989,750</u>	<u>\$4,502,258</u>	<u>(\$9,839,590)</u>
3.73%	3.28%	2.97%	47.75%	8.45%	8.24%

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	2004	2005	2006	2007
Real Property				
Assessed	\$362,252,930	\$367,838,530	\$374,683,270	\$406,911,920
Actual	1,035,008,371	1,050,967,229	1,070,523,629	1,162,605,486
Public Utility				
Assessed	7,340,430	6,919,730	6,323,530	4,459,970
Actual	20,972,657	19,770,657	18,067,229	12,742,771
Tangible Personal Property				
Assessed	67,163,130	65,430,770	53,859,240	36,592,810
Actual	268,652,520	261,723,080	287,249,280	292,742,480
Total				
Assessed	436,756,490	440,189,030	434,866,040	447,964,700
Actual	1,324,633,548	1,332,460,966	1,375,840,138	1,468,090,737
Assessed Value as a Percentage of Actual Value				
	32.97%	33.04%	31.61%	30.51%
Total Direct Tax Rate				
	45.31	45.05	45.25	44.50

Source: Miami County Auditor

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

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, 6.25% for 2008 and 0% for 2009 and forward.

Additionally, telephone and telecommunications property was reclassified

to general business personal property and assessed at 10% for 2009, 5% for 2010 and 0% for 2011 and forward.

Piqua City School District

2008	2009	2010	2011	2012	2013
\$407,511,780	\$413,598,800	\$400,859,150	\$396,188,850	\$397,123,530	\$371,221,370
1,164,319,371	1,181,710,857	1,145,311,857	1,131,968,143	1,134,638,657	1,060,632,486
4,819,310	4,709,220	4,912,550	5,109,850	5,745,070	5,843,490
13,769,457	13,454,914	14,035,857	14,599,571	16,414,486	16,695,686
17,687,650	641,520	305,640	0	0	0
283,002,400	6,415,200	6,112,800	0	0	0
430,018,740	418,949,540	406,077,340	401,298,700	402,868,600	377,064,860
1,461,091,228	1,201,580,971	1,165,460,514	1,146,567,714	1,151,053,143	1,077,328,171
29.43%	34.87%	34.84%	35.00%	35.00%	35.00%
44.82	44.87	44.95	49.87	49.88	50.45

Piqua City School District

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

	2004	2005	2006	2007	2008
Direct District Rates					
General Fund	39.89	39.85	39.80	39.40	39.72
Bond Retirement Fund	2.42	2.40	2.65	2.30	2.30
Permanent Improvement Fund	3.00	2.80	2.80	2.80	2.80
Total	45.31	45.05	45.25	44.50	44.82
Overlapping Rates					
City of Piqua	4.43	4.40	4.40	4.40	4.42
Joint Vocational School	5.46	5.45	5.45	5.35	5.18
Miami County	9.13	9.11	8.81	8.80	8.81
Forest Hill Cemetery	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

2009	2010	2011	2012	2013
39.72	39.80	39.80	39.80	40.22
2.35	2.35	7.27	7.28	6.93
2.80	2.80	2.80	2.80	3.30
<u>44.87</u>	<u>44.95</u>	<u>49.87</u>	<u>49.88</u>	<u>50.45</u>
4.42	4.42	4.42	4.42	4.49
5.36	5.32	5.32	5.32	5.32
8.81	8.81	8.81	8.81	8.81
0.50	0.50	0.50	0.50	0.50



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 2013		
		Assessed Value	Rank	Percent of Total Assessed Value
Harvey A Tolson Enterprises	Real Estate	\$3,516,520	1	0.93%
Midamco	Hospitality	3,392,950	2	0.90%
Wal-Mart	Retail	3,021,200	3	0.80%
Miami Valley Realty	Real Estate	2,440,590	4	0.65%
Dayton Power and Light Co.	Electricity	2,295,920	5	0.61%
Pioneer Rural Electric	Electricity	2,166,610	6	0.57%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	1,967,950	7	0.52%
Teeters Real Estate	Real Estate	1,885,270	8	0.50%
Vectren Energy	Natural Gas	1,870,080	9	0.50%
Hartzell Propeller Inc.	Aircraft Propeller Design	1,849,600	10	0.49%
Subtotal		24,406,690		6.47%
All Others		352,658,170		93.53%
Total		<u>\$377,064,860</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2004		
		Assessed Value	Rank	Percent of Total Assessed Value
Midamco	Hospitality	\$9,677,310	1	2.62%
Jackson Tube	Manufacturer - Steel Tubing	3,311,210	2	0.90%
Med-Terra Inc.	Real Estate	2,248,840	3	0.61%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,229,270	4	0.60%
Home Depot Inc.	Retail	2,090,420	5	0.57%
Ohio Bell Telephone	Utility	1,950,880	6	0.53%
Miami Valley Steel	Manufacturer - Steel Processing	1,538,920	7	0.42%
HCF Realty of Garbry Ridge Inc	Real Estate	1,384,640	8	0.37%
HCF Realty of Piqua	Real Estate	1,283,240	9	0.35%
NK New Plan Exchange	Shopping Mall	1,181,640	10	0.32%
Subtotal		26,896,370		7.29%
All Others		342,696,990		92.71%
Total		<u>\$369,593,360</u>		<u>100.00%</u>

Source: Miami County Auditor - Land and Buildings
Based on valuation of property in 2013 and 2004

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total Tax Levy	\$14,122,098	\$14,192,530	\$14,177,788	\$13,678,615
Collections within the Fiscal Year of the Levy				
Current Tax Collections	13,777,100	13,882,416	13,844,988	13,147,245
Percent of Levy Collected	97.56%	97.81%	97.65%	96.12%
Delinquent Tax Collections (1)	<u>525,669</u>	<u>607,446</u>	<u>581,075</u>	<u>402,960</u>
Total Tax Collections	14,302,769	14,489,862	14,426,063	13,550,205
Percent of Total Tax Collections To Tax Levy	101.28%	102.09%	101.75%	99.06%
Accumulated Outstanding Delinquent Taxes	1,093,320	1,184,242	1,253,166	2,357,109
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	7.74%	8.34%	8.84%	17.23%

(1) The County does not currently 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

2008	2009	2010	2011	2012	2013
\$13,196,070	\$12,524,772	\$12,544,610	\$12,837,246	\$14,469,502	\$14,375,763
12,774,025	12,097,727	12,145,139	12,454,909	14,060,718	13,864,575
96.80%	96.59%	96.82%	97.02%	97.17%	96.44%
464,920	458,414	482,501	432,918	422,679	481,497
13,238,945	12,556,141	12,627,640	12,887,827	14,483,397	14,346,072
100.32%	100.25%	100.66%	100.39%	100.10%	99.79%
2,384,309	1,214,881	1,231,409	1,172,973	1,140,871	1,029,644
18.07%	9.70%	9.82%	9.14%	7.88%	7.16%

Piqua City School District

Ratios of Outstanding Debt By Type Last Ten Years

	2005	*	2007	2008
	2005	2006	2007	2008
Governmental Activities (1)				
Certificates of Participation	\$0	\$0	\$0	\$0
General Obligation Bonds Payable	9,735,546	10,221,398	9,719,528	9,290,773
Capital Leases	491,568	390,167	280,711	163,075
Total Primary Government	<u>\$10,227,114</u>	<u>\$10,611,565</u>	<u>\$10,000,239</u>	<u>\$9,453,848</u>
Population (2)				
Piqua City	20,738	20,738	20,738	20,738
Outstanding Debt Per Capita	\$493	\$512	\$482	\$456
Income (3) (a)				
Personal (in thousands)	\$630,663	\$635,516	\$665,628	\$747,003
Percentage of Personal Income	1.62%	1.67%	1.50%	1.27%

* 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

2009	2010	2011	*	2013	2014
2009	2010	2011	2012	2013	2014
\$0	\$0	\$3,770,000	\$3,770,000	\$3,770,000	\$3,770,000
8,805,425	8,262,560	7,672,565	36,751,472	35,454,737	34,043,453
38,801	0	0	0	0	0
<u>\$8,844,226</u>	<u>\$8,262,560</u>	<u>\$11,442,565</u>	<u>\$40,521,472</u>	<u>\$39,224,737</u>	<u>\$37,813,453</u>
20,582	20,551	20,522	20,592	20,619	20,699
\$430	\$402	\$558	\$1,968	\$1,902	\$1,827
\$713,743	\$717,661	\$718,824	\$784,493	\$807,873	\$811,008
1.24%	1.15%	1.59%	5.17%	4.86%	4.66%

Piqua City School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	*			
	2005	2006	2007	2008
Population (1)	20,738	20,738	20,738	20,738
Estimated Actual Value	1,324,633,548	1,332,460,966	1,375,840,138	1,468,090,737
General Bonded Debt (2)				
General Obligation Bonds	9,735,546	10,221,398	9,719,528	9,290,773
Resources Available to Pay Principal (3)	577,311	509,255	730,481	788,458
Net General Bonded Debt	9,158,235	9,712,143	8,989,047	8,502,315
Ratio of Net Bonded Debt to Estimated Actual Value	0.69%	0.73%	0.65%	0.58%
Net Bonded Debt per Capita	441.62	468.33	433.46	409.99

* 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

2009	2010	2011	*	2013	2014
2009	2010	2011	2012	2013	2014
20,582	20,551	20,522	20,592	20,619	20,699
1,461,091,228	1,201,580,971	1,165,460,514	1,146,567,714	1,151,053,143	1,077,328,171
8,805,425	8,262,560	7,672,565	36,751,472	35,454,737	34,043,453
840,185	857,711	942,770	2,070,747	2,198,752	2,224,714
7,965,240	7,404,849	6,729,795	34,680,725	33,255,985	31,818,739
0.55%	0.62%	0.58%	3.02%	2.89%	2.95%
387.00	360.32	327.93	1,684.18	1,612.88	1,537.21



Piqua City School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2014*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Piqua City School District (1)</u>	<u>Amount Applicable to Piqua City School District</u>
Direct:			
Piqua City School District	\$37,813,453	100.00%	\$37,813,453
Overlapping:			
Miami County	15,325,950	17.84%	2,734,041
City of Piqua	1,166,337	100.00%	<u>1,166,337</u>
		Subtotal	<u>3,900,378</u>
		Total	<u><u>\$41,713,831</u></u>

Source: Ohio Municipal Advisory Council, June 2014

(1) Overlapping percentage was calculated by dividing each overlapping subdivision's assessed valuation within the District by the subdivision's total assessed valuation.

Piqua City School District

Debt Limitations Last Ten Years

	*			
	2005	2006	2007	2008
Net Assessed Valuation	\$436,756,490	\$440,189,030	\$434,866,040	\$447,964,700
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	39,308,084	39,617,013	39,137,944	40,316,823
Applicable District Debt Outstanding	9,735,546	10,221,398	9,719,528	9,290,773
Less: Applicable Debt Service Fund Amounts (2)	(578,706)	(565,738)	(718,046)	(779,667)
Net Indebtedness Subject to Limitation	<u>9,156,840</u>	<u>9,655,660</u>	<u>9,001,482</u>	<u>8,511,106</u>
Overall Legal Debt Margin	<u>\$30,151,244</u>	<u>\$29,961,353</u>	<u>\$30,136,462</u>	<u>\$31,805,717</u>
Debt Margin as a Percentage of Debt Limit	76.70%	75.63%	77.00%	78.89%
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	436,756	440,189	434,866	447,965
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$436,756</u>	<u>\$440,189</u>	<u>\$434,866</u>	<u>\$447,965</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,930,808	3,961,701	3,913,794	4,031,682
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Energy Conservation				
Loans Legal Debt Margin	<u>\$3,930,808</u>	<u>\$3,961,701</u>	<u>\$3,913,794</u>	<u>\$4,031,682</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

*					
2009	2010	2011	2012	2013	2014
\$430,018,740	\$418,949,540	\$406,077,340	\$401,298,700	\$402,868,600	\$377,064,860
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
38,701,687	37,705,459	36,546,961	36,116,883	36,258,174	33,935,837
8,805,425	8,262,560	7,672,565	36,751,472	35,454,737	34,043,453
(827,565)	(844,123)	(924,162)	(2,186,831)	(2,297,573)	(2,320,114)
<u>7,977,860</u>	<u>7,418,437</u>	<u>6,748,403</u>	<u>34,564,641</u>	<u>33,157,164</u>	<u>31,723,339</u>
<u>\$30,723,827</u>	<u>\$30,287,022</u>	<u>\$29,798,558</u>	<u>\$1,552,242</u>	<u>\$3,101,010</u>	<u>\$2,212,498</u>
79.39%	80.33%	81.53%	4.30%	8.55%	6.52%
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
430,019	418,950	406,077	401,299	402,869	377,065
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$430,019</u>	<u>\$418,950</u>	<u>\$406,077</u>	<u>\$401,299</u>	<u>\$402,869</u>	<u>\$377,065</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,870,169	3,770,546	3,654,696	3,611,688	3,625,817	3,393,584
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$3,870,169</u>	<u>\$3,770,546</u>	<u>\$3,654,696</u>	<u>\$3,611,688</u>	<u>\$3,625,817</u>	<u>\$3,393,584</u>

Piqua City School District

Demographic and Economic Statistics Last Ten Years

Calendar Year	2004	2005	2006	2007	2008
Population (1)					
Piqua City	20,738	20,738	20,738	20,738	20,582
Miami County	100,797	100,797	100,797	101,914	101,085
Income (2) (a)					
Total Personal (in thousands)	630,663	635,516	665,628	747,003	713,743
Per Capita	30,411	30,645	32,097	36,021	34,678
Unemployment Rate (3)					
Federal	5.5%	5.0%	4.6%	4.8%	5.8%
State	6.0%	5.9%	5.5%	5.7%	6.6%
Miami County	5.5%	5.7%	5.5%	5.0%	6.4%
Fiscal Year	2005	2006	2007	2008	2009
School Enrollment (4)					
Grades K - 3	1,197	1,148	1,093	1,096	1,140
Grades 4 - 6	829	825	868	850	851
Grades 7 - 8	644	586	557	572	600
Grades 9 - 12	1,252	1,233	1,248	1,219	1,189
Total	<u>3,922</u>	<u>3,792</u>	<u>3,766</u>	<u>3,737</u>	<u>3,780</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 (2013 not available),
Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office

Piqua City School District

2009	2010	2011	2012	2013
20,551	20,522	20,592	20,619	20,699
101,256	102,506	102,857	103,606	103,439
717,661	718,824	784,493	807,873	811,008
34,921	35,027	38,097	39,181	39,181
9.3%	9.6%	8.9%	8.1%	7.2%
10.2%	10.1%	8.6%	7.2%	7.5%
11.7%	10.5%	8.7%	7.0%	6.7%
2010	2011	2012	2013	2014
1,154	1,166	1,238	1,232	1,093
831	793	792	787	876
568	579	562	551	525
1,139	1,100	1,116	1,135	1,110
3,692	3,638	3,708	3,705	3,604



Piqua City School District

Principal Employers Current Year and Nine Years Ago

		2014	
Employer	Nature of Business	Number of Employees	Rank
Industry Products	Die Cutting, Silk Screening	470	1
Evenflo Company, Inc.	Manufacturer - Juvenile Furniture	285	2
Hartzell Propeller Inc.	Manufacturer - Aircraft Propellers	268	3
Crane Pumps & Systems	Manufacturer - Industrial Pumps	260	4
Westcon Industries	Industrial Construction	225	5
Nitto Denko Automotive Ohio Inc.	Manufacturer - Auto Industry Seals	208	6
Jackson Tub Service	Manufacturer - Steel Tubing	172	7
Miami Valley Steel	Manufacturer - Steel Products	134	8
Hartzell Fan Inc.	Manufacturer - Industrial Aire Handlers	120	9
Hobart Brothers - Piqua FMO	Manufacturer - Welding Wire	116	10
Total		<u>2,258</u>	
Total Employment within the District		<u>NA</u>	

		2005	
Employer	Nature of Business	Number of Employees	Rank
Evenflo Company	Manufacturer - Juvenile Furniture	400	1
Crane Pumps and Systems	Manufacturer - Industrial Pumps	353	2
Jackson Tube	Manufacturer - Steel Tubing	350	3
Takata Seat Belts	Distribution Center - Seat belts	302	4
Hartzell Propeller	Manufacturer - Aircraft Propellers	293	5
Industry Products	Die Cutting, Silk Screening	283	6
Piqua Technologies	Manufacturer - Auto Industry Seals	200	7
Miami Valley Steel	Manufacturer - Steel Products	150	8
Orr Felt Company	Manufacturer - Paper Felts	125	9
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	104	10
Total		<u>2,560</u>	
Total Employment within the District		<u>10,186</u>	

Sources: District Treasurer's Office

N/A - not available

Piqua City School District

*School District Employees by Type
Last Nine Years*

	2006	2007	2008	2009	2010
Supervisory					
Instructional Administrators	4.00	4.00	4.00	4.00	4.00
Noninstructional Administrators	6.00	6.00	4.00	4.00	4.00
Consultants/Supervisors of Instruction	1.00	2.00	2.00	3.00	3.00
Principals	9.00	9.00	9.00	9.00	9.00
Assistant Principals	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
Primary: Grades 1-3	47.00	47.00	45.00	46.00	45.00
Intermediate: Grades 4-6	47.00	45.00	43.00	43.00	42.00
Junior High School	41.00	27.00	27.00	27.00	27.00
High School	52.00	45.00	43.00	44.00	44.00
Student Services					
Guidance Counselors	8.00	8.00	8.00	8.00	7.00
Psychologists	2.00	2.00	2.00	2.00	2.00
Librarians	2.00	1.00	1.00	1.00	0.00
Speech and Hearing Specialists	N/A	3.00	3.00	3.00	2.00
Nurses	N/A	2.00	2.00	1.00	1.00
Physical Education	N/A	7.00	7.00	7.00	7.00
Fine Arts	N/A	15.00	15.00	15.00	15.00
Support Services					
Clerical/Secretaries	26.00	24.00	23.00	23.00	22.00
EMIS Coordinator	1.00	1.00	1.00	1.00	1.00
Food Service	45.00	43.00	40.00	37.00	34.00
Library Aides	8.00	10.00	9.00	10.00	10.00
Maintenance/Grounds	28.00	28.00	24.00	25.00	21.00
Parents as Teachers	4.00	3.00	3.00	3.00	3.00
Transportation	22.00	22.00	22.00	22.00	21.00
Tutors/Aides	33.00	31.00	16.00	18.00	19.00
Technology	0.00	2.00	2.00	2.00	4.00
Warehouse	1.00	1.00	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>

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

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
4.00	4.00	4.00	3.00
4.00	4.00	4.00	5.00
3.00	3.00	3.00	3.00
9.00	9.00	8.00	8.00
3.00	3.00	3.00	3.00
11.00	11.00	11.00	12.00
46.00	44.00	43.00	43.00
43.00	42.00	42.00	42.00
27.00	25.00	24.00	23.00
44.00	42.00	42.00	36.00
7.00	6.00	5.00	4.00
2.00	2.50	2.50	2.50
0.00	0.00	0.00	0.00
2.00	2.00	0.00	0.00
1.00	1.00	1.00	1.00
6.00	6.00	6.00	6.00
15.00	13.00	12.00	12.00
22.00	21.00	21.00	21.00
1.00	1.00	1.00	1.00
31.00	29.00	25.00	27.00
10.00	8.00	8.00	8.00
21.00	18.00	18.00	20.00
3.00	3.00	2.00	3.00
21.00	21.00	21.00	21.00
18.00	15.00	11.00	11.00
3.00	3.00	3.00	2.00
0.00	0.00	0.00	0.00
<u>357.00</u>	<u>336.50</u>	<u>320.50</u>	<u>317.50</u>

Piqua City School District

*Operating Indicators - Cost per Pupil
Last Ten Years*

Fiscal Year	2005	2006	2007	2008	2009
Enrollment	3,922	3,792	3,766	3,737	3,780
Modified Accrual Basis					
Operating Expenditures	31,599,735	32,520,850	32,648,059	31,479,980	31,507,490
Cost per Pupil	8,057	8,576	8,669	8,424	8,335
Percentage of Change	11.4%	6.4%	1.1%	(2.83%)	(1.05%)
Accrual Basis					
Expenses	29,717,504	30,943,290	32,089,607	31,706,813	31,520,979
Cost per Pupil	7,577	8,160	8,521	8,485	8,339
Percentage of Change	6.5%	7.7%	4.4%	(0.43%)	(1.72%)
Teaching Staff	207	207	217	204	206

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

Piqua City School District

2010	2011	2012	2013	2014
3,692	3,638	3,708	3,705	3,604
33,344,922	35,599,669	38,960,521	39,728,914	62,566,524
9,032	9,786	10,507	10,723	17,360
8.4%	8.3%	7.4%	2.1%	61.9%
33,389,152	34,499,795	36,280,071	35,988,608	35,161,301
9,044	9,483	9,784	9,714	9,756
8.5%	4.9%	3.2%	(0.72%)	0.4%
201	202	192	188	180

Piqua City School District

*Operating Indicators by Function
Last Ten Years*

	2005	2006	2007	2008
Governmental Activities				
Support Services				
Pupils				
Enrollment	3,922	3,792	3,766	3,737
Graduates	262	280	244	255
Percent of Students with Disabilities	15.80%	15.50%	15.80%	15.60%
Percent of Students with English as Second Language	0.6%	0.6%	0.8%	0.7%
Administration				
School Attendance Rate	96.0%	96.0%	95.2%	95.0%
Operation and Maintenance of Plant				
District Square Footage Maintained	607,115	607,115	608,145	608,145
Pupil Transportation				
Average Daily Students Transported	2,542	2,691	2,625	2,474
Average Miles Driven per Day	2,140	2,129	2,147	2,053
Average Miles per Bus	18,342	17,419	16,013	15,311
Number of Buses	21	22	24	24
Business-Type Activities				
Food Service				
Student Meals Served Daily	2,521	2,498	2,498	2,510
Free/Reduced Price Meals Daily	1,291	1,294	1,296	1,340
Percentage of Free/Reduced Price Meals Daily	51.21%	51.80%	51.88%	53.39%
Student Breakfasts Served Daily	1,147	1,094	1,148	1,143
Free/Reduced Price Breakfasts Daily	837	802	848	864
Percentage of Free/Reduced Price Breakfasts Daily	72.97%	73.31%	73.87%	75.59%

Source: District Treasurer's Office

Piqua City School District

2009	2010	2011	2012	2013	2014
3,780	3,692	3,638	3,708	3,705	3,604
273	285	244	239	257	251
13.64%	14.59%	14.35%	16.50%	14.50%	17.28%
0.4%	0.4%	0.5%	0.0%	0.0%	0.2%
95.2%	95.0%	95.3%	95.0%	94.5%	94.9%
608,145	608,145	608,145	608,145	608,145	608,145
2,437	2,141	1,939	1,955	1,971	1,834
1,911	1,891	1,664	1,671	1,704	1,505
16,727	16,762	14,262	14,322	14,605	12,900
22	21	21	21	21	21
2,599	2,598	2,586	2,559	2,145	1,934
1,447	1,562	1,607	1,660	1,531	1,437
55.68%	60.12%	62.14%	64.87%	71.38%	74.30%
1,181	1,187	1,170	1,183	1,089	989
920	966	967	1,019	946	875
77.90%	81.38%	82.65%	86.14%	86.87%	88.47%

Piqua City School District

Operating Indicators - Teacher Base Salaries Last Ten Years

Fiscal Year	2004	2005	2006	2007	2008
District Average Salary	49,730	49,642	51,291	52,983	53,979
County Average Salary	46,851	48,691	47,569	49,212	49,635
State Average Salary	47,495	49,342	51,346	52,596	54,210

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

Operating Indicators - Teachers by Education Last Ten Years

Fiscal Year	2005	2006	2007	2008	2009
Bachelor's Degree	27	26	24	17	14
Bachelor + 15	6	1	4	10	10
Bachelor + 30	34	35	33	25	22
Masters Degree	64	73	84	84	91
Masters Degree + 10	65	61	57	53	49
Masters Degree + 30	11	11	15	15	20
Total	207	207	217	204	206

Source: District Treasurer's Office

Piqua City School District

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
53,788	54,891	55,761	55,346	53,947
50,034	53,014	52,874	52,945	53,440
55,583	56,995	57,904	58,119	57,966

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
13	13	13	13	14
5	1	3	7	3
18	15	14	17	20
97	102	99	92	90
46	48	41	37	35
22	23	22	22	18
201	202	192	188	180

Piqua City School District

Capital Asset Statistics by Building Last Ten Years

	2005	2006	2007	2008
Secondary				
Piqua Senior High School				
Square Footage	185,375	185,375	185,375	185,375
Capacity (students)	1,200	1,200	1,200	1,200
Enrollment	1,077	1,050	1,248	1,219
Piqua Junior High School				
Square Footage	126,000	126,000	126,000	126,000
Capacity (students)	800	800	800	800
Enrollment	590	557	557	572
Intermediate				
Bennett Intermediate School				
Square Footage	48,739	48,739	48,739	48,739
Capacity (students)	800	800	800	800
Enrollment	248	249	249	242
Wilder Intermediate School				
Square Footage	47,651	47,651	47,651	47,651
Capacity (students)	800	800	800	800
Enrollment	275	293	293	299
Washington Intermediate School				
Square Footage	35,523	35,523	35,523	35,523
Capacity (students)	360	360	360	360
Enrollment	312	326	326	305
Primary				
Favorite Hill Primary School				
Square Footage	40,366	40,366	40,366	40,366
Capacity (students)	400	400	400	400
Enrollment	325	306	306	282
High Street Primary School				
Square Footage	20,816	20,816	20,816	20,816
Capacity (students)	360	360	360	360
Enrollment	275	259	259	253

Piqua City School District

2009	2010	2011	2012	2013	2014
185,375	185,375	185,375	185,375	185,375	185,375
1,200	1,200	1,200	1,200	1,200	1,200
1,189	1,139	1,100	1,116	1,133	1,110
126,000	126,000	126,000	126,000	126,000	126,000
800	800	800	800	800	800
600	568	579	561	554	525
48,739	48,739	48,739	48,739	48,739	48,739
800	800	800	800	800	800
245	293	292	332	345	301
47,651	47,651	47,651	47,651	47,651	47,651
800	800	800	800	800	800
297	299	281	260	265	282
35,523	35,523	35,523	35,523	35,523	35,523
360	360	360	360	360	360
309	282	267	268	256	293
40,366	40,366	40,366	40,366	40,366	40,366
400	400	400	400	400	400
296	300	296	316	321	298
20,816	20,816	20,816	20,816	20,816	20,816
360	360	360	360	360	360
302	271	272	291	288	245

(Continued)

Piqua City School District

*Capital Asset Statistics by Building
Last Ten Years*

	2005	2006	2007	2008
Springcreek Primary School				
Square Footage	25,326	25,326	25,326	25,326
Capacity (students)	360	360	360	360
Enrollment	271	260	260	268
Nicklin Avenue Learning Center				
Square Footage	21,519	21,519	21,519	21,519
Capacity (students)	375	375	375	375
Enrollment	298	268	268	297
All Other				
Central Administration Building				
Square Footage	12,800	12,800	13,830	13,830
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

2009	2010	2011	2012	2013	2014
25,326	25,326	25,326	25,326	25,326	25,326
360	360	360	360	360	360
229	238	255	274	266	277
21,519	21,519	21,519	21,519	21,519	21,519
375	375	375	375	375	375
313	302	296	290	277	273
13,830	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

	2005	2006	2007	2008	2009
Cost per Student (ODE) (1)					
Piqua	7,855	8,348	8,893	8,654	8,345
Ohio (Average)	9,028	9,343	9,586	9,939	9,990
Attendance Rate					
Piqua	94.70%	94.90%	95.20%	95.00%	95.20%
Ohio (Average)	95.20%	94.10%	94.10%	94.20%	94.30%
Graduation Rate					
Piqua	83.80%	83.80%	87.90%	92.40%	90.40%
Ohio (Average)	85.90%	86.20%	86.10%	86.90%	84.60%

Source:

District's Student Records and Ohio Department of Education

(1) ODE calculation is not based on GAAP financial reports. The 2014 figures were not yet available.

N/A = not available

Piqua City School District

2010	2011	2012	2013	2014
9,377	9,905	9,613	9,475	N/A
10,253	10,571	10,697	10,149	N/A
95.00%	95.30%	95.00%	94.50%	94.90%
94.30%	94.50%	94.50%	94.20%	94.20%
93.10%	93.80%	92.60%	88.50%	88.50%
83.00%	84.30%	81.30%	82.20%	82.20%



Piqua City School District
Miami County
Single Audit
For the Fiscal Year Ended June 30, 2014



Millhuff-Stang, CPA, Inc.
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Piqua City School District
Miami County
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For the Fiscal Year Ended June 30, 2014

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Piqua City School District
Miami County
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2014

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	\$272,557	\$0	\$272,557	\$0
National School Lunch Program	3L60	10.555	765,204	218,417	765,204	218,417
Total Child Nutrition Cluster			1,037,761	218,417	1,037,761	218,417
Total United States Department of Agriculture			1,037,761	218,417	1,037,761	218,417
<u>United States Department of Education</u>						
<i>Passed through the Ohio Department of Education</i>						
Special Education-Grants to States	3M20	84.027	763,399	0	797,733	0
Title I Grants to Local Educational Agencies	3M00	84.010	998,866	0	1,034,947	0
ARRA - Race to the Top Incentive Grants	3FD0	84.395	95,092	0	107,536	0
Improving Teacher Quality State Grants	3Y60	84.367	192,872	0	192,872	0
Total United States Department of Education			2,050,229	0	2,133,088	0
Total Federal Financial Assistance			\$3,087,990	\$218,417	\$3,170,849	\$218,417

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, 2014*

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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. 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*.

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.

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*

Independent Auditor's Report

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Piqua City School District, Miami County, Ohio (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding 2014-001.

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

December 22, 2014

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited Piqua City School District's (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, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of 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, 2014.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the 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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 22, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Piqua City School District
Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and
Report on Schedule of Federal Awards Expenditures Required by OMB Circular A-133
Page 3

In our opinion, the schedule of federal awards expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink, reading "Natalie Millhuff-Stang". The signature is written in a cursive, flowing style.

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

December 22, 2014

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, 2014

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>		
Type of financial statement opinion:		Unmodified
Internal control over financial reporting:		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?		Yes
<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?	No
Type of auditor’s report issued on compliance for major programs:		Unmodified
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):		Title I Grants to Local Educational Agencies (CFDA #84.010) Special Education Grants to States (CFDA #84.027)
Dollar threshold used to distinguish between type A and type B programs:		Type A: >\$300,000 Type B: all others
Auditee qualified as low-risk auditee?		Yes

Section II – Financial Statement Findings

Finding 2014-001

Noncompliance – Appropriations in Excess of Available Resources

Ohio Revised Code Section 5705.36(A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency. The District had appropriations in excess of available resources within various funds at fiscal year-end. The District should implement the appropriate procedures, such as periodic reviews of budget to actual information, to ensure that appropriations are limited to available resources.

Client Response:

The Treasurer will not double-appropriate fund accounts in the future. This mistake occurred while trying to correct an issue from the previous audit.

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, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
Finding 2013-1	Noncompliance – Expenditures in Excess of Appropriations – Ohio Revised Code Section 5705.41(B)	Yes	
Finding 2013-2	Noncompliance/Significant Deficiency – Child Nutrition Cluster – Suspension and Debarment	Yes	

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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
MAY 7, 2015**