



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PIQUA CITY SCHOOL DISTRICT
MIAMI COUNTY**

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**PIQUA CITY SCHOOL DISTRICT
MIAMI COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture (Passed Through Ohio Department of Education)						
Nutrition Cluster: Food Distribution Program		10.550		\$108,316		\$107,601
National School Breakfast Program	05-PU 2001 05-PU 2002	10.553	\$35,046 109,495		\$35,046 109,495	
Total National School Breakfast Program			<u>144,541</u>		<u>144,541</u>	
National School Lunch Program	LL-P1 2001 LL-P4 2001 LL-P4 2002	10.555	43,512 68,036 365,187		43,512 68,036 365,187	
Total National School Lunch Program			<u>476,735</u>		<u>476,735</u>	
Total Nutrition Cluster			621,276	108,316	621,276	107,601
Child & Adult Care Food Program	N/A	10.558	75 878		75 878	
Total Child & Adult Care Food Program			<u>953</u>		<u>953</u>	
Total U.S. Department of Agriculture			<u>622,229</u>	<u>108,316</u>	<u>622,229</u>	<u>107,601</u>
U.S. Department of Education (Passed through Ohio Department of Education)						
Grants to Local Educational Agencies (ESEA Title 1)	C1-S1 2001 C1-S1-2002	84.010	130,151 618,486		304,100 488,331	
			<u>748,637</u>		<u>792,431</u>	
Special Education Grants to States (IDEA Part B)	6B-SF-2002-P	84.027	310,287		258,427	
Drug-Free Schools Grant	DR-S1 2001	84.186	14,644		14,644	
GOALS 2000	G2-S2 2001	84.276	27,500		20,860	
Eisenhower Professional Development Grant	MS-S1 2002	84.281	21,507		17,336	
Innovative Education Program Strategies	C2-S1 2000 C2-S1 2001 C2-S1 2002	84.298	7,475 17,798		10,050 2,904 14,652	
			<u>25,273</u>		<u>27,606</u>	
SchoolNet - Raising the Bar Grant	N/A	84.318	258,839		239,991	
Class Size Reduction	CR-S1 2001 CR-S1 2002	84.340	14,736 132,726		15,232 132,003	
			<u>147,462</u>		<u>147,235</u>	
Total U.S. Department of Education			<u>2,176,378</u>	<u>108,316</u>	<u>2,140,759</u>	<u>107,601</u>
U.S. Department of Health and Human Services (Passed through Ohio Dept. of Jobs and Family Services)						
Medical Assistance Program	Not Available	93.778	46,568		46,568	
TOTAL FEDERAL ASSISTANCE			<u>\$2,222,946</u>	<u>\$108,316</u>	<u>\$2,187,327</u>	<u>\$107,601</u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

**PIQUA CITY SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported on the Schedule at the fair market value of the commodities received and consumed. At June 30, 2002, the District had a federal food commodities inventory in the amount of \$4,973. Federal funds received from the U.S. Department of Agriculture were commingled with state subsidy and local revenue from the sale of meals. It was assumed that federal dollars were expended first.

NOTE C - MATCHING REQUIREMENTS

Certain federal programs require that the District contribute non-federal funds (matching funds) to support the federally-funded programs. The District has complied with the matching requirements. The expenditure of non-federal funds is not included on the Schedule.



STATE OF OHIO
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Board of Education:

We have audited the financial statements of Piqua City School District, Miami County, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 13, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-10355-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 13, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2002-10355-002.

**Internal Control Over Financial Reporting
(Continued)**

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 13, 2002.

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



Jim Petro
Auditor of State

December 13, 2002



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To the Board of Education:

Compliance

We have audited the compliance of Piqua City School District, Miami County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, Piqua City School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002. However, we noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated December 13, 2002.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of Piqua City School District, (the District) as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2002. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Jim Petro
Auditor of State

December 13, 2002

**PIQUA CITY SCHOOL DISTRICT
MIAMI COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster: National School Lunch - CFDA #10.555 Food Distribution Program CFDA #10.550 National School Breakfast CFDA #10.553
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 2002-10355-001

Finding for Recovery

During the 2001-2002 school year, \$198 of French Club receipts collected by Teresa Virgint, the Club advisor were not deposited into the accounts of Piqua High School. This money was kept in the advisor's file cabinet, in violation of the schools student activity policy.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money collected by and unaccounted for is hereby issued against Teresa Virgint, Piqua High School French Club advisor, and the Ohio Schools Risk Sharing Authority, jointly and severally, and in favor of the Piqua City School District, in the amount of \$198.

FINDING NUMBER 2002-10355-002

Reportable Condition

Student Activities

Several student activity programs did not follow procedures in accordance with the District's Financial and Student Activity Procedures and Regulations manual. In addition, there was a cash theft at the Piqua High School of activity funds; cash in amount of \$198 was stolen from the French Club advisor's filing cabinet. This purported incident was not reported to the appropriate authorities.

- Financial & Student Activity Procedures and Regulations Manual Page six, Section I B.5, states deposits shall not be kept overnight in the building...The safekeeping of monies taken in, but not deposited, become the responsibility and liability of the activity sponsor/advisor. The student lock-in activity collected receipts of \$198 which were stolen from the French Club advisor's filing cabinet.
- Financial & Student Activity Procedures and Regulations Manual Page Five, Section I B.2, states a receipt shall be issued for all monies received by the activity sponsor/advisor. With the exception of one activity, there were no receipts issued for the monies received by the French Club.
- The handwritten records for shows, shirts, and lunch maintained by the French Club advisor did not indicate whether cash was received or if it was paid through the student's account from candy sales. The invoice information and the client's records had discrepancies. In addition, the remaining liabilities for individual students' could not be determined and the records did not include documentation of all the performances attended.
- Financial & Student Activity Procedures and Regulations Manual Page Nine, Section IC.15, states documentation of all transactions shall be maintained by personnel responsible for the funds, including activity sponsor/advisor. The French Club only maintained receipt records for one of the five activities during the year. The Class of 2003 did not maintain documentation for Prom ticket sales. Also, a fundraiser was held by the Class of 2003 and flowers were sold for \$390, which had no documentation of the selling price, amount collected, or quantity.
- Three of the four receipt books used by the Piqua High School FCCL activity during the year were not pre-numbered.

The District should require the student activity advisors to follow the procedures established in the Financial & Student Activity Procedures and Regulations manual for adequate control and accountability over student activity funds. In addition, periodic monitoring of student activity records might be considered to determine whether the manual is being followed.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

PIQUA CITY SCHOOL DISTRICT, OHIO

Miami County, Ohio



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2002**

Prepared by:
Ms. Victoria Couchois
Treasurer

PIQUA CITY SCHOOL DISTRICT, OHIO

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PIQUA CITY SCHOOL DISTRICT, OHIO

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INTRODUCTORY SECTION

PIQUA CITY SCHOOL DISTRICT

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

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December 13, 2002

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, 2002 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

The CAFR is presented in three sections as follows:

1. The Introductory Section includes this transmittal letter, an organization chart of the District, a list of the members of the Board of Education and management team, and the GFOA Certificate of Achievement.
2. The Financial Section includes the auditor's report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the District's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

The District provides a full range of education programs and services. 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, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2002

THE DISTRICT AND ITS FACILITIES

The District serves an area of approximately 10.7 square miles in and around the City of Piqua. It is located in Miami County in the Southwestern part of the state, comprised of the City of Piqua, Washington Township and Springcreek Township, and is residential, agricultural and industrial. It has a diversified industrial base with over 90 industries and 1,000,000 square feet of commercial space. The City of Piqua is a community of 21,000 people, 45 churches and 200 businesses and manufacturers. It is located on Interstate 75, 50 miles south of Lima, Ohio and 20 miles north of Dayton, Ohio, near the intersection of Interstate 75 and Interstate 70, a significant road intersection in the midwestern part of the United States.

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

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

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

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

CURRICULUM DEVELOPMENT -- The Piqua City School District provides a comprehensive K-12 program; intervention, assessment and special needs programming. The curriculum supports the Ohio Proficiency Tests and provides interesting and appealing instruction. The curriculum is on a five year revision cycle that involves K-12 staff and community involvement.

INSTRUCTION MATERIALS -- Piqua City School District instructional materials are selected on a five year replacement cycle that coincides with the curriculum development schedule. Materials include print, manipulatives and computer software that provide learning activities for students.

STAFF DEVELOPMENT -- Locally provided staff development is an extremely important part of professional renewal in Piqua Schools. The Inservice Committee assesses staff needs and plans after school sessions, inservice days and summer sessions for certified staff. The emphasis on these activities is to provide professional staff with a knowledge base required for curriculum implementation and use of effective teaching strategies.

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

PIQUA CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2002

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

Special programs provided for students who need additional support include an elementary guidance program, elementary and secondary summer school, a high school night school program for both credit and proficiency preparation, Junior Naval ROTC, and Jobs for Ohio Graduates. As of June 2002, over ninety students have graduated from Piqua High School due to the availability of the night school program.

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES -- Piqua City Schools also recognizes its responsibility to provide appropriate programming for its most capable students. The district provides a portion of that programming through a gifted and talented program that serves selected elementary and junior high school students beginning in the fourth grade. The program provides enrolled students enrichment experiences, opportunities for advanced thinking skills development and independent research. Computer technology is a significant part of this program.

Piqua High School offers advanced placement art, English, biology, chemistry, physics, economics, calculus and government. During the 2001-02 school year more than 100 students were enrolled in these college level courses.

SPECIAL EDUCATION -- In 2001-02 there were 607 students on Individualized Educational Programs representing slightly more than 15% of the total student population. Of these students all but a handful were served in their home district and most were served in their home schools. Students were served in the following programs: Multi handicapped, developmentally handicapped, severe emotionally disturbed, specific learning disabilities, other health handicapped and hearing impaired.

Special education is structured to provide a continuum of services in most buildings and to allow special education teachers to be resources to the regular education staff. This has permitted more collaboration among staff and more opportunities for special needs students to be included in regular education.

ECONOMIC CONDITIONS AND OUTLOOK

During calendar year 2001 the county's six year reappraisal of property valuations was completed. In accordance with millage rollback provisions of HB920, the District has assessed millage at the 20 mill-floor, the lowest millage permitted by Ohio Revised Code. As a result of this, the District is able to benefit financially from increased assessed valuations. The benefits of any growth were realized by the district during the second half of the 2001-02 school year and will be fully realized during the 2002-03 school year.

There has been continued growth in residential housing in several areas of the District. The District's tax base has shown growth in real estate values every year for the last ten years, and every year since 1993 in tangible personal property tax. Tax collection rates are excellent, experiencing delinquent taxes of less than 5% for the past several years.

PIQUA CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2002

A 1/2% School District Income Tax was approved by the voters of Piqua in 1990. This tax generates over \$1,700,000 annually for general operations of the District. In Fiscal Year 1995, the district began to feel growth in the income tax revenues and has experienced average increases of 4.9% until 2001-02. The overall decline in the economy impacted the District's Income Tax Collections and a decrease of 7% was realized.

The District is currently in the third year of a taxpayer approved 2.0 mill five year Permanent Improvements Levy which allows the District to spend approximately \$750,000 annually on repairs, renovations and capital equipment expenditures to maintain the District's facilities. Revenue generated through this levy takes financial strain off the General Fund by making the expenditures for capital repairs through the Permanent Improvement Fund. The levy expires December 31, 2004.

RECENT SIGNIFICANT ACCOMPLISHMENTS

The decade of the nineties was one of great transition for the Piqua City School District. After years of planning and hard work, the new organizational plan has positioned the District for the challenges of a new millennium.

The district facilities continue to be upgraded and modernized. Revenues from the Capital Improvements Levy were used for new roofs, new windows, floor coverings, plumbing, heat plants and many other improvement. Unlike many school buildings throughout Ohio, Piqua's school facilities are in great shape and are structurally conducive to providing a modern education for decades to come.

Even more important than the organizational changes and the condition of the schools, is the improvement in the relationship between the Piqua Community and the School District. The District is supported by an extremely active Parent Teacher Association in each of its nine schools. The PTA Council, with membership from each school PTA, meets monthly to coordinate activities, to support and strengthen PTA activities in the schools and to develop plans for such activities as the DARE/PTA Basketball Game and the PTA Scholarship Award. The Piqua Chamber of Commerce is closely linked with the schools. The Chamber's Business Education Advisory Council sponsors seventeen separate programs and school activities. The School/Business Partnership program brings twenty-one manufacturers, businesses and community service groups into the schools to support instruction, improve student and staff morale and take part in school events and activities. The School District was gifted a \$3.2 million stadium, which was constructed entirely through donations by the community.

None of the improvements mentioned above guarantees success in the classroom. However, with an excellent support system in place the School District is positioned to address such important issues as improving the District's Ohio Proficiency Test results, increasing student graduation rates and meeting the needs of special education students. Excellent instruction by a master level teaching staff, great facilities, equipment and educational resources, state recognition and the support of an entire community is the Piqua plan for year 2002 and beyond. The District's administrative and instructional staff are appreciative of the support of the Piqua community and dedicated to the task of making the Piqua City Schools the best it can be.

PIQUA CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2002

The 2000-01 school year brought to completion the Bennett Intermediate School OhioReads Grant project begun the previous school year. The grant was approved in the amount of \$30,000 and was awarded to Bennett Intermediate School, in cooperation with local business Hartzell Propeller, Inc. During 2001-02, Bennett Intermediate School was recipient of another OhioReads Grant for a two-year period, providing \$30,000 per year to continue the fourth grade literacy program. Accelerated Reader books were provided to all fourth graders, mentoring was given to at-risk fourth graders and a after-school reading club was established through this grant.

Wilder Intermediate School received approval for an OhioReads Grant project for the two-year period 2001-02 and 2002-03 for providing reading instruction through community mentor volunteers. This grant was for a total amount of \$60,000. A federal SchoolNet Raising the Bar Grant was awarded to the Piqua High School. This technology grant was used to enhance and integrate technology throughout the high school using parent involvement, student use of multimedia tools and teacher planning and instruction. With the fulfillment of this grant the Piqua High School has been able to provide web-based technology to parents, and has positioned itself for other resources as they become available.

The Piqua City School staff is dedicated to the process of Continuous Improvement. To that end, each school staff has selected three to five activities from their Continuous Improvement Plan.

These activities, the school "Yearly Action Plan" (Y.A.P.) continues to be the central theme of their work. Student progress was measured to see if the activities are making a positive difference. The goal of the District was to improve student performance on the Ohio Proficiency Exam, which it did by improving in 22 of 25 test areas in 2002.

An indicator that the District's efforts have been paying off is the improved "Academic Report Card" that the State Department of Education issues each year. The District showed improvement by meeting 15 of 27 possible standards. In the previous year the District met 10 of the standards.

The Piqua City School District Board of Education and staff understand the need to continue to connect with the Piqua Community. The Board authorized the development of another Strategic Planning Project. A Strategic Planning Committee of eighty community members and educators reviewed the District's programs, facilities and financial operations and issued a final report to the Board of Education during 2002. The report provided the District with a plan of action that will guide the District for the next decade. With the help of these dedicated volunteers, the School District will continue to reflect the values and beliefs of the community it serves.

MAJOR INITIATIVES FOR THE FUTURE

The District continues to seek improvement in the area of the Local Report Card. Federal, State and Local grants will be pursued to assist the District financially to provide the services to the students in the area of intervention. Professional improvement is a goal of the staff of the District. During 2002, three staff members attained the coveted National Teacher Certification. These teachers are Patricia Deaton, Mary Ellen King and Kathleen Rank. The District has received the Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial reports (CAFR) for fiscal years 1997, 1998, 1999, 2000 and 2001. This award is given for achieving the highest standards in governmental accounting and financial reporting. The superintendent of schools has been awarded the Exemplary Leadership Award by the Buckeye Association of School Administrators. There is no question that Piqua is recognized throughout Ohio for excellence in education.

PIQUA CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2002

With the approval of new federal legislation ESEA, "No Child Left Behind", the District will be working to meet all standards required to receive the federal funding. For fiscal year 2003, the District qualifies for \$1,537,097 in federal funding for programs in Title I Schoolwide, Special Education IDEA-Part B, Title II-A Improvement Teacher Quality, Title II-D Technology, Title IV, Safe and Drug Free Schools, and Title V Innovative Programs.

ACCOUNTING INFORMATION

ACCOUNTING SYSTEM -- The District's accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

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

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

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

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

1. 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.

PIQUA CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal

For the Fiscal Year Ended June 30, 2002

2. 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.

3. 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 department may move funds within their budgets with approval of the Superintendent and Treasurer. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund.

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

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

Investments are made with the primary objectives of:

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

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

PIQUA CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal For the Fiscal Year Ended June 30, 2002

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

OTHER INFORMATION

INDEPENDENT AUDIT -- State statutes require an annual audit. The Ohio State Auditor's Office conducted the audit for the fiscal year ended June 30, 2002. The auditor's unqualified opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements which follow the basic financial statements contain additional information and are an integral part of such statements.

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

To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The District has received a Certificate of Achievement for the last five consecutive years (fiscal years ended 1997-2001). 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.

ACKNOWLEDGMENTS -- The preparation of the Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff under the coordination of Hannah Kingrey, Assistant to the Treasurer. We are also grateful for the services of Donald J. Schonhardt & Associates, Inc. and to the Ohio State Auditor's Office 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,

Jerry L. Clark, Superintendent

Victoria Couchois, Treasurer

PIQUA CITY SCHOOL DISTRICT, OHIO

Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June, 30, 2002

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 current members of the Board of Education of the Piqua City School District are:

	<u>Began Service as A Board Member</u>	<u>Present Term Expires</u>
F. Martin Pollock, President	January 1982	December 31, 2005
Dawn Matthews, Vice President	January 1998	December 31, 2005
Henrietta C. Hahn	January 1992	December 31, 2003
Charles R. Wagner	January 1988	December 31, 2003
R. Scott Miller	December 1996	December 31, 2005

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. Jerry L. Clark, Superintendent of the Piqua City School District effective April 7, 1992. His term of office expires on July 31, 2006.

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, Victoria Couchois, has held the position since December 1972. Her term expires at organizational meeting in January, 2003.

PIQUA CITY SCHOOL DISTRICT, OHIO

Management Team Members and Treasurer's Office Staff For the Fiscal Year Ended June, 30, 2002

Management Team Members

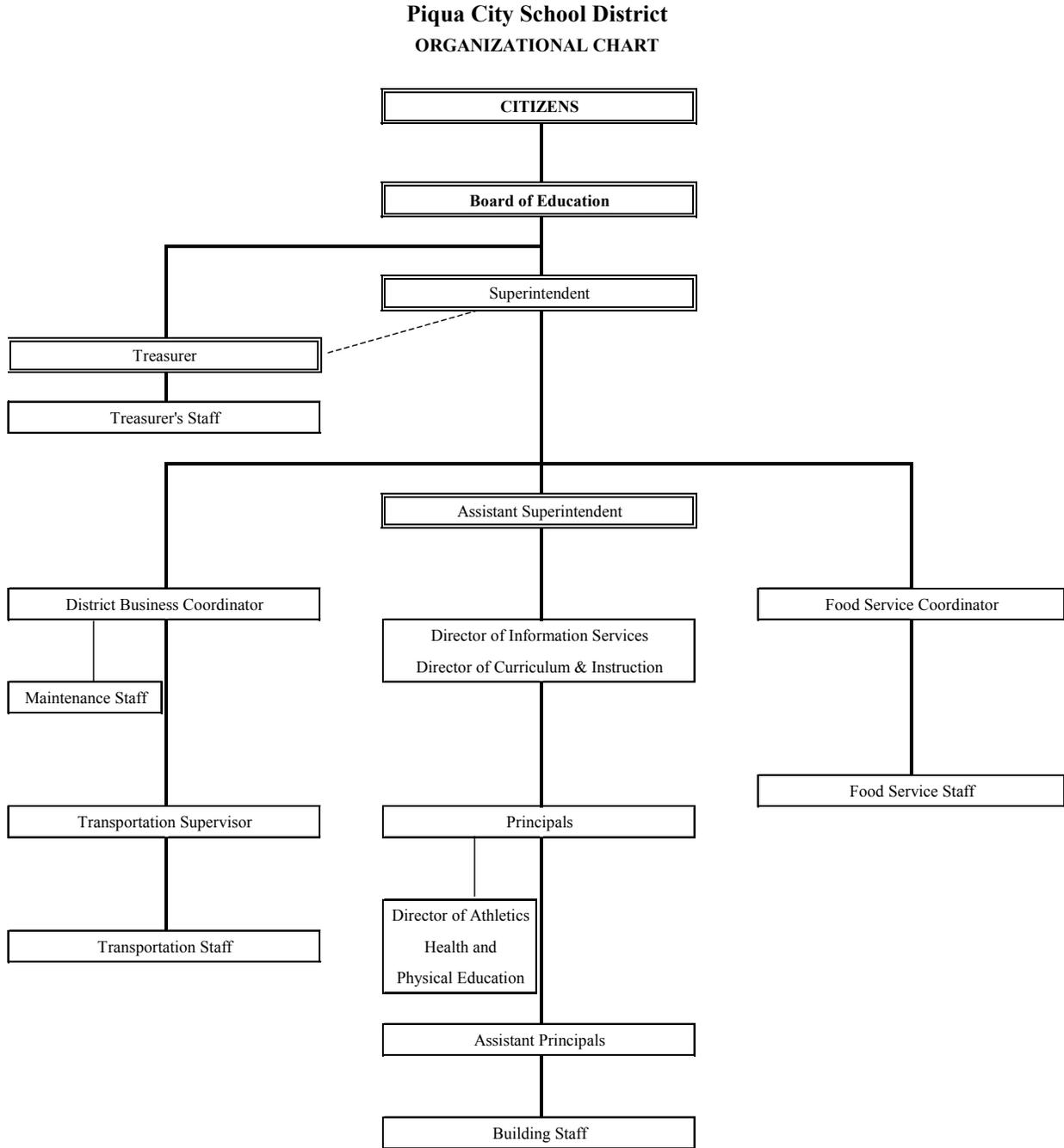
Jerry L. Clark	Superintendent of Schools
Victoria Couchois	Treasurer
Ben Edmonds	Assistant Superintendent
M. Kim Calland	Director of Information Services
Tim Reed	District Business Coordinator
Stephen Magoteaux	Athletic Director
Jane Rudd	Food Service Coordinator
David Janson	Director of Curriculum and Instruction
Jim Conley	District Technology Coordinator
Thomas Roeser, Ph.D.	School Psychologist
Daryl Boyd	School Psychologist
James Daniel	Transportation Supervisor
Katherine V. Davisson	Principal, Piqua High School
Mark Snyder	Assistant Principal, Piqua High School
Douglas Fries	Principal, Piqua Junior High School
Rebecca Cliness	Assistant Principal, Piqua Junior High School
Dwayne Thompson	Principal, Favorite Hill Primary School
Rick E. Fry	Principal, High Street Primary School
Teresa Congdon	Principal, Nicklin Learning Center
Judith York	Principal, Springcreek Primary School
Thomas L. Ringer	Principal, Washington Immediate School
Bradley Hall	Principal, Bennett Immediate School
Jerry Baker	Principal, Wilder Immediate School

Treasurer's Office Staff

Hannah L. Kingrey	Assistant to the Treasurer
Jeannie Ervin	Budgetary/Financial Clerk
Karen Magoteaux	Budgetary/Financial Clerk
Sarah Deavours Manger	Payroll Clerk

PIQUA CITY SCHOOL DISTRICT, OHIO

**School District Organizational Chart
For the Fiscal Year Ended June, 30, 2002**



NOTE: Please see reverse side for individual positions.

PIQUA CITY SCHOOL DISTRICT, OHIO

***Job Description Listing
For the Fiscal Year Ended June, 30, 2002***

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

PIQUA CITY SCHOOL DISTRICT, OHIO

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

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Piqua City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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



William Robert Parks

President

Jeffrey R. Emmer

Executive Director



FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Piqua City School District, Miami County, (the District) as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Piqua City School District, Miami County, as of June 30, 2002, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2002, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

December 13, 2002

PIQUA CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2002*

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, 2002. The intent of this discussion and analysis is to look at the School 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 2002 are as follows:

- ❑ In total, net assets increased \$4,769,792. Net assets of governmental activities increased \$4,547,160 which represents a 31% increase from 2001. Net assets of business-type activities increased \$222,632 or 23% from 2001.
- ❑ General revenues accounted for \$23,997,598 in revenue or 84% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,659,416 or 16% of total revenues of \$28,657,014.
- ❑ The District had \$26,042,722 in expenses related to governmental activities; only \$3,320,468 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$23,997,598 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$22,225,954 in revenues and \$23,210,975 in expenditures. The general fund's fund balance decreased \$985,021 to a deficit of \$566,944. This decrease is attributable to an increase in contract services for special instruction, an 18% increase in hospital insurance, and increases in property, vehicle and liability insurance.
- ❑ Net assets for enterprise funds decreased slightly by \$19,007. This decrease is attributable to increases in both food service wages and food service supplies purchases.

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 and internal service 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, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2002*

Unaudited

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

PIQUA CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2002**

Unaudited

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net assets for 2002 compared to 2001:

	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
Current and other assets	\$15,938,670	\$18,318,287	\$699,484	\$990,856	\$16,638,154	\$19,309,143
Capital assets, Net	25,308,449	28,755,096	437,108	410,407	25,745,557	29,165,503
Total assets	<u>41,247,119</u>	<u>47,073,383</u>	<u>1,136,592</u>	<u>1,401,263</u>	<u>42,383,711</u>	<u>48,474,646</u>
Long-term debt outstanding	14,433,267	14,937,142	47,090	69,865	14,480,357	15,007,007
Other liabilities	12,355,080	13,130,309	134,159	153,423	12,489,239	13,283,732
Total liabilities	<u>26,788,347</u>	<u>28,067,451</u>	<u>181,249</u>	<u>223,288</u>	<u>26,969,596</u>	<u>28,290,739</u>
Net assets						
Invested in capital assets, net of related debt	13,561,574	16,466,243	437,108	410,407	13,998,682	16,876,650
Restricted	1,783,366	2,636,550	0	0	1,783,366	2,636,550
Unrestricted	<u>(886,168)</u>	<u>(96,861)</u>	<u>518,235</u>	<u>767,568</u>	<u>(367,933)</u>	<u>670,707</u>
Total net assets	<u><u>14,458,772</u></u>	<u><u>19,005,932</u></u>	<u><u>\$955,343</u></u>	<u><u>\$1,177,975</u></u>	<u><u>\$15,414,115</u></u>	<u><u>\$20,183,907</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2002**

Unaudited

Changes in Net Assets – The following table shows the net assets for the fiscal year 2002:

	Governmental Activities		Business-type Activities		Total	
	2001	2002	2001	2002	2001	2002
Revenues						
Program revenues:						
Charges for Services	\$988,206	\$1,041,282	\$635,981	\$644,566	\$1,624,187	\$1,685,848
Operating Grants	1,944,212	2,202,968	682,951	694,382	2,627,163	2,897,350
Capital Grants	39,000	76,218	0	0	39,000	76,218
General revenues:						
Property Taxes	10,154,988	11,033,475	0	0	10,154,988	11,033,475
Income Taxes	2,040,034	1,731,104	0	0	2,040,034	1,731,104
Grants and Entitlements	10,571,598	11,165,388	0	0	10,571,598	11,165,388
Other	428,331	220,948	0	0	428,331	220,948
Loss on Disposal of Fixed Assets	(146,416)	(153,317)	(9,413)	0	(155,829)	(153,317)
Total revenues	<u>26,019,953</u>	<u>27,318,066</u>	<u>1,309,519</u>	<u>1,338,948</u>	<u>27,329,472</u>	<u>28,657,014</u>
Program Expenses						
Instruction	16,646,591	15,484,610	0	0	16,646,591	15,484,610
Support Services:						
Pupils	1,377,129	1,373,246	0	0	1,377,129	1,373,246
Instructional Staff	1,637,131	1,496,558	0	0	1,637,131	1,496,558
Board of Education	8,042	7,669	0	0	8,042	7,669
Administration	1,865,194	1,841,957	0	0	1,865,194	1,841,957
Fiscal Services	494,672	528,655	0	0	494,672	528,655
Business	66,874	88,768	0	0	66,874	88,768
Operation and Maintenance of Plant	2,225,755	2,439,177	0	0	2,225,755	2,439,177
Pupil Transportation	1,024,551	1,087,088	0	0	1,024,551	1,087,088
Central	41,318	30,539	0	0	41,318	30,539
Operation of Non-Instructional Services	313,795	290,074	0	0	313,795	290,074
Extracurricular Activities	654,479	829,544	0	0	654,479	829,544
Debt Service:						
Interest and Fiscal Charges	566,626	544,837	0	0	566,626	544,837
Food Service	0	0	1,227,796	1,116,316	1,227,796	1,116,316
Total expenses	<u>26,922,157</u>	<u>26,042,722</u>	<u>1,227,796</u>	<u>1,116,316</u>	<u>28,149,953</u>	<u>27,159,038</u>
Excess (deficiency) before special items	(902,204)	1,275,344	81,723	222,632	(820,481)	1,497,976
Special Item - Capital Contributions	0	3,271,816	0	0	0	3,271,816
Total Change in Net Assets	(902,204)	4,547,160	81,723	222,632	(820,481)	4,769,792
Beginning Net Assets	15,360,976	14,458,772	873,620	955,343	16,234,596	15,414,115
Ending Net Assets	<u>\$14,458,772</u>	<u>\$19,005,932</u>	<u>\$955,343</u>	<u>\$1,177,975</u>	<u>\$15,414,115</u>	<u>\$20,183,907</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2002**

Unaudited

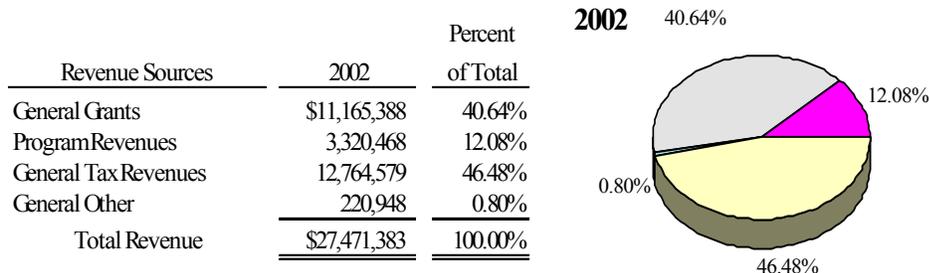
Governmental Activities

Net assets of the District's governmental activities increased by \$4,547,160. This was due mainly to increased State and Federal grant monies, as well as a large capital contribution made to the District.

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

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

Property taxes and income taxes made up 40.2% and 6.3% respectively of revenues for governmental activities for Piqua City Schools in fiscal year 2002. The District's reliance upon tax revenues is demonstrated by the following graph indicating 46% of total revenues from general tax revenues:



Business-Type Activities

Net assets of the business-type activities increased by \$222,632. This is attributable to the adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. These programs had revenues of \$1,338,948 and expenses of \$1,116,316 for fiscal year 2002. Business activities receive no support from tax revenues and remain self-supporting.

PIQUA CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2002**

Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$1,882,447, which is below last year's total of \$2,169,176. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2002 and 2001.

	Fund Balance June 30, 2002	Fund Balance June 30, 2001	Increase (Decrease)
General	(\$566,944)	\$418,077	(\$985,021)
Debt Service	331,782	305,542	26,240
Permanent Improvement			
Capital Projects	1,334,285	483,809	850,476
Other Governmental	783,324	961,748	(178,424)
Total	\$1,882,447	\$2,169,176	(\$286,729)

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

	2002 Revenues	2001 Revenues	Increase (Decrease)
Taxes	\$10,538,174	\$10,251,451	\$286,723
Tuition	35,940	24,263	11,677
Transportation Fees	33,836	39,669	(5,833)
Investment Earnings	83,554	202,558	(119,004)
Class Materials and Fees	157,204	155,626	1,578
Intergovernmental - State	11,009,800	10,383,662	626,138
Intergovernmental - Federal	94,617	124,591	(29,974)
All Other Revenue	253,459	248,288	5,171
Total	\$22,206,584	\$21,430,108	\$776,476

General Fund revenues in 2002 increased approximately 4% compared to revenues in fiscal year 2001. Two factors contributed to this increase, the most significant being increased funding from the State's "Foundation Program". Additionally, property tax revenue increased by 8.7% in 2002.

PIQUA CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2002**

Unaudited

	2002 <u>Expenditures</u>	2001 <u>Expenditures</u>	Increase (Decrease)
Instruction	\$13,967,085	\$13,740,187	\$226,898
Supporting Services:			
Pupils	1,395,440	1,288,996	106,444
Instructional Staff	1,611,159	1,534,490	76,669
Board of Education	7,669	8,042	(373)
Administration	1,888,321	1,817,125	71,196
Fiscal Services	504,938	453,019	51,919
Business	97,136	67,022	30,114
Operation & Maintenance of Plant	2,376,207	2,252,935	123,272
Pupil Transportation	1,076,543	1,104,586	(28,043)
Central	30,539	41,318	(10,779)
Extracurricular Activities	253,877	241,787	12,090
Capital Outlay	<u>2,061</u>	<u>1,500</u>	<u>561</u>
Total	<u>\$23,210,975</u>	<u>\$22,551,007</u>	<u>\$659,968</u>

The expenditures increased by \$659,968 or 3% over the prior year. This is the result of increases in wages and salaries in instruction, as well as increases in property, vehicle and liability insurance.

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 2002 the District amended its General Fund budget several times, none significant.

For the General Fund, budget basis revenue of \$22.4 million did not significantly change over the original budget estimates of \$23 million. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2002 the School District had \$29,165,503 net of accumulated depreciation invested in land, buildings, equipment and vehicles. Of this total, \$28,755,096 was related to governmental activities and \$410,407 to the business-type activities. The following table shows fiscal 2001 and 2002 balances:

PIQUA CITY SCHOOL DISTRICT, OHIO

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2002**

Unaudited

	Governmental Activities		Increase (Decrease)
	2002	2001	
Land and Improvements	\$2,203,460	\$641,579	\$1,561,881
Buildings and Improvements	30,409,422	28,359,574	2,049,848
Machinery and Equipment	5,005,416	4,414,272	591,144
Vehicles	1,502,338	1,388,745	113,593
Less: Accumulated Depreciation	<u>(10,365,540)</u>	<u>(9,495,721)</u>	<u>(869,819)</u>
Totals	<u>\$28,755,096</u>	<u>\$25,308,449</u>	<u>\$3,446,647</u>

	Business-Type Activities		Increase (Decrease)
	2002	2001	
Machinery and Equipment	\$856,232	\$853,610	\$2,622
Less: Accumulated Depreciation	<u>(445,825)</u>	<u>(416,502)</u>	<u>(29,323)</u>
Totals	<u>\$410,407</u>	<u>\$437,108</u>	<u>(\$26,701)</u>

The primary increases occurred in land and buildings and improvements. This was a result of the donation of land and a new stadium.

Debt

At June 30, 2002, the School District had \$11.1 million in bonds outstanding, \$490,000 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2002:

	2002	2001
Governmental Activities:		
General Obligation Bond:		
School Improvement	\$11,125,432	\$11,580,432
Installment Note:		
School Improvement	1,050,000	0
Capital Leases Payable	111,772	166,443
Compensated Absences	<u>2,649,938</u>	<u>2,686,392</u>
Total Governmental Activities	14,937,142	14,433,267
Business-Type Activities:		
Compensated Absences	<u>69,865</u>	<u>47,090</u>
Totals	<u>\$15,007,007</u>	<u>\$14,480,357</u>

The School Improvements Bond was issued for the construction of a new junior high school. The District passed a 2.96 mill bond issue in 1997.

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, 2002, the School District's overall legal debt margin was below the legal limit. Additional information on the District's long-term debt can be found in Note 11.

PIQUA CITY SCHOOL DISTRICT, OHIO

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2002*

Unaudited

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District relies on its property and income taxes, and State Foundation Funds to provide the funds necessary to maintain its educational programs. During 2002, a revised five-year forecast showed a deficit for fiscal year 2003. This deficit was a result of a decline in the stock market which led to a large decline in Income Tax received by the District, substantial rise in insurance costs, and a personal property delinquency. Due to the projected deficit on the five-year forecast, the District placed an emergency levy on the ballot for November 2002; this levy was defeated. Therefore, prior to approving permanent appropriations, the Board of Education has approved a reduction of planned appropriations of approximately \$900,000 for fiscal year 2003 as a result of the five-year forecast deficit balance projections. This plan calls for a reduction of 5 teaching positions and 7 aide positions, reduction in departmental and building budgets and delaying the purchase of a new bus. The District has committed to placing another emergency levy on the ballot in a special election to be held February 2003.

A challenge facing the District is the future of state funding. On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including a change in the school districts that are used as the basis for determining the base cost support amount and fully funding parity aid no later than the beginning of fiscal year 2004. In November 2001, the Court granted the state's motion for reconsideration but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issues his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court. As of the date of these financial statements, the District is unable to determine what effect, if any, the decision and the reconsideration will have on its future state funding and on its financial operations.

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

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Victoria Couchois, Treasurer of Piqua City School District.



PIQUA CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets
June 30, 2002

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 6,190,317	\$ 686,076	\$ 6,876,393
Receivables:			
Taxes	12,034,258	0	12,034,258
Accounts	9,897	319	10,216
Intergovernmental	254,981	0	254,981
Interest	3,889	0	3,889
Internal Balance	(286,299)	286,299	0
Inventory Held for Resale	0	18,162	18,162
Prepaid Items	110,482	0	110,482
Restricted Assets:			
Cash with Fiscal Agent	762	0	762
Capital Assets, Net	28,755,096	410,407	29,165,503
Total Assets	\$ 47,073,383	\$ 1,401,263	\$ 48,474,646
Liabilities:			
Accounts Payable	\$ 575,873	\$ 201	\$ 576,074
Accrued Wages and Benefits	2,260,726	91,151	2,351,877
Intergovernmental Payable	735,557	57,098	792,655
Matured Bonds and Interest Payable	762	0	762
Deferred Revenue - Taxes	9,513,627	0	9,513,627
Deferred Revenue	0	4,973	4,973
Accrued Interest Payable	43,764	0	43,764
Long Term Liabilities:			
Due Within One Year	1,258,539	0	1,258,539
Due in More Than One Year	13,678,603	69,865	13,748,468
Total Liabilities	28,067,451	223,288	28,290,739
Net Assets:			
Invested in Capital Assets, Net of Related Debt	16,466,243	410,407	16,876,650
Restricted For:			
Capital Projects	1,477,057	0	1,477,057
Debt Service	352,802	0	352,802
Other Purposes	806,691	0	806,691
Unrestricted (Deficit)	(96,861)	767,568	670,707
Total Net Assets	\$ 19,005,932	\$ 1,177,975	\$ 20,183,907

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT, OHIO

Statement of Activities
For the Fiscal Year Ended June 30, 2002

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 15,484,610	\$ 548,260	\$ 1,745,498	\$ 76,218
Support Services:				
Pupils	1,373,246	3,646	0	0
Instructional Staff	1,496,558	0	160,220	0
Board of Education	7,669	0	0	0
Administration	1,841,957	0	25,216	0
Fiscal Services	528,655	0	0	0
Business	88,768	0	0	0
Operation and Maintenance of Plant	2,439,177	1,020	0	0
Pupil Transportation	1,087,088	37,215	50,812	0
Central	30,539	0	0	0
Operation of Non-Instructional Services	290,074	0	221,222	0
Extracurricular Activities	829,544	451,141	0	0
Debt Service:				
Interest and Fiscal Charges	544,837	0	0	0
Total Governmental Activities	26,042,722	1,041,282	2,202,968	76,218
Business-Type Activities:				
Food Service	1,116,316	644,566	694,382	0
Total Business-Type Activities	1,116,316	644,566	694,382	0
Totals	\$ 27,159,038	\$ 1,685,848	\$ 2,897,350	\$ 76,218

General Revenues

Taxes:

Property Taxes levied for: General Purposes

Property Taxes levied for: Debt Service

Property Taxes levied for: Capital Outlay

Income Taxes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Loss on Disposal of Capital Assets

Total General Revenues

Special Item: Capital Contributions

Change in Net Assets

Restated Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT, OHIO

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (13,114,634)	\$ 0	\$ (13,114,634)
(1,369,600)	0	(1,369,600)
(1,336,338)	0	(1,336,338)
(7,669)	0	(7,669)
(1,816,741)	0	(1,816,741)
(528,655)	0	(528,655)
(88,768)	0	(88,768)
(2,438,157)	0	(2,438,157)
(999,061)	0	(999,061)
(30,539)	0	(30,539)
(68,852)	0	(68,852)
(378,403)	0	(378,403)
(544,837)	0	(544,837)
(22,722,254)	0	(22,722,254)
0	222,632	222,632
0	222,632	222,632
\$ (22,722,254)	\$ 222,632	\$ (22,499,622)
8,983,634	0	8,983,634
936,914	0	936,914
1,112,927	0	1,112,927
1,731,104	0	1,731,104
11,165,388	0	11,165,388
167,372	0	167,372
53,576	0	53,576
(153,317)	0	(153,317)
23,997,598	0	23,997,598
3,271,816	0	3,271,816
4,547,160	222,632	4,769,792
14,458,772	955,343	15,414,115
\$ 19,005,932	\$ 1,177,975	\$ 20,183,907

PIQUA CITY SCHOOL DISTRICT, OHIO

**Balance Sheet
Governmental Funds
June 30, 2002**

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 506,002	\$ 223,646	\$ 1,392,598	\$ 1,060,433
Receivables:				
Taxes	9,907,820	978,167	1,148,271	0
Accounts	6,638	0	0	3,259
Intergovernmental	32,774	0	0	222,207
Interest	3,889	0	0	0
Prepaid Items	110,482	0	0	0
Restricted Assets:				
Cash with Fiscal Agent	0	762	0	0
Total Assets	\$ 10,567,605	\$ 1,202,575	\$ 2,540,869	\$ 1,285,899
Liabilities:				
Accounts Payable	236,568	0	185,831	153,474
Accrued Wages and Benefits	2,142,597	0	0	118,129
Intergovernmental Payable	444,344	0	0	100,591
Matured Bonds and Interest Payable	0	762	0	0
Deferred Revenue - Taxes	8,089,804	870,031	1,020,753	0
Deferred Revenue	0	0	0	130,381
Compensated Absences Payable	221,236	0	0	0
Total Liabilities	11,134,549	870,793	1,206,584	502,575
Fund Balances:				
Reserved for Encumbrances	185,195	0	29,978	119,411
Reserved for Prepaid Items	110,482	0	0	0
Reserved for Debt Service	0	229,055	0	0
Reserved for Property Taxes	1,115,064	102,727	121,185	0
Reserved for Endowments	0	0	0	58,206
Unreserved, Undesignated in:				
General Fund (Deficit)	(1,977,685)	0	0	0
Special Revenue Funds	0	0	0	486,775
Capital Projects Funds	0	0	1,183,122	118,932
Total Fund Balances	(566,944)	331,782	1,334,285	783,324
Total Liabilities and Funds Balances	\$ 10,567,605	\$ 1,202,575	\$ 2,540,869	\$ 1,285,899

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
June 30, 2002***

	Total Governmental Funds			
		Total Governmental Fund Balances		\$ 1,882,447
\$ 3,182,679		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
12,034,258		Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		28,755,096
9,897		Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		597,342
254,981				
3,889				
110,482				
762				
\$ 15,596,948		Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		2,721,339
575,873		Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
2,260,726		G.O. Bonds Payable:		(11,125,432)
544,935		Installment Note Payable:		(1,050,000)
762		Capital Leases Payable:		(111,772)
9,980,588		Compensated Absences Payable:		(2,428,702)
130,381		Accrued Interest Payable:		(43,764)
221,236		Pension Obligation:		(190,622)
13,714,501		Net Assets of Governmental Activities		\$ <u>19,005,932</u>
334,584				
110,482				
229,055				
1,338,976				<u>(14,950,292)</u>
58,206				
(1,977,685)				
486,775				
1,302,054				
1,882,447				
\$ 15,596,948				

PIQUA CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2002

	General	Debt Service	Permanent Improvement Capital Projects	Other Governmental Funds
Revenues:				
Taxes	\$ 10,538,174	\$ 936,914	\$ 1,112,927	\$ 0
Tuition	35,940	0	0	0
Transportation Fees	33,836	0	0	0
Investment Earnings	83,554	8,342	21,542	17,120
Extracurricular Activities	0	0	0	455,162
Class Materials and Fees	157,204	0	0	0
Intergovernmental - State	11,009,800	99,837	115,303	545,452
Intergovernmental - Federal	94,617	0	0	1,603,383
All Other Revenue	253,459	0	0	157,931
Total Revenue	22,206,584	1,045,093	1,249,772	2,779,048
Expenditures:				
Current:				
Instruction	13,967,085	0	508,963	1,912,931
Supporting Services:				
Pupils	1,395,440	0	0	96,594
Instructional Staff	1,611,159	0	13,534	90,953
Board of Education	7,669	0	0	0
Administration	1,888,321	0	75,206	12,027
Fiscal Services	504,938	16,246	18,820	2,151
Business	97,136	0	0	0
Operation & Maintenance of Plant	2,376,207	0	23,200	18,624
Pupil Transportation	1,076,543	0	0	9,865
Central	30,539	0	0	0
Operation of Non-Instructional Services	0	0	0	271,086
Extracurricular Activities	253,877	0	0	488,118
Capital Outlay	2,061	0	809,573	56,486
Debt Service:				
Principal Retirement	0	455,000	0	0
Interest & Fiscal Charges	0	547,607	0	0
Total Expenditures	23,210,975	1,018,853	1,449,296	2,958,835
Excess (Deficiency) of Revenues				
Over Expenditures	(1,004,391)	26,240	(199,524)	(179,787)
Other Financing Sources (Uses):				
Proceeds from the Sale of Fixed Assets	19,370	0	0	1,363
Proceeds from the Sale of Notes	0	0	1,050,000	0
Total Other Financing Sources (Uses)	19,370	0	1,050,000	1,363
Net Change in Fund Balance	(985,021)	26,240	850,476	(178,424)
Fund Balances at Beginning of Year	418,077	305,542	483,809	961,748
Fund Balances (Deficit) at End of Year	\$ (566,944)	\$ 331,782	\$ 1,334,285	\$ 783,324

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT, OHIO

**Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended June 30, 2002**

Total Governmental Funds	
\$ 12,588,015	Net Change in Fund Balances - Total Governmental Funds \$ (286,729)
35,940	<i>Amounts reported for governmental activities in the statement of activities are different because</i>
33,836	
130,558	
455,162	Governmental funds report capital outlays as expenditures. However,
157,204	in the statement of activities, the cost of those assets is allocated over
11,770,392	their estimated useful lives as depreciation expense. This is the amount
1,698,000	by which capital outlays exceeded depreciation in the current period. 3,620,697
411,390	
27,280,497	Governmental funds only report the disposal of assets to the extent
	proceeds are received from the sale. In the statement of activities, a
16,388,979	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. (174,050)
1,492,034	Revenues in the statement of activities that do not provide current
1,715,646	financial resources are not reported as revenues in the funds. 152,746
7,669	
1,975,554	The issuance of long-term debt provides current financial resources to
542,155	governmental funds, but has no effect on net assets. In addition, repayment of
97,136	bond and capital lease principal is an expenditure in the governmental funds,
2,418,031	but the repayment reduces long-term liabilities in the statement of net assets. (540,329)
1,086,408	
30,539	In the statement of activities, interest is accrued on outstanding bonds, whereas
271,086	in governmental funds, an interest expenditure is reported when due. 2,770
741,995	
868,120	Some expenses reported in the statement of activities, such as compensated
455,000	absences and intergovernmental payables which represents contractually
547,607	required pension contributions, do not require the use of current financial
28,637,959	resources and therefore are not reported as expenditures in the governmental 19,580
	funds.
(1,357,462)	The internal service funds are used by management to charge the costs of
	services to individual funds is not reported in the statement of activities.
20,733	Governmental fund expenditures and related internal service fund revenues
1,050,000	are eliminated. The net revenue (expense) of the internal service funds are
1,070,733	allocated among the governmental activities. <u>1,752,475</u>
(286,729)	Change in Net Assets of Governmental Activities <u>\$ 4,547,160</u>
2,169,176	
\$ 1,882,447	

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	GENERAL FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	\$ 23,040,697	\$ 22,411,557	\$ 22,472,935	\$ 61,378
 Total Expenditures and Other Financing Uses	 24,079,953	 23,450,811	 23,427,494	 23,317
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (1,039,256)	 (1,039,254)	 (954,559)	 84,695
 Fund Balance at Beginning of Year	 572,592	 572,592	 572,592	 0
Prior Year Encumbrances	466,664	466,664	466,664	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 2</u>	<u>\$ 84,697</u>	<u>\$ 84,695</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets
Proprietary Funds
June 30, 2002

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Food Service	Uniform School Supplies	Total	
	Food Service	Uniform School Supplies	Total	
Assets:				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 677,024	\$ 9,052	\$ 686,076	\$ 3,007,638
Receivables:				
Accounts	319	0	319	0
Inventory Held for Resale	18,162	0	18,162	0
<i>Total Current Assets</i>	695,505	9,052	704,557	3,007,638
<i>Non Current Assets:</i>				
Capital Assets, Net	410,407	0	410,407	0
Total Assets	1,105,912	9,052	1,114,964	3,007,638
Liabilities:				
<i>Current Liabilities:</i>				
Accounts Payable	201	0	201	0
Accrued Wages and Benefits	91,151	0	91,151	0
Intergovernmental Payable	57,098	0	57,098	0
Deferred Revenue	4,973	0	4,973	0
<i>Total Current Liabilities</i>	153,423	0	153,423	0
<i>Long Term Liabilities:</i>				
Compensated Absences Payable	69,865	0	69,865	0
Total Liabilities	223,288	0	223,288	0
Net Assets:				
Invested in Capital Assets, Net of Related Debt	410,407	0	410,407	0
Unrestricted	472,217	9,052	481,269	3,007,638
Total Net Assets	\$ 882,624	\$ 9,052	\$ 891,676	\$ 3,007,638
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			286,299	
Net Assets of Business-type Activities			\$ 1,177,975	

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2002**

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Food Service	Uniform School Supplies	Total	
	Food Service	Uniform School Supplies	Total	
Operating Revenues:				
Sales	\$ 630,355	\$ 0	\$ 630,355	\$ 0
Interfund Charges	0	0	0	2,167,952
Total Operating Revenues	630,355	0	630,355	2,167,952
Operating Expenses:				
Salaries and Wages	516,294	0	516,294	194,046
Fringe Benefits	180,840	0	180,840	17,932
Contractual Services	51,402	0	51,402	0
Supplies and Materials	572,717	0	572,717	0
Depreciation	36,702	0	36,702	0
Total Operating Expenses	1,357,955	0	1,357,955	211,978
Operating Income (Loss)	(727,600)	0	(727,600)	1,955,974
Nonoperating Revenue :				
Operating Grants	694,382	0	694,382	0
Investment Earnings	14,211	0	14,211	38,140
Total Nonoperating Revenues	708,593	0	708,593	38,140
Change in Net Assets	(19,007)	0	(19,007)	1,994,114
Net Assets Beginning of Year	901,631	9,052	910,683	1,013,524
Net Assets End of Year	<u>\$ 882,624</u>	<u>\$ 9,052</u>	<u>\$ 891,676</u>	<u>\$ 3,007,638</u>
Change in Net Assets - Total Enterprise Funds			<u>\$ (19,007)</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>241,639</u>	
Change in Net Assets - Total Business-type Activities			<u>\$ 222,632</u>	

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT, OHIO

Statement of Cash Flows
Proprietary Funds
June 30, 2002

	Business-Type Activities Enterprise Funds			Governmental Activities
	Food Service	Uniform School Supply	Total	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$630,068	\$0	\$630,068	\$0
Cash Received from Interfund Charges	0	0	0	2,167,952
Cash Payments for Goods and Services	(528,351)	0	(528,351)	0
Cash Payments to Employees for Services and Benefits	(645,603)	0	(645,603)	(211,978)
Net Cash Provided (Used) by Operating Activities	<u>(543,886)</u>	<u>0</u>	<u>(543,886)</u>	<u>1,955,974</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	658,554	0	658,554	0
Net Cash Provided by Noncapital Financing Activities	<u>658,554</u>	<u>0</u>	<u>658,554</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition of Equipment	(10,001)	0	(10,001)	0
Net Cash Used by Capital and Related Financing Activities	<u>(10,001)</u>	<u>0</u>	<u>(10,001)</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	14,211	0	14,211	38,140
Net Cash Provided by Investing Activities	<u>14,211</u>	<u>0</u>	<u>14,211</u>	<u>38,140</u>
Net Increase in Cash and Cash Equivalents	118,878	0	118,878	1,994,114
Cash and Cash Equivalents at Beginning of Year	558,146	9,052	567,198	1,013,524
Cash and Cash Equivalents at End of Year	<u>\$677,024</u>	<u>\$9,052</u>	<u>\$686,076</u>	<u>\$3,007,638</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	(\$727,600)	\$0	(\$727,600)	\$1,955,974
<u>Adjustments to Reconcile Operating Income (Loss) to</u>				
<u>Net Cash Provided (Used) by Operating Activities:</u>				
Depreciation Expense	36,702	0	36,702	0
Donated Commodities Used During the Year	107,601	0	107,601	0
<u>Changes in Assets and Liabilities:</u>				
Increase in Accounts Receivable	(298)	0	(298)	0
Increase in Inventory	(2,330)	0	(2,330)	0
Decrease in Accounts Payable	(10,721)	0	(10,721)	0
Increase in Accrued Wages and Benefits	27,108	0	27,108	0
Increase in Intergovernmental Payables	2,164	0	2,164	0
Increase in Deferred Revenue	713	0	713	0
Increase in Compensated Absences	22,775	0	22,775	0
Total Adjustments	<u>183,714</u>	<u>0</u>	<u>183,714</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$543,886)</u>	<u>\$0</u>	<u>(\$543,886)</u>	<u>\$1,955,974</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2002, the Food Service Fund received \$107,601 in donated commodities from the federal government.

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT, OHIO

**Statement of Net Assets
Fiduciary Funds
June 30, 2002**

	Private Purpose Trust	
	Special Trust Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 220,131	\$ 35,732
Receivables:		
Accounts	565	0
Interest	2,076	0
Restricted Assets:		
Investments	<u>601,450</u>	<u>0</u>
Total Assets	<u>824,222</u>	<u>35,732</u>
Liabilities:		
Accounts Payable	645	0
Due to Students	<u>0</u>	<u>35,732</u>
Total Liabilities	<u>645</u>	<u>35,732</u>
Net Assets:		
Unrestricted	<u>823,577</u>	<u>0</u>
Total Net Assets	<u>\$ 823,577</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT, OHIO

**Statement of Changes in Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2002**

	Private Purpose Trust
	Special Trust Fund
Additions:	
Contributions:	
Sales	\$ 3,818
Dues and Fees	1,378
Private Donations	<u>13,869</u>
Total Contributions	<u>19,065</u>
Investment Earnings:	
Interest	18,631
Net Increase in the Fair Value of Investments	<u>59,830</u>
Total Investment Earnings	<u>78,461</u>
Total Additions	<u>97,526</u>
Deductions:	
Community Gifts, Awards and Scholarships	<u>21,317</u>
Total Deductions	<u>21,317</u>
Change in Net Assets	76,209
Net Assets at Beginning of Year	<u>747,368</u>
Net Assets End of Year	<u>\$ 823,577</u>

See accompanying notes to the basic financial statements



PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

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 175 noncertified and approximately 236 certified teaching personnel and administrative employees providing education to 3,846 students.

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

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

B. Basis of Presentation - Fund Accounting

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

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

Debt Service Fund - This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

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

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

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

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

Uniform School Supplies Fund - This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Internal Service Funds - The internal service funds are 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 Rotary Fund accounts for operations in which the district provides services from one department to another on a cost reimbursement basis. The Liability Self Insurance Fund accounts for the 10% risk premium applicable to the employee health and dental plans.

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

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

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

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

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

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

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

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Current property taxes measurable at June 30, 2002, and which are not intended to finance fiscal 2002 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2002 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

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

Pursuant to GASB Statement No. 20, "*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Revenues – Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

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

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

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the basis of budgeting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

1. Tax Budget

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

2. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2002.

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 Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

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

5. Basis of Budgeting

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

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PIQUA CITY SCHOOL DISTRICT, OHIO

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Basis of Budgeting (Continued)

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

	General Fund
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	
GAAP Basis (as reported)	(\$985,021)
Increase (Decrease):	
Accrued Revenues at June 30, 2002, received during FY 2003	(1,861,317)
Accrued Revenues at June 30, 2001, received during FY 2002	1,674,790
Accrued Expenditures at June 30, 2002, paid during FY 2003	3,044,745
Accrued Expenditures at June 30, 2001, paid during FY 2002	(2,364,210)
FY 2001 Prepays for FY 2002	68,241
FY 2002 Prepays for FY 2003	(110,482)
Encumbrances Outstanding	(421,305)
Budget Basis	(\$954,559)

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 5, "Cash, Cash Equivalents and Investments."

H. Inventory

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

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

I. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

PIQUA CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

1. Property, Plant and Equipment - Governmental Activities (Continued)

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.

2. Property, Plant and Equipment - Business Type Activities

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

3. Depreciation

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

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

J. Long-Term Obligations

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

Obligation	Fund
General Obligation Bond	Debt Service Fund
Installment Note	Debt Service Fund
Capital Leases	General Fund
Compensated Absences	General Fund, Title I Fund, Food Services Fund

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

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 260 days. Upon retirement, employees will receive twenty-five percent of the accumulated sick leave up to a maximum of 57 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 57 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 20% 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.” In the government wide statement of net assets, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

L. Net Assets

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

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

M. Pensions

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

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 restricted in use for debt service payments.

P. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for debt service, prepaid items, endowments, property taxes, and encumbered amounts which have not been accrued at year end. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriation under State statute. (The required level of participation has been exceeded for the State required textbook purchase and capital maintenance, therefore no reservation is reported on the Balance Sheet.)

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.

R. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 a special item during fiscal year 2002, a donation of Alexander Stadium on land owned by the District and leased to the contributor.

PIQUA CITY SCHOOL DISTRICT, OHIO

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002***

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

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

Amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	\$4,817,715
Depreciation Expense	<u>(1,197,018)</u>
	\$3,620,697

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

Loss on Disposal of Capital Asset	(\$194,783)
Proceeds Received	<u>20,733</u>
	(\$174,050)

Governmental revenues not reported in the funds:

Increase in Delinquent Tax Revenue	\$22,365
Increase in Grants Receivable	<u>130,381</u>
	\$152,746

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

Bond Principal Payment	\$455,000
Capital Lease Payment	54,671
Installment Note Proceeds	<u>(1,050,000)</u>
	(\$540,329)

NOTE 3 – RESTATEMENT OF NET ASSETS

Certain adjustments were necessary to correct an error in accounting for depreciation in the Governmental Capital Assets. As a result of the adjustment, the Governmental Activities beginning net assets balance decreased by \$109,233. The balance decreased from \$14,568,005 to \$14,458,772.

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at June 30, 2002 of \$566,944 in the General Fund, \$396 in the Disadvantaged Pupil Impact Aid Fund, \$13 in the Extended Learning Opportunity Fund, \$18,975 in the Title VI-R 2002 Fund (special revenue funds) and \$384 in the SchoolNet Plus Fund (capital projects fund) 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 operating transfers when cash is required, not when accruals occur.

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;

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- 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).

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 collateral are limited to obligations of the United States and its agencies and obligations of the State of Ohio, county, municipal corporation or other legally constituted authority of the State of Ohio, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, *“Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,”* collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions’ agent in the pool’s name are classified as Category 3.

The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the District or by its agent in the District’s name.
- Category 2 Collateralized with securities held by the pledging financial institution’s trust department or agent, in the District’s name.
- Category 3 Collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the District’s name.

Investments:

- Category 1 Insured or registered securities held by the District or its agent in the District’s name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty’s trust department or agent in the District’s name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District’s name.

PIQUA CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002**

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

At year end the carrying amount of the District's deposits was \$7,133,018* and the bank balance was \$7,374,399. The Federal Deposit Insurance Corporation (FDIC) covered \$127,968 of the bank balance and all remaining deposits were classified as Category 3. In accordance with Ohio Revised Code, the remaining balance was covered by pooled collateral.

* Includes cash with fiscal agent of \$762.

B. Investments

The District's investments at June 30, 2002 are summarized below:

<u>Categorized Investments</u>	<u>Category 1</u>	<u>Fair Value</u>
Marketable Equity Securities	\$601,450	\$601,450

NOTE 6 - TAXES

A. Property Tax

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2002 were levied after October 1, 2001 on assessed values as of January 1, 2001, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 2001. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 6 - TAXES (Continued)

A. Property Tax (Continued)

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Piqua City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2002, upon which the 2001 levies were based, were as follows:

	2001 Second Half <u>Collections</u>	2002 First Half <u>Collections</u>
Agricultural/Residential and Other Real Estate	\$310,878,670	\$333,483,290
Public Utility Personal	10,154,970	7,357,810
Tangible Personal Property	<u>80,763,908</u>	<u>82,471,680</u>
Total Assessed Value	<u>\$401,797,548</u>	<u>\$423,312,780</u>
Tax rate per \$1,000 of assessed valuation	\$40.60	\$40.50

B. Income Tax

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

NOTE 7 - RECEIVABLES

Receivables at June 30, 2002 consisted of taxes, accounts receivable, interest receivable and intergovernmental receivables.

NOTE 8 – INTERFUND TRANSACTIONS

On the Statement of Net Assets, the Business-Type Activities reported an internal balance at June 30, 2002 of \$286,299 which is offset in the Governmental Activities by the same amount.

PIQUA CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2002:

Historical Cost:

Class	June 30, 2001	Additions	Deletions	June 30, 2002
Capital assets not being depreciated:				
Land	\$323,722	\$0	\$0	\$323,722
Capital assets being depreciated:				
Land Improvements	317,857	1,561,881	0	1,879,738
Buildings and Improvement	28,359,574	2,049,848	0	30,409,422
Machinery and Equipment	4,414,272	1,077,322	(486,178)	5,005,416
Vehicles	1,388,745	128,664	(15,071)	1,502,338
Total Cost	<u>\$34,804,170</u>	<u>\$4,817,715</u>	<u>(\$501,249)</u>	<u>\$39,120,636</u>

Accumulated Depreciation:

Class	Restated June 30, 2001	Additions	Deletions	June 30, 2002
Land Improvements	(\$23,802)	(\$33,251)	\$0	(\$57,053)
Buildings and Improvement	(6,162,490)	(437,294)	0	(6,599,784)
Machinery and Equipment	(2,626,113)	(615,818)	313,780	(2,928,151)
Vehicles	(683,316)	(110,655)	13,419	(780,552)
Total Depreciation	<u>(\$9,495,721)</u>	<u>(\$1,197,018) *</u>	<u>\$327,199</u>	<u>(\$10,365,540)</u>
Net Value:	<u>\$25,308,449</u>			<u>\$28,755,096</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction	(\$532,623)
Support Services:	
Pupils	(916)
Instructional Staff	(2,601)
Administration	(43,375)
Fiscal Services	(219)
Operations & Maintenance of Plant	(25,857)
Pupil Transportation	(102,485)
Auxillary Services	(3,512)
Extracurricular Activities	(52,002)
Other Noninstructional Services	(433,428)
Total Depreciation Expense	<u>(\$1,197,018)</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2002:

Historical Cost:

<u>Class</u>	<u>June 30, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2002</u>
Machinery and Equipment	\$853,610	\$10,001	(\$7,379)	\$856,232
Total Cost	<u>\$853,610</u>	<u>\$10,001</u>	<u>(\$7,379)</u>	<u>\$856,232</u>

Accumulated Depreciation:

<u>Class</u>	<u>June 30, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2002</u>
Machinery and Equipment	(\$416,502)	(\$36,702)	\$7,379	(\$445,825)
Total Depreciation	<u>(\$416,502)</u>	<u>(\$36,702)</u>	<u>\$7,379</u>	<u>(\$445,825)</u>

<i>Net Value:</i>	<u>\$437,108</u>	<u>(\$26,701)</u>	<u>\$0</u>	<u>\$410,407</u>
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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 Employees Retirement System of Ohio (SERS of Ohio)

All non-certified employees of the District, with minor exceptions, performing duties that do not require a certificate issued by the Ohio Department of Education are eligible to participate in the School Employees Retirement System of Ohio, a cost-sharing, multiple-employer public employee retirement system.

The SERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The SERS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the SERS of Ohio. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3786 or by calling (614) 222-5853.

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

A. School Employees Retirement System of Ohio (SERS of Ohio) (Continued)

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 2002, 5.46% was allocated to fund the pension benefit and 8.54% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 2002, 2001, and 2000 were \$561,708, \$516,132, and \$443,028, respectively, 41 percent has been contributed for fiscal year 2002, and 100 percent for fiscal years 2001 and 2000, \$329,028 representing contributions for fiscal year 2002, is recorded as a liability within the respective funds.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. The portion of the 2002 employer contribution rate that was used to fund health care for the year 2002 was 8.54%.

In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2002, the minimum pay has been established as \$12,400. The amount contributed to fund health care benefits, including the surcharge amounted to \$395,462.

Health care benefits are financed on a pay-as-you-go basis. The number of retirees and covered dependents currently receiving benefits is approximately 50,000. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2001 (the latest information available) were \$161,439,934 and the target level was \$242.2 million. Net assets available for payment of benefits at June 30, 2001 was \$315.7 million.

B. State Teachers Retirement System of Ohio (STRS of Ohio)

All certified employees of the District are eligible to participate in the State Teachers Retirement System of Ohio, a cost-sharing, multiple-employer public employee retirement system.

The STRS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits based on eligible service credit to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. The STRS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the STRS of Ohio. Interested parties may obtain a copy by making a written request to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

PIQUA CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement System of Ohio (STRS of Ohio) (Continued)

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9.3%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. At June 30, 2002, 9.5% was allocated to fund the pension benefit and 4.5% to fund health care. The District's contributions to the STRS of Ohio for the years ending June 30, 2002, 2001, and 2000 were \$1,761,012, \$1,604,700, and \$1,525,668, respectively, 83 percent has been contributed for fiscal year 2002, and 100 percent for fiscal years 2001 and 2000, \$293,192 representing contributions for fiscal year 2002, is recorded as a liability within the respective funds.

STRS provides postemployment health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to a Health Care Reserve Fund. For the fiscal year ended June 30, 2002, the board allocated employer contributions are equal to 4.5% of covered payroll to the Health Care Reserve Fund, which amounted to \$566,040 for the District. The balance of the Health Care Reserve Fund was \$3.256 billion at June 30, 2001 (the latest information available). For the fiscal year ended June 30, 2001, the net health care costs paid by STRS were \$300,772,000. There were 102,132 eligible benefit recipients.

NOTE 11- LONG-TERM DEBT AND OTHER OBLIGATIONS

A summary of the District's future long-term debt funding requirements for the bond and note, including principal and interest payments as of June 30, 2002, follows:

Years	General Obligation Bond			Installment Note		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$490,000	\$525,163	\$1,015,163	\$350,000	\$21,315	\$371,315
2004	500,000	501,650	1,001,650	350,000	20,230	370,230
2005	525,000	477,306	1,002,306	350,000	12,005	362,005
2006	555,000	451,656	1,006,656	0	0	0
2007	197,721	830,755	1,028,476	0	0	0
2008-2012	1,667,711	3,433,045	5,100,756	0	0	0
2013-2017	3,585,000	1,432,329	5,017,329	0	0	0
2018-2021	3,605,000	391,257	3,996,257	0	0	0
Totals	<u>\$11,125,432</u>	<u>\$8,043,161</u>	<u>\$19,168,593</u>	<u>\$1,050,000</u>	<u>\$53,550</u>	<u>\$1,103,550</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002**

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

Detail of the changes in the capital leases and compensated absences of the District for the year ended June 30, 2002 is as follows:

	Balance June 30, 2001	Additions	Deductions	Balance June 30, 2002	Amount Due Within One Year
Governmental Activities:					
General Obligation Bond:					
School Improvement	\$11,580,432	\$0	(\$455,000)	\$11,125,432	\$490,000
Installment Note:					
School Improvement 2.0 - 3.4%	0	1,050,000	0	1,050,000	350,000
Capital Leases Payable	166,443	0	(54,671)	111,772	53,266
Compensated Absences	2,686,392	721,473	(757,927)	2,649,938	365,273
Total Governmental Activities	<u>14,433,267</u>	<u>1,771,473</u>	<u>(1,267,598)</u>	<u>14,937,142</u>	<u>1,258,539</u>
Business-Type Activities:					
Compensated Absences	47,090	37,939	(15,164)	69,865	0
Total Other					
Long-Term Obligations	<u>\$14,480,357</u>	<u>\$1,809,412</u>	<u>(\$1,282,762)</u>	<u>\$15,007,007</u>	<u>\$1,258,539</u>

During Fiscal Year 1998 the District issued general obligations bonds in the amount of \$11,995,432 at 5.93% for the construction of a new junior high school.

NOTE 12 - CAPITAL LEASE COMMITMENTS

The District is obligated under several leases accounted for as capital leases. The cost of the leased assets (Machinery and Equipment - copiers) is accounted for in the Governmental Activities Capital Assets and the related liability in the Governmental Activities Other Long-Term Obligations. The original cost of the assets under capital lease was \$307,760.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2002:

Year Ending June 30,	Capital Leases
2003	\$62,714
2004	62,714
2005	1,008
Minimum Lease Payments	126,436
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(14,664)</u>
Present value of minimum lease payments	<u>\$111,772</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 13 - RISK MANAGEMENT

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

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

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

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

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 2002, but the maximum amount of additional premium that may be levied against the District is \$473,016.

PIQUA CITY SCHOOL DISTRICT, OHIO

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2002***

NOTE 14 – STATUTORY RESERVES

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

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

	Textbook Reserve	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2001	(\$155,479)	\$0
Current Year Set-Aside Requirement	427,797	427,797
Current Year Offset Credits	(491,897)	(1,333,874)
Qualifying Disbursements	<u>0</u>	<u>0</u>
Total	<u>(\$219,579)</u>	<u>(\$906,077)</u>
Set-aside Cash Balance Carried Forward to FY 2003	<u>(\$219,579)</u>	<u>(\$906,077)</u>

The District had additional offsets and qualifying disbursements during the year in the Textbook set-aside that may be used to reduce the set-aside requirements of future years. The District also had permanent improvement levy additional offset and qualifying disbursements during the year in the Capital Acquisition set-aside that may be used to reduce the set-aside requirements of future years.

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.

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

A. Metropolitan Dayton Educational Cooperative Association (Continued)

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

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

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

For this reason, the Montgomery Education Service Center serves as the fiscal agent for the MDECA and performs certain functions that might otherwise be performed by the MDECA Board of Directors in order to ensure receipt of funds from the Ohio Educational Computer Network. Essentially, these functions are to apply for and maintain the Data Acquisition Site permit for the central data processing equipment and to hold legal title to the central data processing equipment. During fiscal year 2002, the Piqua City School District paid \$95,742 to MDECA. The MDECA’s office is located in Dayton, Ohio, 201 Riverside Drive, Suite 1C, 45405.

B. Southwestern Ohio Educational Purchasing Council

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

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

B. Southwestern Ohio Educational Purchasing Council (Continued)

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 2002, the Piqua City School District paid \$3,546 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Cooperative, Robert Brown, Director, 1831 Harshman Road, Dayton, Ohio 45424.

C. Southwestern Ohio Instructional Technology Association

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

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

All member districts are obligated to pay fees, charges or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. During fiscal year 2002, the Piqua City School District paid \$3,546 to the SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, Director, 150 East Sixth Street, Franklin, Ohio 45005.

PIQUA CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2002

NOTE 16 – RELATED ORGANIZATION

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

NOTE 17 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2002.

B. Litigation

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2002.

C. State School Funding

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

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



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS, AND INTERNAL
SERVICE FUNDS.*

PIQUA CITY SCHOOL DISTRICT, OHIO

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.

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.

Student 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.

Teacher Development Fund

To account for monies which provide locally developed teacher training and professional development and establishment of local professional development committees.

Excellence in Education Fund

To account for funds from a State grant to provide reading assistance for at risk students.

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.

Disadvantaged Pupil Impact Aid Fund

To account for monies received for the disadvantaged pupil impact aid.

SchoolNet Professional Development Fund

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

OhioReads Fund

To account for grant monies to be used for improving reading outcomes, especially on the fourth grade reading proficiency test and for operating expenditures associated with administering the program.

(Continued)

PIQUA CITY SCHOOL DISTRICT, OHIO

Special Revenue Funds

Summer Intervention Fund

To account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Ohio Revised Code. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Extended Learning Opportunity Fund

To account for monies received from the state which are used to supplement reading programs for students in grades K-3 and related professional development opportunities for their teachers.

School Conflict Management Grant Fund

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

Education for Economic Security Act (EESA) Fund

To account for monies for strengthening instruction in science, mathematics, modern foreign languages, English, the arts and computer learning.

Title VI-B Fund

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

Title I Fund

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

Title VI Fund

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

Drug Free School Grant Fund

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

Telecommunications Act Grant Fund

To account for federal revenues paid to the district for telecommunication services.

Goals 2000 Fund

To account for monies to support a broad range of education improvement programs such as student performance on the fourth and ninth grade State Proficiency tests.

(Continued)

PIQUA CITY SCHOOL DISTRICT, OHIO

Special Revenue Funds

Title VI-R Fund 2002

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

Title VI-R Fund 2001

To account for federal revenues which support class reduction in grades 1-3 through employment of teachers in fiscal year 2001.

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.

Building Acquisition and Construction Fund

To account for monies acquired through the sale of bonds to construct, equip and furnish a new junior high school.

Replacement Fund

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

SchoolNet Plus Fund

To account for monies received from state grant to provide computer workstations for all classrooms, grades K-4.

Interactive Video Distance Learning Fund

To account for monies spent by the State on behalf of the District. The monies are used for capital assets for the interactive video distance learning project.

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.

Endowment Trust 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, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2002**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 818,368	\$ 183,859	\$ 58,206	\$ 1,060,433
Receivables:				
Accounts	3,259	0	0	3,259
Intergovernmental	222,207	0	0	222,207
Total Assets	\$ 1,043,834	\$ 183,859	\$ 58,206	\$ 1,285,899
Liabilities:				
Accounts Payable	90,055	63,419	0	153,474
Accrued Wages and Benefits	118,129	0	0	118,129
Intergovernmental Payable	100,591	0	0	100,591
Deferred Revenue	130,381	0	0	130,381
Total Liabilities	439,156	63,419	0	502,575
Fund Balances:				
Reserved for Encumbrances	117,903	1,508	0	119,411
Reserved for Endowments	0	0	58,206	58,206
Unreserved, Undesignated in:				
Special Revenue Funds	486,775	0	0	486,775
Capital Projects Funds	0	118,932	0	118,932
Total Fund Balances	604,678	120,440	58,206	783,324
Total Liabilities and Funds Balances	\$ 1,043,834	\$ 183,859	\$ 58,206	\$ 1,285,899

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2002***

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Investment Earnings	\$ 12,419	\$ 3,375	\$ 1,326	\$ 17,120
Extracurricular Activities	455,162	0	0	455,162
Intergovernmental - State	469,234	76,218	0	545,452
Intergovernmental - Federal	1,603,383	0	0	1,603,383
All Other Revenue	152,678	0	5,253	157,931
Total Revenue	<u>2,692,876</u>	<u>79,593</u>	<u>6,579</u>	<u>2,779,048</u>
Expenditures:				
Current:				
Instruction	1,813,434	99,497	0	1,912,931
Supporting Services:				
Pupils	93,395	0	3,199	96,594
Instructional Staff	81,863	9,090	0	90,953
Administration	12,027	0	0	12,027
Fiscal Services	2,151	0	0	2,151
Operation and Maintenance of Plant	18,624	0	0	18,624
Pupil Transportation	9,865	0	0	9,865
Operation of Non-Instructional Services	271,086	0	0	271,086
Extracurricular Activities	488,118	0	0	488,118
Capital Outlay	0	56,486	0	56,486
Total Expenditures	<u>2,790,563</u>	<u>165,073</u>	<u>3,199</u>	<u>2,958,835</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(97,687)	(85,480)	3,380	(179,787)
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	1,363	0	0	1,363
Total Other Financing Sources (Uses)	<u>1,363</u>	<u>0</u>	<u>0</u>	<u>1,363</u>
Net Change in Fund Balance	(96,324)	(85,480)	3,380	(178,424)
Fund Balances at Beginning of Year	<u>701,002</u>	<u>205,920</u>	<u>54,826</u>	<u>961,748</u>
Fund Balances End of Year	<u>\$ 604,678</u>	<u>\$ 120,440</u>	<u>\$ 58,206</u>	<u>\$ 783,324</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002**

	<u>Public School Support</u>	<u>Other Grant</u>	<u>Student Activity</u>	<u>Auxiliary Services</u>
Assets:				
Cash and Cash Equivalents	\$ 98,559	\$ 512	\$ 241,914	\$ 70,774
Receivables:				
Accounts	1,401	0	1,858	0
Intergovernmental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$ 99,960</u></u>	<u><u>\$ 512</u></u>	<u><u>\$ 243,772</u></u>	<u><u>\$ 70,774</u></u>
Liabilities:				
Accounts Payable	7,870	0	15,678	32,242
Accrued Wages and Benefits	0	0	0	7,606
Intergovernmental Payable	0	0	1,136	1,433
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>7,870</u>	<u>0</u>	<u>16,814</u>	<u>41,281</u>
Fund Balances:				
Reserved for Encumbrances	4,698	0	49,455	21,031
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	<u>87,392</u>	<u>512</u>	<u>177,503</u>	<u>8,462</u>
Total Fund Balances (Deficit)	<u>92,090</u>	<u>512</u>	<u>226,958</u>	<u>29,493</u>
Total Liabilities and Funds Balances	<u><u>\$ 99,960</u></u>	<u><u>\$ 512</u></u>	<u><u>\$ 243,772</u></u>	<u><u>\$ 70,774</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002***

<u>Teacher Development</u>	<u>Excellence in Education</u>	<u>Management Information System</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>SchoolNet Professional Development</u>	<u>OhioReads</u>
\$ 2,740	\$ 1,207	\$ 37,785	\$ 0	\$ 6,831	\$ 36,283
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,488</u>
<u>\$ 2,740</u>	<u>\$ 1,207</u>	<u>\$ 37,785</u>	<u>\$ 0</u>	<u>\$ 6,831</u>	<u>\$ 103,771</u>
0	0	0	0	0	51
0	0	0	0	0	1,168
0	0	0	396	0	421
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>396</u>	<u>0</u>	<u>1,640</u>
2,739	0	0	0	0	29,033
<u>1</u>	<u>1,207</u>	<u>37,785</u>	<u>(396)</u>	<u>6,831</u>	<u>73,098</u>
<u>2,740</u>	<u>1,207</u>	<u>37,785</u>	<u>(396)</u>	<u>6,831</u>	<u>102,131</u>
<u>\$ 2,740</u>	<u>\$ 1,207</u>	<u>\$ 37,785</u>	<u>\$ 0</u>	<u>\$ 6,831</u>	<u>\$ 103,771</u>

(Continued)

PIQUA CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002**

	Extended Learning Opportunity	School Conflict Management Grant	Education for Economic Security Act	Title VI-B
Assets:				
Cash and Cash Equivalents	\$ 1	\$ 7,760	\$ 19,262	\$ 60,366
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	2,982	24,338
Total Assets	\$ 1	\$ 7,760	\$ 22,244	\$ 84,704
Liabilities:				
Accounts Payable	0	0	12,378	84
Accrued Wages and Benefits	0	0	0	1,495
Intergovernmental Payable	14	0	22	77,604
Deferred Revenue	0	0	2,982	0
Total Liabilities	14	0	15,382	79,183
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	(13)	7,760	6,862	5,521
Total Fund Balances (Deficit)	(13)	7,760	6,862	5,521
Total Liabilities and Funds Balances	\$ 1	\$ 7,760	\$ 22,244	\$ 84,704

PIQUA CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2002**

<u>Title I</u>	<u>Title VI</u>	<u>Telecom- munication Act Grant</u>	<u>Goals 2000</u>	<u>Title VI-R 2002</u>	<u>Title VI-R 2001</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 130,156	\$ 8,075	\$ 46,942	\$ 29,630	\$ 722	\$ 18,849	\$ 818,368
0	0	0	0	0	0	3,259
<u>105,636</u>	<u>3,702</u>	<u>0</u>	<u>0</u>	<u>18,061</u>	<u>0</u>	<u>222,207</u>
<u>\$ 235,792</u>	<u>\$ 11,777</u>	<u>\$ 46,942</u>	<u>\$ 29,630</u>	<u>\$ 18,783</u>	<u>\$ 18,849</u>	<u>\$ 1,043,834</u>
37	112	0	6,103	0	15,500	90,055
85,878	3,240	0	1,900	16,842	0	118,129
13,969	907	0	532	2,855	1,302	100,591
<u>105,636</u>	<u>3,702</u>	<u>0</u>	<u>0</u>	<u>18,061</u>	<u>0</u>	<u>130,381</u>
<u>205,520</u>	<u>7,961</u>	<u>0</u>	<u>8,535</u>	<u>37,758</u>	<u>16,802</u>	<u>439,156</u>
1,460	2,308	0	3,830	0	3,349	117,903
<u>28,812</u>	<u>1,508</u>	<u>46,942</u>	<u>17,265</u>	<u>(18,975)</u>	<u>(1,302)</u>	<u>486,775</u>
<u>30,272</u>	<u>3,816</u>	<u>46,942</u>	<u>21,095</u>	<u>(18,975)</u>	<u>2,047</u>	<u>604,678</u>
<u>\$ 235,792</u>	<u>\$ 11,777</u>	<u>\$ 46,942</u>	<u>\$ 29,630</u>	<u>\$ 18,783</u>	<u>\$ 18,849</u>	<u>\$ 1,043,834</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002***

	<u>Public School Support</u>	<u>Other Grant</u>	<u>Student Activity</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>
Revenues:					
Investment Earnings	\$ 2,950	\$ 0	\$ 7,329	\$ 2,056	\$ 0
Extracurricular Activities	113,677	0	341,485	0	0
Intergovernmental - State	0	0	0	221,120	0
Intergovernmental - Federal	0	0	0	0	0
All Other Revenue	48,183	0	104,495	0	0
Total Revenue	<u>164,810</u>	<u>0</u>	<u>453,309</u>	<u>223,176</u>	<u>0</u>
Expenditures:					
Current:					
Instruction	144,864	0	0	0	0
Supporting Services:					
Pupils	0	0	6,591	0	0
Instructional Staff	7,136	0	0	0	8,501
Administration	2,706	0	0	0	0
Fiscal Services	0	0	0	0	0
Operation and Maintenance of Plant	18,624	0	0	0	0
Pupil Transportation	7,643	0	1,648	0	0
Operation of Non-Instructional Services	0	0	0	231,411	0
Extracurricular Activities	0	0	488,084	0	0
Total Expenditures	<u>180,973</u>	<u>0</u>	<u>496,323</u>	<u>231,411</u>	<u>8,501</u>
Excess (Deficiency) of Revenues					
Over Expenditures	(16,163)	0	(43,014)	(8,235)	(8,501)
Other Financing Sources (Uses):					
Proceeds from the Sale of Capital Assets	0	0	1,363	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>1,363</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(16,163)	0	(41,651)	(8,235)	(8,501)
Fund Balances at Beginning of Year	<u>108,253</u>	<u>512</u>	<u>268,609</u>	<u>37,728</u>	<u>11,241</u>
Fund Balances (Deficit) at End of Year	<u>\$ 92,090</u>	<u>\$ 512</u>	<u>\$ 226,958</u>	<u>\$ 29,493</u>	<u>\$ 2,740</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002***

<u>Excellence in Education</u>	<u>Management Information System</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>SchoolNet Professional Development</u>	<u>OhioReads</u>	<u>Summer Intervention</u>	<u>Extended Learning Opportunity</u>
\$ 0	\$ 0	\$ 0	\$ 84	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	13,881	83,922	7,592	138,976	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>13,881</u>	<u>83,922</u>	<u>7,676</u>	<u>138,976</u>	<u>0</u>	<u>0</u>
9,395	0	83,979	0	26,757	31,798	37,078
0	0	0	0	0	0	0
0	0	0	285	11,898	0	92
0	0	0	4,075	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>9,395</u>	<u>0</u>	<u>83,979</u>	<u>4,360</u>	<u>38,655</u>	<u>31,798</u>	<u>37,170</u>
(9,395)	13,881	(57)	3,316	100,321	(31,798)	(37,170)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(9,395)	13,881	(57)	3,316	100,321	(31,798)	(37,170)
<u>10,602</u>	<u>23,904</u>	<u>(339)</u>	<u>3,515</u>	<u>1,810</u>	<u>31,798</u>	<u>37,157</u>
<u>\$ 1,207</u>	<u>\$ 37,785</u>	<u>\$ (396)</u>	<u>\$ 6,831</u>	<u>\$ 102,131</u>	<u>\$ 0</u>	<u>\$ (13)</u>

(Continued)

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002***

	School Conflict Management Grant	Education for Economic Security Act	Title VI-B	Title I
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 0	\$ 0
Extracurricular Activities	0	0	0	0
Intergovernmental - State	3,743	0	0	0
Intergovernmental - Federal	0	21,507	334,625	748,637
All Other Revenue	0	0	0	0
Total Revenue	<u>3,743</u>	<u>21,507</u>	<u>334,625</u>	<u>748,637</u>
Expenditures:				
Current:				
Instruction	0	315	309,195	676,965
Supporting Services:				
Pupils	0	0	7,388	79,416
Instructional Staff	0	28,330	48	24,050
Administration	3,361	1,010	0	0
Fiscal Services	0	0	0	2,151
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	81	19,379	18,266
Extracurricular Activities	0	0	0	34
Total Expenditures	<u>3,361</u>	<u>29,736</u>	<u>336,010</u>	<u>800,882</u>
Excess (Deficiency) of Revenues				
Over Expenditures	382	(8,229)	(1,385)	(52,245)
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	382	(8,229)	(1,385)	(52,245)
Fund Balances at Beginning of Year	<u>7,378</u>	<u>15,091</u>	<u>6,906</u>	<u>82,517</u>
Fund Balances (Deficit) at End of Year	<u>\$ 7,760</u>	<u>\$ 6,862</u>	<u>\$ 5,521</u>	<u>\$ 30,272</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2002***

Title VI	Drug Free School Grant	Telecom- munication Act Grant	Goals 2000	Title VI-R 2002	Title VI-R 2001	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,419
0	0	0	0	0	0	455,162
0	0	0	0	0	0	469,234
25,273	14,644	24,896	27,500	132,726	273,575	1,603,383
0	0	0	0	0	0	152,678
<u>25,273</u>	<u>14,644</u>	<u>24,896</u>	<u>27,500</u>	<u>132,726</u>	<u>273,575</u>	<u>2,692,876</u>
29,328	14,644	6,827	26,907	151,701	263,681	1,813,434
0	0	0	0	0	0	93,395
0	0	0	1,523	0	0	81,863
0	0	0	875	0	0	12,027
0	0	0	0	0	0	2,151
0	0	0	0	0	0	18,624
574	0	0	0	0	0	9,865
1,949	0	0	0	0	0	271,086
0	0	0	0	0	0	488,118
<u>31,851</u>	<u>14,644</u>	<u>6,827</u>	<u>29,305</u>	<u>151,701</u>	<u>263,681</u>	<u>2,790,563</u>
(6,578)	0	18,069	(1,805)	(18,975)	9,894	(97,687)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,363</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,363</u>
(6,578)	0	18,069	(1,805)	(18,975)	9,894	(96,324)
<u>10,394</u>	<u>0</u>	<u>28,873</u>	<u>22,900</u>	<u>0</u>	<u>(7,847)</u>	<u>701,002</u>
<u>\$ 3,816</u>	<u>\$ 0</u>	<u>\$ 46,942</u>	<u>\$ 21,095</u>	<u>\$ (18,975)</u>	<u>\$ 2,047</u>	<u>\$ 604,678</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2002**

	<u>Building Acquisition and Construction</u>	<u>Replacement</u>	<u>SchoolNet Plus</u>	<u>Interactive Video Distance Learning</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:					
Cash and Cash Equivalents	\$ 27,219	\$ 83,984	\$ 58,743	\$ 13,913	\$ 183,859
Total Assets	<u>\$ 27,219</u>	<u>\$ 83,984</u>	<u>\$ 58,743</u>	<u>\$ 13,913</u>	<u>\$ 183,859</u>
Liabilities:					
Accounts Payable	4,292	0	59,127	0	63,419
Total Liabilities	<u>4,292</u>	<u>0</u>	<u>59,127</u>	<u>0</u>	<u>63,419</u>
Fund Balances:					
Reserved for Encumbrances	1,508	0	0	0	1,508
Unreserved, Undesignated in:					
Capital Projects Funds (Deficit)	21,419	83,984	(384)	13,913	118,932
Total Fund Balances (Deficit)	<u>22,927</u>	<u>83,984</u>	<u>(384)</u>	<u>13,913</u>	<u>120,440</u>
Total Liabilities and Funds Balances	<u>\$ 27,219</u>	<u>\$ 83,984</u>	<u>\$ 58,743</u>	<u>\$ 13,913</u>	<u>\$ 183,859</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2002***

	<u>Building Acquisition and Construction</u>	<u>Replacement</u>	<u>SchoolNet Plus</u>	<u>Interactive Video Distance Learning</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:					
Investment Earnings	\$ 1,279	\$ 1,972	\$ 124	\$ 0	\$ 3,375
Intergovernmental - State	<u>0</u>	<u>0</u>	<u>58,715</u>	<u>17,503</u>	<u>76,218</u>
Total Revenue	<u>1,279</u>	<u>1,972</u>	<u>58,839</u>	<u>17,503</u>	<u>79,593</u>
Expenditures:					
Current:					
Instruction	0	0	99,497	0	99,497
Instructional Staff	0	0	0	9,090	9,090
Capital Outlay	<u>56,486</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>56,486</u>
Total Expenditures	<u>56,486</u>	<u>0</u>	<u>99,497</u>	<u>9,090</u>	<u>165,073</u>
Net Change in Fund Balance	(55,207)	1,972	(40,658)	8,413	(85,480)
Fund Balances at Beginning of Year	<u>78,134</u>	<u>82,012</u>	<u>40,274</u>	<u>5,500</u>	<u>205,920</u>
Fund Balances (Deficit) at End of Year	<u>\$ 22,927</u>	<u>\$ 83,984</u>	<u>\$ (384)</u>	<u>\$ 13,913</u>	<u>\$ 120,440</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 188,085</u>	<u>\$ 162,826</u>	<u>\$ 163,914</u>	<u>\$ 1,088</u>
Total Expenditures and Other Financing Uses	<u>296,552</u>	<u>271,293</u>	<u>186,391</u>	<u>84,902</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(108,467)	(108,467)	(22,477)	85,990
Fund Balance at Beginning of Year	94,729	94,729	94,729	0
Prior Year Encumbrances	<u>13,738</u>	<u>13,738</u>	<u>13,738</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 85,990</u></u>	<u><u>\$ 85,990</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	OTHER GRANT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>512</u>	<u>512</u>	<u>0</u>	<u>512</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(512)	(512)	0	512
Fund Balance at Beginning of Year	<u>512</u>	<u>512</u>	<u>512</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 512</u></u>	<u><u>\$ 512</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	STUDENT ACTIVITY FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 465,212</u>	<u>\$ 453,023</u>	<u>\$ 453,840</u>	<u>\$ 817</u>
 Total Expenditures and Other Financing Uses	 <u>739,854</u>	 <u>727,665</u>	 <u>551,952</u>	 <u>175,713</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (274,642)	 (274,642)	 (98,112)	 176,530
 Fund Balance at Beginning of Year	 168,467	 168,467	 168,467	 0
Prior Year Encumbrances	<u>106,175</u>	<u>106,175</u>	<u>106,175</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 176,530</u></u>	<u><u>\$ 176,530</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

AUXILIARY SERVICES FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 230,588</u>	<u>\$ 223,245</u>	<u>\$ 223,278</u>	<u>\$ 33</u>
 Total Expenditures and Other Financing Uses	 <u>284,435</u>	 <u>277,092</u>	 <u>259,624</u>	 <u>17,468</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (53,847)	 (53,847)	 (36,346)	 17,501
 Fund Balance at Beginning of Year	 8,665	 8,665	 8,665	 0
Prior Year Encumbrances	<u>45,182</u>	<u>45,182</u>	<u>45,182</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 17,501</u></u>	<u><u>\$ 17,501</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>11,351</u>	 <u>11,351</u>	 <u>11,350</u>	 <u>1</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 <u>(11,351)</u>	 <u>(11,351)</u>	 <u>(11,350)</u>	 <u>1</u>
 Fund Balance at Beginning of Year	 <u>10,777</u>	 <u>10,777</u>	 <u>10,777</u>	 <u>0</u>
Prior Year Encumbrances	<u>574</u>	<u>574</u>	<u>574</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

EXCELLENCE IN EDUCATION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>22,941</u>	 <u>22,941</u>	 <u>21,734</u>	 <u>1,207</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (22,941)	 (22,941)	 (21,734)	 1,207
 Fund Balance at Beginning of Year	 <u>22,941</u>	 <u>22,941</u>	 <u>22,941</u>	 <u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,207</u>	<u>\$ 1,207</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

MANAGEMENT INFORMATION SYSTEM FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 15,000	\$ 13,881	\$ 13,881	\$ 0
Total Expenditures and Other Financing Uses	38,904	37,785	0	37,785
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(23,904)	(23,904)	13,881	37,785
Fund Balance at Beginning of Year	23,904	23,904	23,904	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 37,785	\$ 37,785

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 83,922</u>	<u>\$ 83,922</u>	<u>\$ 83,922</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>0</u>	<u>83,922</u>	<u>83,922</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	83,922	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 83,922</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 75</u>	<u>\$ 4,226</u>	<u>\$ 7,676</u>	<u>\$ 3,450</u>
Total Expenditures and Other Financing Uses	<u>3,590</u>	<u>7,741</u>	<u>4,360</u>	<u>3,381</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,515)	(3,515)	3,316	6,831
Fund Balance at Beginning of Year	<u>3,515</u>	<u>3,515</u>	<u>3,515</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 6,831</u></u>	<u><u>\$ 6,831</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	OHIOREADS FUND			Variance with
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 7,488</u>	<u>\$ 71,488</u>	<u>\$ 71,488</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>9,475</u>	<u>73,475</u>	<u>66,277</u>	<u>7,198</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,987)	(1,987)	5,211	7,198
Fund Balance at Beginning of Year	<u>1,987</u>	<u>1,987</u>	<u>1,987</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 7,198</u></u>	<u><u>\$ 7,198</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

SUMMER INTERVENTION FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>31,798</u>	<u>31,798</u>	<u>31,798</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(31,798)	(31,798)	(31,798)	0
Fund Balance at Beginning of Year	<u>31,798</u>	<u>31,798</u>	<u>31,798</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>	<u><u>\$ 0</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	EXTENDED LEARNING OPPORTUNITY FUND			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>40,990</u>	 <u>40,990</u>	 <u>40,989</u>	 <u>1</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 <u>(40,990)</u>	 <u>(40,990)</u>	 <u>(40,989)</u>	 <u>1</u>
 Fund Balance at Beginning of Year	 38,307	 38,307	 38,307	 0
Prior Year Encumbrances	<u>2,683</u>	<u>2,683</u>	<u>2,683</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,971</u>	<u>\$ 3,743</u>	<u>\$ 3,743</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>11,349</u>	 <u>11,121</u>	 <u>3,361</u>	 <u>7,760</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 <u>(7,378)</u>	 <u>(7,378)</u>	 <u>382</u>	 <u>7,760</u>
 Fund Balance at Beginning of Year	 <u>7,378</u>	 <u>7,378</u>	 <u>7,378</u>	 <u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 7,760</u></u>	<u><u>\$ 7,760</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

EDUCATION FOR ECONOMIC SECURITY ACT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 25,734</u>	<u>\$ 21,507</u>	<u>\$ 21,507</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>40,825</u>	 <u>36,598</u>	 <u>27,854</u>	 <u>8,744</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (15,091)	 (15,091)	 (6,347)	 8,744
 Fund Balance at Beginning of Year	 <u>15,091</u>	 <u>15,091</u>	 <u>15,091</u>	 <u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,744</u>	<u>\$ 8,744</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	TITLE VI-B FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 333,184</u>	<u>\$ 310,287</u>	<u>\$ 310,287</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>341,690</u>	 <u>318,793</u>	 <u>318,793</u>	 <u>0</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (8,506)	 (8,506)	 (8,506)	 0
 Fund Balance at Beginning of Year	 6,634	 6,634	 6,634	 0
Prior Year Encumbrances	<u>1,872</u>	<u>1,872</u>	<u>1,872</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>	<u><u>\$ 0</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	TITLE I FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 854,273</u>	<u>\$ 748,637</u>	<u>\$ 748,637</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>1,028,222</u>	<u>922,585</u>	<u>793,927</u>	<u>128,658</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(173,949)	(173,948)	(45,290)	128,658
Fund Balance at Beginning of Year	<u>173,949</u>	<u>173,949</u>	<u>173,949</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 128,659</u></u>	<u><u>\$ 128,658</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	TITLE VI FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 28,957</u>	<u>\$ 25,273</u>	<u>\$ 25,273</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>39,365</u>	<u>35,681</u>	<u>30,027</u>	<u>5,654</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,408)	(10,408)	(4,754)	5,654
Fund Balance at Beginning of Year	10,097	10,097	10,097	0
Prior Year Encumbrances	<u>311</u>	<u>311</u>	<u>311</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 5,654</u></u>	<u><u>\$ 5,654</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
DRUG FREE SCHOOL GRANT FUND				
Total Revenues and Other Financing Sources	<u>\$ 14,644</u>	<u>\$ 14,644</u>	<u>\$ 14,644</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>14,644</u>	 <u>14,644</u>	 <u>14,644</u>	 <u>0</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 0	 0	 0	 0
 Fund Balance at Beginning of Year	 <u>0</u>	 <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>	<u><u>\$ 0</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 18,000</u>	<u>\$ 24,896</u>	<u>\$ 24,896</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>46,873</u>	 <u>53,769</u>	 <u>6,827</u>	 <u>46,942</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (28,873)	 (28,873)	 18,069	 46,942
 Fund Balance at Beginning of Year	 <u>28,873</u>	 <u>28,873</u>	 <u>28,873</u>	 <u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 46,942</u>	<u>\$ 46,942</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	GOALS 2000 FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 27,500</u>	<u>\$ 27,500</u>	<u>\$ 27,500</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>22,989</u>	 <u>50,489</u>	 <u>30,793</u>	 <u>19,696</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 4,511	 (22,989)	 (3,293)	 19,696
 Fund Balance at Beginning of Year	 <u>22,990</u>	 <u>22,990</u>	 <u>22,990</u>	 <u>0</u>
Fund Balance at End of Year	<u>\$ 27,501</u>	<u>\$ 1</u>	<u>\$ 19,697</u>	<u>\$ 19,696</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	TITLE VI-R 2002 FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 150,879</u>	<u>\$ 132,726</u>	<u>\$ 132,726</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>150,879</u>	 <u>132,726</u>	 <u>132,004</u>	 <u>722</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 0	 0	 722	 722
 Fund Balance at Beginning of Year	 <u>0</u>	 <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>\$ 722</u></u>	<u><u>\$ 722</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	TITLE VI-R 2001 FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 23,575</u>	<u>\$ 273,575</u>	<u>\$ 273,575</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>24,070</u>	 <u>274,070</u>	 <u>274,070</u>	 <u>0</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (495)	 (495)	 (495)	 0
 Fund Balance at Beginning of Year	 <u>495</u>	 <u>495</u>	 <u>495</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>	<u><u>\$ 0</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Debt Service Fund
For the Fiscal Year Ended June 30, 2002***

BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 1,089,698</u>	<u>\$ 1,028,580</u>	<u>\$ 1,028,875</u>	<u>\$ 295</u>
 Total Expenditures and Other Financing Uses	 <u>1,303,322</u>	 <u>1,242,203</u>	 <u>1,018,853</u>	 <u>223,350</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (213,624)	 (213,623)	 10,022	 223,645
 Fund Balance at Beginning of Year	 <u>213,624</u>	 <u>213,624</u>	 <u>213,624</u>	 <u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 223,646</u></u>	<u><u>\$ 223,645</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Funds
For the Fiscal Year Ended June 30, 2002***

PERMANENT IMPROVEMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 1,240,164	\$ 2,250,285	\$ 2,252,031	\$ 1,746
 Total Expenditures and Other Financing Uses	 1,744,973	 2,755,094	 1,580,051	 1,175,043
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (504,809)	 (504,809)	 671,980	 1,176,789
 Fund Balance at Beginning of Year	 365,176	 365,176	 365,176	 0
Prior Year Encumbrances	139,633	139,633	139,633	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,176,789</u>	<u>\$ 1,176,789</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	BUILDING ACQUISITION AND CONSTRUCTION FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Total Revenues and Other Financing Sources	<u>\$ 2,500</u>	<u>\$ 1,266</u>	<u>\$ 1,279</u>	<u>\$ 13</u>
 Total Expenditures and Other Financing Uses	 <u>97,980</u>	 <u>96,746</u>	 <u>75,340</u>	 <u>21,406</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (95,480)	 (95,480)	 (74,061)	 21,419
 Fund Balance at Beginning of Year	 48,979	 48,979	 48,979	 0
Prior Year Encumbrances	<u>46,501</u>	<u>46,501</u>	<u>46,501</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 21,419</u></u>	<u><u>\$ 21,419</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	REPLACEMENT FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 4,700</u>	<u>\$ 1,861</u>	<u>\$ 1,972</u>	<u>\$ 111</u>
 Total Expenditures and Other Financing Uses	 <u>86,712</u>	 <u>83,873</u>	 <u>0</u>	 <u>83,873</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (82,012)	 (82,012)	 1,972	 83,984
 Fund Balance at Beginning of Year	 <u>82,012</u>	 <u>82,012</u>	 <u>82,012</u>	 <u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 83,984</u>	<u>\$ 83,984</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

	SCHOOLNET PLUS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 150	\$ 58,811	\$ 58,839	\$ 28
 Total Expenditures and Other Financing Uses	 40,424	 99,085	 99,085	 0
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (40,274)	 (40,274)	 (40,246)	 28
 Fund Balance at Beginning of Year	 7,774	 7,774	 7,774	 0
Prior Year Encumbrances	32,500	32,500	32,500	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 28	\$ 28

PIQUA CITY SCHOOL DISTRICT, OHIO

***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, 2002***

INTERACTIVE VIDEO DISTANCE LEARNING FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 16,303</u>	<u>\$ 17,503</u>	<u>\$ 17,503</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>21,803</u>	 <u>23,003</u>	 <u>9,090</u>	 <u>13,913</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (5,500)	 (5,500)	 8,413	 13,913
 Fund Balance at Beginning of Year	 <u>5,500</u>	 <u>5,500</u>	 <u>5,500</u>	 <u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 13,913</u></u>	<u><u>\$ 13,913</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

Internal Service Funds

Internal Service Funds are used to account for financing goods or services provided by one activity to other activities of the District on a cost-reimbursement basis.

Rotary Fund

To account for operations that provide goods and services provided by the District.

Liability Self Insurance Fund

To account for monies for the 10% risk premium of the Contingent Premium Plan of the employees health and dental plans.

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Net Assets
Internal Service Funds
June 30, 2002***

	<u>Rotary</u>	<u>Liability Self Insurance</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 387	\$ 3,007,251	\$ 3,007,638
Total Assets	<u>387</u>	<u>3,007,251</u>	<u>3,007,638</u>
Liabilities:			
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets:			
Unrestricted	<u>387</u>	<u>3,007,251</u>	<u>3,007,638</u>
Total Net Assets	<u><u>\$ 387</u></u>	<u><u>\$ 3,007,251</u></u>	<u><u>\$ 3,007,638</u></u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2002***

	<u>Rotary</u>	<u>Liability Self Insurance</u>	<u>Total</u>
Operating Revenues:			
Interfund Charges	\$ 0	\$ 2,167,952	\$ 2,167,952
Total Operating Revenues	<u>0</u>	<u>2,167,952</u>	<u>2,167,952</u>
Operating Expenses:			
Salaries and Wages	0	194,046	194,046
Fringe Benefits	0	17,932	17,932
Total Operating Expenses	<u>0</u>	<u>211,978</u>	<u>211,978</u>
Operating Income	0	1,955,974	1,955,974
Nonoperating Revenue (Expenses):			
Investment Earnings	9	38,131	38,140
Total Nonoperating Revenues (Expenses)	<u>9</u>	<u>38,131</u>	<u>38,140</u>
Change in Net Assets	9	1,994,105	1,994,114
Net Assets Beginning of Year	<u>378</u>	<u>1,013,146</u>	<u>1,013,524</u>
Net Assets End of Year	<u>\$ 387</u>	<u>\$ 3,007,251</u>	<u>\$ 3,007,638</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Combining Statement of Cash Flows
Internal Service Funds
June 30, 2002***

	<u>Rotary</u>	<u>Liability Self Insurance</u>	<u>Total</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Interfund Charges	\$0	\$2,167,952	\$2,167,952
Cash Payments for Goods and Services	0	(211,978)	(211,978)
Net Cash Provided by Operating Activities	<u>0</u>	<u>1,955,974</u>	<u>1,955,974</u>
 <u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	9	38,131	38,140
Net Cash Provided by Investing Activities	<u>9</u>	<u>38,131</u>	<u>38,140</u>
 Net Increase in Cash and Cash Equivalents	 9	 1,994,105	 1,994,114
Cash and Cash Equivalents at Beginning of Year	378	1,013,146	1,013,524
Cash and Cash Equivalents at End of Year	<u>\$387</u>	<u>\$3,007,251</u>	<u>\$3,007,638</u>
 <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income	\$0	\$1,955,974	\$1,955,974
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	0	0	0
Net Cash Provided by Operating Activities	<u>\$0</u>	<u>\$1,955,974</u>	<u>\$1,955,974</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Statement Of Changes In Assets And Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2002***

	Balance June 30, 2001	Additions	Deductions	Balance June 30, 2002
<i>Student Managed Activity Fund</i>				
Assets:				
Cash and Cash Equivalents	\$33,044	\$71,139	(\$68,451)	\$35,732
Total Assets	\$33,044	\$71,139	(\$68,451)	\$35,732
Liabilities:				
Due to Students	\$33,044	\$71,139	(\$68,451)	\$35,732
Total Liabilities	\$33,044	\$71,139	(\$68,451)	\$35,732

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

PIQUA CITY SCHOOL DISTRICT, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2002***

Capital Assets

Land	\$323,722
Land Improvements	1,879,738
Buildings and Improvements	30,409,422
Machinery and Equipment	5,005,416
Vehicles	1,502,338
	<hr/>
Total Capital Assets	\$39,120,636
	<hr/> <hr/>

Investment in Capital Assets from:

Acquisitions Prior to 1996	\$3,555,050
General Fund	27,968,082
Special Revenue Fund	369,954
Capital Project Funds	3,471,131
Fiduciary Funds	7,767
Capital Leases	542,696
Donations	3,205,956
	<hr/>
Total Investment in Capital Assets	\$39,120,636
	<hr/> <hr/>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2002***

Function and Activity	Land	Land Improvements	Buildings and Improvements	Machinery and Equipment	Vehicles	Total
Instructional Services	\$0	\$0	\$2,464	\$3,615,757	\$0	\$3,618,221
Support Services:						
Pupils	0	0	0	13,726	0	13,726
Instructional Staff	0	0	0	114,434	0	114,434
Administration	0	0	0	445,427	0	445,427
Fiscal Services	0	0	0	1,195	0	1,195
Operation and Maintenance of Plant	0	0	29,210	187,961	145,550	362,721
Pupil Transportation	0	0	55,789	107,326	1,356,788	1,519,903
Auxiliary Services	0	0	0	28,447	0	28,447
Extracurricular Activities	0	1,530,691	1,602,330	424,227	0	3,557,248
Facility Acquisition and Improvement	323,722	349,047	28,719,629	66,916	0	29,459,314
Total Capital Assets	<u>\$323,722</u>	<u>\$1,879,738</u>	<u>\$30,409,422</u>	<u>\$5,005,416</u>	<u>\$1,502,338</u>	<u>\$39,120,636</u>

PIQUA CITY SCHOOL DISTRICT, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
June 30, 2002***

Function and Activity	June 30, 2001	Additions	Deletions	June 30, 2002
Instructional Services	\$3,204,150	\$817,936	(\$403,865)	\$3,618,221
Support Services:				
Pupils	13,726	0	0	13,726
Instructional Staff	117,656	10,856	(14,078)	114,434
Administration	441,573	45,483	(41,629)	445,427
Fiscal Services	0	1,195	0	1,195
Operation and Maintenance of Plant	355,644	35,042	(27,965)	362,721
Pupil Transportation	1,421,260	113,714	(15,071)	1,519,903
Auxiliary Services	19,469	8,978	0	28,447
Extracurricular Activities	260,220	3,297,028	0	3,557,248
Facility Acquisition and Improvement	28,970,472	488,842	0	29,459,314
Total Capital Assets	<u>\$34,804,170</u>	<u>\$4,819,074</u>	<u>(\$502,608)</u>	<u>\$39,120,636</u>

STATISTICAL SECTION

STATISTICAL TABLES

***T**HE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE DISTRICT.*

PIQUA CITY SCHOOL DISTRICT, OHIO

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) LAST TEN YEARS

Year	Instructional Services	Pupils	Instructional Staff	Board of Education and Administration	Fiscal Services	Business	Operation and Maintenance of Plant	Subtotal
1993 a	\$9,194,146	\$702,476	\$608,050	\$1,715,803	\$318,317	\$31,917	\$1,598,839	\$14,169,548
1994 a	9,728,647	782,892	597,649	1,762,502	341,298	30,991	1,686,020	14,929,999
1995 a	10,153,615	774,537	585,432	1,770,207	346,669	66,330	1,684,076	15,380,866
1996 b	10,891,962	862,282	638,649	1,744,493	339,663	106,998	1,682,779	16,266,826
1997 b	11,626,531	926,869	605,945	1,958,642	400,445	126,764	1,692,106	17,337,302
1998 b	11,712,326	1,089,114	1,231,325	1,507,192	414,618	49,526	1,861,622	17,865,723
1999 b	12,988,251	1,120,232	1,295,774	1,601,964	435,276	47,670	2,068,994	19,558,161
2000 b	13,803,963	1,219,060	1,438,537	1,761,912	447,109	85,214	2,265,892	21,021,687
2001 b	15,576,121	1,381,888	1,616,903	1,899,350	490,768	67,022	2,253,092	23,285,144
2002 b	16,388,979	1,492,034	1,715,646	1,983,223	542,155	97,136	2,418,031	24,637,204

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund
Beginning in 2001, includes all Governmental Funds

(Continued)

PIQUA CITY SCHOOL DISTRICT, OHIO

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) LAST TEN YEARS

Year	Pupil Transportation Services	Capital Outlay and Central	Operation of Non-Instructional Services	Extracurricular Activities	Debt Services	Subtotal Page 2	Subtotal Page 1	Total
1993 a	\$633,828	\$20,577	\$3,878	\$333,992	\$649,016	\$1,641,291	\$14,169,548	\$15,810,839
1994 a	895,673	0	5,247	344,873	584,610	1,830,403	14,929,999	16,760,402
1995 a	796,432	58,959	20,371	392,520	666,820	1,935,102	15,380,866	17,315,968
1996 b	745,717	25,964	261,010	369,880	538,722	1,941,293	16,266,826	18,208,119
1997 b	764,139	26,071	239,950	458,353	511,485	1,999,998	17,337,302	19,337,300
1998 b	808,272	22,061	244,108	443,303	826,632	2,344,376	17,865,723	20,210,099
1999 b	881,502	41,062	269,070	435,478	1,040,391	2,667,503	19,558,161	22,225,664
2000 b	947,298	37,555	249,384	393,257	1,040,782	2,668,276	21,021,687	23,689,963
2001 b	1,115,349	1,035,449	297,395	606,210	983,269	4,037,672	23,285,144	27,322,816
2002 b	1,086,408	898,659	271,086	741,995	1,002,607	4,000,755	24,637,204	28,637,959

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

- (1) Includes General Fund, Special Revenue Funds and Debt Service Fund
Beginning in 2001, includes all Governmental Funds

PIQUA CITY SCHOOL DISTRICT, OHIO

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS**

<u>Year</u>		<u>Taxes</u>	<u>Tuition and Fees</u>	<u>Investment Earnings</u>	<u>Extracurricular Activities</u>	<u>Intergovernmental Revenues</u>	<u>Intermediate Sources and All Other</u>	<u>Total</u>
1993	a	\$7,989,192	\$93,741	\$61,797	\$231,122	\$8,087,637	\$127,475	\$16,590,964
1994	a	7,955,649	124,623	65,346	244,373	8,174,172	142,529	16,706,692
1995	a	7,850,321	137,912	107,944	247,962	8,666,551	169,296	17,179,986
1996	b	8,523,057	181,217	155,285	243,989	9,275,141	119,071	18,497,760
1997	b	9,219,961	201,069	167,509	260,576	9,420,109	126,564	19,395,788
1998	b	9,489,071	200,771	201,744	258,116	9,600,941	266,528	20,017,171
1999	b	10,129,637	192,109	210,639	247,761	11,142,598	141,607	22,064,351
2000	b	10,591,972	193,240	237,408	261,283	11,173,134	176,653	22,633,690
2001	b	12,209,859	219,558	296,578	393,741	12,576,506	469,876	26,166,118
2002	b	12,588,015	226,980	130,558	455,162	13,468,392	411,390	27,280,497

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund
Beginning in 2001, includes all Governmental Funds

PIQUA CITY SCHOOL DISTRICT, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN CALENDAR YEARS**

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
1992	\$6,660,188	\$6,516,531	\$339,251	\$6,855,782	102.94%	\$326,848	4.91%
1993	7,061,257	6,908,520	458,070	7,366,590	104.32%	297,985	4.22%
1994	6,897,345	6,664,382	337,615	7,001,997	101.52%	321,456	4.66%
1995	7,920,865	7,854,013	343,779	8,197,792	103.50%	186,266	2.35%
1996	9,025,460	8,665,002	162,284	8,827,286	97.80%	228,252	2.53%
1997	9,437,879	9,300,855	244,319	9,545,174	101.14%	300,816	3.19%
1998	10,202,843	9,472,029	276,586	9,748,615	95.55%	418,622	4.10%
1999	10,910,366	10,232,213	291,602	10,523,815	96.46%	331,366	3.04%
2000	11,341,840	10,991,532	252,431	11,243,963	99.14%	496,884	4.38%
2001	11,758,537	11,128,261	214,775	11,343,036	96.47%	818,370	6.96%

Source: Miami County Auditor

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

PIQUA CITY SCHOOL DISTRICT, OHIO

ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES OF TAXABLE PROPERTY LAST TEN CALENDAR YEARS

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1992 **	\$196,540,060	\$561,543,029	\$11,679,250	\$33,369,286	\$55,920,610	\$215,079,269	\$264,139,920	\$809,991,584	32.61%
1993	199,493,260	569,980,743	10,807,170	30,877,629	52,627,170	210,508,680	262,927,600	811,367,052	32.41%
1994	201,565,880	575,902,514	11,489,450	32,827,000	52,858,132	211,432,528	265,913,462	820,162,042	32.42%
1995 *	247,425,490	706,929,971	10,919,250	31,197,857	56,811,090	227,244,360	315,155,830	965,372,188	32.65%
1996	252,125,100	720,357,429	10,854,110	31,011,743	61,366,380	245,465,520	324,345,590	996,834,692	32.54%
1997	259,225,930	740,645,514	10,890,060	31,114,457	68,360,960	273,443,840	338,476,950	1,045,203,811	32.38%
1998 **	293,663,630	839,038,943	10,998,270	31,423,629	72,797,510	291,190,040	377,459,410	1,161,652,612	32.49%
1999	300,735,930	859,245,514	10,586,630	30,247,514	81,577,010	326,308,040	392,899,570	1,215,801,068	32.32%
2000	310,878,670	888,224,771	10,154,970	29,014,200	80,763,908	323,055,632	401,797,548	1,240,294,603	32.40%
2001 *	333,483,290	952,809,400	7,357,810	21,022,314	82,471,680	329,886,720	423,312,780	1,303,718,434	32.47%

Source: Miami County Auditor

* Reappraisal

** Update

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

PIQUA CITY SCHOOL DISTRICT, OHIO

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN CALENDAR YEARS**

Collection Year	Piqua City School District			Total	City of Piqua	Joint Vocational School	Miami County	Special Taxing Districts	Total
	General Fund	Bond Retirement Fund	Permanent Improvement Fund						
1992	36.00	1.65	0.00	37.65	5.40	3.40	10.54	0.50	57.49
1993	36.00	2.50	0.00	38.50	4.37	3.40	10.51	0.50	57.28
1994	36.00	2.00	3.50	41.50	4.39	3.40	10.51	0.50	60.30
1995	36.00	1.80	3.50	41.30	4.40	4.90	6.02	0.50	57.12
1996	35.00	1.20	4.50	40.70	4.42	4.90	7.03	0.50	57.55
1997	35.00	1.20	4.50	40.70	4.42	4.90	8.82	0.50	59.34
1998	35.00	1.12	4.50	40.62	4.43	4.90	8.82	0.50	59.27
1999	35.00	2.56	3.00	40.56	4.41	4.90	8.81	0.50	59.18
2000	35.00	2.60	3.00	40.60	4.45	4.90	8.83	0.50	59.28
2001	35.00	2.50	3.00	40.50	4.45	4.90	8.43	0.50	58.78

Source: Miami County Auditor
Miami County Treasurer

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

PIQUA CITY SCHOOL DISTRICT, OHIO

COMPUTATION OF LEGAL DEBT MARGIN JUNE 30, 2002

Net Assessed Valuation	\$423,312,780
Legal Debt Limitation (%) (1)	9.00%
Legal Debt Limitation (\$) (1)	38,098,150
Applicable District Debt Outstanding	12,175,432
Less: Applicable Debt Service Fund Amounts	(229,055)
Net Indebtedness Subject to Limitation	<u>11,946,377</u>
Voted Legal Debt Margin	<u><u>\$26,151,773</u></u>
Legal Debt Limitation (%) (1)	0.10%
Legal Debt Limitation (\$) (1)	423,313
Applicable District Debt Outstanding	<u>0</u>
Unvoted Legal Debt Margin	<u><u>\$423,313</u></u>

(1) Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.
All School District debt subject to the limitation is voted.

PIQUA CITY SCHOOL DISTRICT, OHIO

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA LAST TEN YEARS

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita	
1993	a	20,612	\$264,139,920	\$3,450,000	\$360,236	\$3,089,764	1.17%	\$149.90
1994	a	20,612	262,927,600	3,025,000	374,481	2,650,519	1.01%	128.59
1995	a	20,612	265,913,462	2,625,000	337,675	2,287,325	0.86%	110.97
1996	b	20,612	315,155,830	2,085,500	397,066	1,688,434	0.54%	81.92
1997	b	20,612	324,345,590	1,631,900	398,112	1,233,788	0.38%	59.86
1998	b	20,612	338,476,950	13,146,932	533,967	12,612,965	3.73%	611.92
1999	b	20,612	377,459,410	12,689,432	259,982	12,429,450	3.29%	603.02
2000	b	20,612	392,899,570	11,995,432	191,193	11,804,239	3.00%	572.69
2001	b	20,738	401,797,548	11,580,432	215,874	11,364,558	2.83%	548.01
2002	b	20,738	423,312,780	11,125,432	229,055	10,896,377	2.57%	525.43

(1) City of Piqua 2000 Census.

(2) Source: Miami County Auditor

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

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

PIQUA CITY SCHOOL DISTRICT, OHIO

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN YEARS

<u>Year</u>		<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Governmental Expenditures</u>
1993	a	\$465,000	\$184,016	\$649,016	\$15,810,839	4.10%
1994	a	425,000	159,610	584,610	16,760,402	3.49%
1995	a	529,520	137,300	666,820	17,315,968	3.85%
1996	b	451,953	242,959	694,912	18,208,119	3.82%
1997	b	453,600	207,885	661,485	19,337,300	3.42%
1998	b	480,400	395,936	876,336	20,210,099	4.34%
1999	b	457,500	632,782	1,090,282	22,225,664	4.91%
2000	b	694,000	624,355	1,318,355	23,689,963	5.57%
2001	b	415,000	568,269	983,269	27,322,816	3.60%
2002	b	455,000	547,607	1,002,607	28,637,959	3.50%

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

PIQUA CITY SCHOOL DISTRICT, OHIO

COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT JUNE 30, 2002

Jurisdiction	Debt Outstanding	Percentage Applicable to Piqua City School District	Amount Applicable to Piqua City School District
Direct			
Piqua City School District	\$12,175,432	100.00%	\$12,175,432
Overlapping Subdivisions			
City of Piqua	3,708,709	100.00%	3,708,709
Miami County	2,385,000	20.73%	494,411
		Subtotal	4,203,120
		Total	\$16,378,552

Source: Miami County Auditor and Fiscal Officers of Subdivision.

PIQUA CITY SCHOOL DISTRICT, OHIO

DEMOGRAPHIC STATISTICS LAST TEN YEARS

<u>Year</u>	<u>Piqua City Population (1)</u>	<u>Miami County Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Miami County (3)</u>	<u>Unemployment Rate State of Ohio (3)</u>	<u>Per Capita Income Miami County Area (4)</u>
1993	20,612	93,182	4,142	6.1%	6.5%	\$20,088
1994	20,612	93,182	4,093	4.3%	5.5%	21,366
1995	20,612	93,182	4,163	3.7%	4.8%	22,626
1996	20,612	93,182	4,021	4.2%	4.9%	22,875
1997	20,612	93,182	4,071	4.2%	4.2%	24,188
1998	20,612	93,182	4,087	3.6%	4.3%	26,356
1999	20,612	93,182	3,948	3.9%	4.0%	27,271
2000	20,612	93,182	4,015	3.0%	4.2%	N/A
2001	20,738	98,868	3,911	4.6%	4.2%	N/A
2002	20,738	98,868	3,846	4.3%	4.2%	N/A

- Source: (1) City of Piqua
 (2) Piqua City School District, Board of Education
 (3) State Department of Labor
 (4) Ohio Department of Development - Office of Strategic Research Website

PIQUA CITY SCHOOL DISTRICT, OHIO

PROPERTY VALUE AND CONSTRUCTION PERMITS LAST TEN CALENDAR YEARS

Year	Residential		Commercial	
	Number of Permits	Property Value	Number of Permits	Property Value
1992	23	\$1,726,300	5	\$548,500
1993	23	2,309,900	62	11,006,943
1994	20	2,477,500	51	2,863,050
1995	60	8,070,170	57	4,797,670
1996	67	13,268,400	60	13,016,098
1997	49	5,920,900	22	6,991,340
1998	62	9,090,800	14	18,500,000
1999	56	8,545,400	19	4,936,887
2000	59	8,848,197	15	15,054,061
2001	50	7,978,500	23	9,485,000

Source: City of Piqua Engineering Office

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

PIQUA CITY SCHOOL DISTRICT, OHIO

**PRINCIPAL TAXPAYERS (TANGIBLE PERSONAL PROPERTY TAX)
DECEMBER 31, 2001**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1 Evenflo Juvenile	Manufacturer - Juvenile Furniture	\$7,427,380	9.01%
2 Hartzell Propeller	Manufacturer - Aircraft Propellers	6,148,500	7.46%
3 Jackson Tube Service, Inc.	Manufacturer - Steel Tubing	6,011,980	7.29%
4 Miami Acquisition Corporation	Manufacturer - Steel Tubing	5,637,210	6.84%
5 Crane Pumps and Systems	Manufacturer - Industrial Pumps	2,656,250	3.22%
6 Miami Valley Steel Service	Manufacturer - Steel Processing	2,578,770	3.13%
7 Hartzell Hardwoods, Inc.	Hardwood Processing	1,950,050	2.36%
8 Paul Sherry Van & RV Inc.	Retail	1,884,390	2.28%
9 Industry Products Company	Manufacturer - Stamping	1,732,820	2.10%
10 Hartzell Fans	Manufacturer - Industrial Fans	1,700,030	2.06%
	Sub-Total	37,727,380	45.75%
	All Others	44,744,300	54.25%
	Total	<u>\$82,471,680</u>	<u>100.00%</u>

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

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

PIQUA CITY SCHOOL DISTRICT, OHIO

**PRINCIPAL TAXPAYERS (REAL PROPERTY AND PUBLIC UTILITY PERSONAL PROPERTY TAX)
DECEMBER 31, 2001**

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

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

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

PIQUA CITY SCHOOL DISTRICT, OHIO

PRINCIPAL EMPLOYERS DECEMBER 31, 2001

	<u>Employer</u>	<u>Type of Business</u>	<u>Total Number of Employees</u>
1	Evenflo Company	Manufacturer - Juvenile Furniture	655
2	Jackson Tube	Manufacturer - Steel Tubing	350
3	LTV Copperweld	Manufacturer - Steel Tubing	315
4	Hartzell Propeller	Manufacturer - Aircraft Propellers	313
5	Crane Pumps and Systems	Manufacturer - Industrial Pumps	300
6	Industry Products	Die Cutting, Silk Sceneing	285
7	Piqua Technologies	Manufacturer - Auto Industry Seals	185
8	Miami Valley Steel	Manufacturer - Steel Products	145
9	Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	143
10	Hammer Graphics, Inc.	Printing, Mailing, Computer Services	132

Source: Piqua Chamber of Commerce

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

PIQUA CITY SCHOOL DISTRICT, OHIO

MISCELLANEOUS STATISTICS

JUNE 30, 2002

Date of Incorporation	1908
Form of Government	School - Political Subdivision
Area	10.7 square miles
Miles traveled by Transportation Fleet for the 2001-2002 School Year	364,371
Meals Served by Food Service Department for the 2001-2002 School Year	435,251

<u>School Buildings</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Piqua Senior High School	9 - 12	1,207
Piqua Junior High School	7 - 8	598
Bennett Intermediate School	4 - 6	295
Wilder Intermediate School	4 - 6	298
Washington Intermediate School	4 - 6	323
Favorite Hill Primary School	1 - 3	287
High Street Primary School	1 - 3	268
Springcreek Primary School	1 - 3	245
Nicklin Avenue Learning Center	K	325

Source: District Treasurer's Office

PIQUA CITY SCHOOL DISTRICT, OHIO

STAFF STATISTICS

JUNE 30, 2002

Average classroom teacher salary	\$44,501
Average classroom teacher experience	15.2 years
Districtwide student/teacher ratio	17.7 : 1

Certified Staff

Classroom Teachers	199
Instructional Support	18
Administrators and Supervisors	16

Support Staff

Administration	4
Operations	3
Maintenance	28
Transportation	22
Clerical	26
Aides	51
Food Service	32

Source: District Treasurer's Office

PIQUA CITY SCHOOL DISTRICT, OHIO

TEACHERS EDUCATION AND EXPERIENCE STATISTICS

JUNE 30, 2002

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	29	13.4%
Bachelor + 15	2	0.9%
Bachelor + 30	60	27.7%
Master's Degree	45	20.7%
Master's +10	81	37.3%
Total	217	100.0%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	51	23.5%
6 - 10	35	16.1%
11 - 15	25	11.5%
16 - 20	18	8.3%
21 - 25	43	19.8%
26 and over	45	20.8%
Total	217	100.0%

Source: District Treasurer's Office

PIQUA CITY SCHOOL DISTRICT, OHIO

COST PER PUPIL STATISTICS LAST TEN YEARS

<u>Fiscal Year</u>	<u>General Governmental Expenditures</u>	<u>Enrollment</u>	<u>Cost per Pupil</u>
1993	\$15,810,839	4,142	\$3,817
1994	16,760,402	4,093	4,095
1995	17,315,968	4,163	4,159
1996	18,208,119	4,021	4,528
1997	19,337,300	4,071	4,750
1998	20,210,099	4,087	4,945
1999	22,225,664	3,948	5,630
2000	23,689,963	4,015	5,900
2001	27,322,816	3,911	6,986
2002	28,637,959	3,846	7,446

Source: District Treasurer's Office

PIQUA CITY SCHOOL DISTRICT, OHIO

TRANSPORTATION STATISTICS JUNE 30, 2002

Number of assigned school buses in fleet	21
Average age of school buses in fleet	6.5
Number of bus drivers	21
Average number of years of experience	7.2
Number of miles driven per day	2,007
Number of miles driven annually	364,371
Average miles per bus	17,351

Students Transported per Day

Public School	2,158
Non-public School	323
Handicapped	10
Preschool	<u>29</u>
Total	2,520
Percent of student enrollment transported	65%

Source: District Treasurer's Office

PIQUA CITY SCHOOL DISTRICT, OHIO

**ENROLLMENT STATISTICS
LAST TEN YEARS**

Fiscal Year	K	1	2	3	4	5	6	7	8	9	10	11	12	Non-Grade	Total
1993	317	369	307	294	323	301	312	350	322	303	309	275	300	60	4,142
1994	302	335	349	324	295	335	308	338	347	307	302	293	242	16	4,093
1995	312	307	320	344	322	286	329	309	342	367	326	303	250	46	4,163
1996	305	312	291	304	323	319	281	325	284	343	344	323	232	35	4,021
1997	340	306	309	299	317	319	325	294	326	296	339	361	223	17	4,071
1998	300	355	303	321	293	321	314	307	298	334	310	331	300	0	4,087
1999	311	307	304	289	288	287	309	309	311	311	322	309	291	0	3,948
2000	289	289	312	311	304	306	299	339	314	325	327	322	278	0	4,015
2001	318	258	274	293	313	292	296	311	327	324	309	306	290	0	3,911
2002	325	291	241	268	298	329	289	300	298	329	307	307	264	0	3,846

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Source: District Treasurer's Office



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Telephone 614-466-4514
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Facsimile 614-466-4490

PIQUA CITY SCHOOL DISTRICT

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 7, 2003**