

PIQUA CITY SCHOOL DISTRICT  
MIAMI COUNTY  
SINGLE AUDIT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020



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OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Education  
Piqua City School District  
215 Looney Road  
Piqua, Ohio 45356

We have reviewed the *Independent Auditor's Report* of the Piqua City School District, Miami County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 13, 2021]

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**Piqua City School District**  
**Miami County**  
*Table of Contents*  
*For the Fiscal Year Ended June 30, 2020*

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Title	Page
Schedule of Federal Awards Expenditures.....	1
Notes to the Schedule of Federal Awards Expenditures .....	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	3 – 4
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Federal Awards Expenditures Required by the Uniform Guidance.....	5 – 7
Schedule of Findings and Questioned Costs .....	8

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Piqua City Schools  
Miami County  
*Schedule of Federal Awards Expenditures  
For the Fiscal Year Ended June 30, 2020*

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b><u>United States Department of Agriculture</u></b>						
<i>Passed through the Ohio Department of Education</i>						
<b>Child Nutrition Cluster:</b>						
School Breakfast Program	3L70	10.553	\$344,877	\$0	\$344,877	\$0
National School Lunch Program	3L60	10.555	814,509	103,719	814,509	103,719
Total Child Nutrition Cluster			1,159,386	103,719	1,159,386	103,719
<b>Total United States Department of Agriculture</b>			1,159,386	103,719	1,159,386	103,719
<b><u>United States Department of Education</u></b>						
<i>Passed through the Ohio Department of Education</i>						
<b>Special Education Cluster:</b>						
Special Education Grants to States	3M20	84.027	676,512	0	662,981	0
Special Education-Preschool Grants	3C50	84.173	0	0	1,262	0
Total Special Education Cluster			676,512	0	664,243	0
Title I Grants to Local Educational Agencies	3M00	84.010	1,000,253	0	1,033,509	0
Disaster Recovery Assistance for Education	3HFO	84.938	130	0	130	0
Supporting Effective Instruction State Grants	3Y60	84.367	86,400	0	83,470	0
Student Support and Academic Enrichment Program	3HIO	84.424	63,824	0	67,127	0
Total United States Department of Education			1,827,119	0	1,848,479	0
<b>Total Federal Financial Assistance</b>			\$2,986,505	\$103,719	\$3,007,865	\$103,719

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

**Piqua City School District**  
**Miami County**

*Notes to the Schedule of Federal Awards Expenditures*  
*For the Fiscal Year Ended June 30, 2020*

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**Note A – Basis of Presentation**

The accompanying schedule of federal awards expenditures (the schedule) includes the federal award activity of Piqua City School District (the District) under programs of the federal government for the year ended June 30, 2020. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note C – Child Nutrition Cluster**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this schedule, the District assumes it expends federal monies first.

**Note D – Food Donation Program**

The District reports commodities consumed on the schedule at the entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.



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

Independent Auditor's Report

Board of Education  
Piqua City School District  
215 Looney Road  
Piqua, Ohio 45356

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2020, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, "Fiduciary Activities" and restated beginning net position and fund balance as a result of this implementation and the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

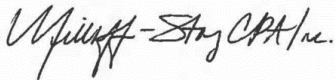
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

December 16, 2020

**Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Federal Awards Expenditures Required by the Uniform Guidance**

Independent Auditor's Report

Board of Education  
Piqua City School District  
215 Looney Road  
Piqua, Ohio 45356

**Report on Compliance for Each Major Federal Program**

We have audited Piqua City School District's, Miami County, (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2020. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on the Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

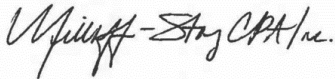
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 16, 2020, which contained unmodified opinions on those financial statements, and wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, "Fiduciary Activities" and restated beginning net position and fund balance as a result of this implementation and the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.



Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

December 16, 2020

**Piqua City School District**  
*Schedule of Findings and Questioned Costs*  
*For the Fiscal Year Ended June 30, 2020*

**Section I – Summary of Auditor’s Results**

<i>Financial Statements</i>	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No
<i>Federal Awards</i>	
Internal control over major federal program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major federal programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal program(s):	Child Nutrition Cluster, CFDA #10.555 & #10.553
Dollar threshold used to distinguish between type A and type B programs:	Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None

# ***PIQUA CITY SCHOOL DISTRICT***

*Miami County, Ohio*



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**





***PIQUA CITY SCHOOL DISTRICT***

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*Miami County, Ohio*

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

*Prepared by:*  
Jeremie Hittle  
Treasurer

*PIQUA CITY SCHOOL DISTRICT*

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**PIQUA CITY SCHOOL DISTRICT**

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**TABLE OF CONTENTS**

**I** **INTRODUCTORY SECTION**

**A** Letter of Transmittal .....v  
**B** Members of the Board of Education, Superintendent of Schools and Treasurer..... xiii  
**C** Management Team Members .....xiv  
**D** School District Organizational Chart.....xv  
**E** Job Description Listing .....xvi  
**F** Certificate of Achievement (GFOA) ..... xvii  
**G** Certificate of Excellence (ASBO) ..... xviii

**II** **FINANCIAL SECTION**

**A** Independent Auditor’s Report..... 1  
**B** Management’s Discussion and Analysis .....5  
**C** Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Position .....18  
        Statement of Activities .....20  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet .....22  
            Reconciliation of Total Governmental Fund Balances to Net Position of  
                Governmental Activities .....23  
            Statement of Revenues, Expenditures and Changes in Fund Balances .....24  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
                in Fund Balances of Governmental Funds to the Statement of Activities ....26  
            Statement of Revenues, Expenditures and Changes in Fund Balance –  
                Budget and Actual (Non-GAAP Budgetary Basis):  
                General Fund .....28  
                *Proprietary Funds:*  
                    Statement of Net Position .....30  
                    Statement of Revenues, Expenses and Changes in Fund Net Position.....31  
                    Statement of Cash Flows .....32  
                *Fiduciary Funds:*  
                    Statement of Net Position .....33  
                    Statement of Changes in Net Position.... 34  
    Notes to the Basic Financial Statements.....35

**PIQUA CITY SCHOOL DISTRICT**

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**D Required Supplementary Information:**

Schedule of District’s Proportionate Share of the Net Pension Liability.....	92
Schedule of District’s Pension Contributions.....	94
Schedule of the District’s Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset).....	97
Schedule of District’s Other Postemployment Benefit (OPEB) Contributions..	98
Notes to the Required Supplementary Information.....	100

**E Combining and Individual Fund Statements and Schedules:**

Combining Balance Sheet – Nonmajor Special Revenue Funds.....	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	111
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):	
Major Funds:	
<i>General Fund</i> .....	114
<i>Debt Service Fund:</i>	
Bond Retirement Fund .....	118
<i>Capital Projects Fund:</i>	
Permanent Improvement Fund .....	119
Nonmajor Funds:	
<i>Special Revenue Funds:</i>	
Special Trust Fund.....	120
Public School Support Fund.....	121
Other Grant Fund.....	122
District Managed Activity Fund.....	123
Auxiliary Services Fund.....	124
Student Wellness and Success Fund.....	125
Miscellaneous State Grants Fund.....	126
Miscellaneous Federal Grants Fund .....	127
Title I School Improvement A Fund .....	128
IDEA-B Fund .....	129
Title I Disadvantaged Children Assistance Fund .....	130
Classroom Facilities Maintenance Fund .....	131
Title II-A Fund .....	132
Preschool Grant Fund.....	133

**PIQUA CITY SCHOOL DISTRICT**

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**III**

**STATISTICAL SECTION**

Net Position by Component - Last Ten Years.....	S 2
Changes in Net Position - Last Ten Years .....	S 4
Fund Balances, Governmental Funds - Last Ten Years .....	S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years .....	S 10
Assessed Valuations and Estimated True Values of Taxable Property - Last Ten Calendar Years .....	S 14
Property Tax Rates of Direct and Overlapping Governments - Last Ten Calendar Years .....	S 16
Principal Taxpayers - Real Estate and Public Utilities Tax - Current Year and Nine Years Ago.....	S 19
Property Tax Levies and Collections - Last Ten Years.....	S 20
Ratios of Outstanding Debt by Type - Last Ten Years .....	S 22
Ratios of General Bonded Debt Outstanding - Last Ten Years .....	S 24
Computation of Direct and Overlapping Debt Attributable to Governmental Activities - Current Year .....	S 27
Debt Limitations - Last Ten Years.....	S 28
Demographic and Economic Statistics - Last Ten Years .....	S 30
Principal Employers - Current Year and Nine Years Ago .....	S 33
School District Employees by Type – Last Ten Years .....	S 34
Operating Indicators - Cost per Pupil - Last Ten Years .....	S 36
Operating Indicators by Function - Last Ten Years .....	S 38
Operating Indicators - Teacher Base Salaries and Teachers by Education - Last Ten Years .....	S 40
Capital Asset Statistics by Building - Last Ten Years .....	S 42
Educational and Operating Statistics - Last Ten Years.....	S 46



## *INTRODUCTORY SECTION*

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# **PIQUA CITY SCHOOL DISTRICT**

215 Looney Road • Piqua, Ohio 45356-2411  
(937) 773-4321



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

fax (937) 778-4518

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December 16, 2020

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 fiscal year ended June 30, 2020 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

## **THE DISTRICT AND ITS FACILITIES**

The District serves an area of approximately 55 square miles in and around the City of Piqua. It is located in Miami County in the Southwestern part of the state, comprised of the City of Piqua, Washington Township and Springcreek Township, and is residential, agricultural and industrial. It has a diversified industrial base with over 90 industries and 1,000,000 square feet of commercial space. The City of Piqua is a community of 21,332 people, 45 churches and 200 businesses and manufacturers. It is located on Interstate 75, 50 miles south of Lima, Ohio and 20 miles north of Dayton, Ohio, near the intersection of Interstate 75 and Interstate 70, a significant road intersection in the Midwestern part of the United States.

The District provides a full range of education programs and services to 3,418 students. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels, a broad range of co-curricular and extracurricular activities, gifted, and special education services. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a special revenue fund. The non-public school operations have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2020***

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The District's facilities include 2 primary schools (grades K through 3), 1 intermediate school (grades 4 through 6), 1 junior high school (grades 7 through 8), one high school (grades 9 through 12), an administrative building and several athletic complexes.

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

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

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

**CURRICULUM DEVELOPMENT** -- Piqua City School District K-12 curriculum is based on the Ohio Academic Content Standards and national standards from respective content areas. Periodic needs assessments, curriculum audits as well as legislative and State Department of Education recommendations help guide the work of the curriculum department to provide a comprehensive curriculum. Early childhood standards and extended state standards are the basis for educating our most at risk students. Curriculum that focuses on greater depth of knowledge and higher level thinking skills are the basis of rigor and challenge for our Tier I instruction as well as for our gifted and talented students. At all levels, opportunities for intervention and enrichment are embedded in our curriculum. Unique electives, STEM related courses, Success Bound courses, and the use of technology provide opportunities for our students to collaborate and develop college and career path readiness skills.

**INSTRUCTION MATERIALS** -- Piqua City Schools uses a blended model of instructional materials. Traditional printed materials, manipulatives for problem solving, online supplemental resources and standards based common assessments to support instruction with in-person and remote learners. Remote, online digital platforms are available for student's kindergarten through grade 12 as an option for parents and students during the COVID-19 Global Pandemic.

**STAFF DEVELOPMENT** -- Professional development is planned to meet staff needs at the district, building, and classroom levels. Designated days during the school year are used for professional development focused on specific district initiatives identified in our strategic plan/district goals or mandated training required of all staff. Building level teams and grade level teams use common planning time to focus on content specific, data driven, best practice professional development. We have a Literacy Coach in our elementary buildings that provide ongoing professional learning including classroom modeling, coaching and book studies. Behavior coaches have been added to elementary classrooms as well to embed training opportunities for staff to learn how to support students with social emotional and behavioral needs. Individual staff members are encouraged to participate in a variety of adult learning opportunities. Individual learning opportunities can be self-selected or principal directed to address needs identified through the teacher evaluation process. These include district sponsored sessions utilizing and sharing the expertise of our own staff members, sessions offered by our regional educational service centers or conferences and sessions offered by organizations or experts in the field.

All professional development is designed to meet staff and student needs and to improve student performance. All professional development adheres to the standards for High Quality Professional Development as outlined by the Ohio Department of Education and is evaluated by the staff and administration prior to attendance and after to ensure direct alignment to District goals to ensure success.

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2020***

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**INTERVENTION AND SPECIAL PROGRAMS** -- The Piqua City Schools recognizes its responsibility to identify students who are not meeting grade level growth benchmarks. The Piqua City School District has developed Response to Intervention (RTI) teams at each grade level in order to provide appropriate intervention for students identified with learning gaps. Students in the Piqua City School District are assessed using Ohio State Tests (OST), AIMSweb, and Pro-Core along with staff developed assessment measures. The RTI teams complete careful data analysis in order to create needed student intervention plans, lesson plans and progress monitoring assessments to guide the process. Students are moved through appropriate interventions as skills are learned. The RTI process contributes to a more meaningful identification of learning and behavioral disabilities, improves instruction quality, and provides all students with the best opportunity to succeed in school.

**GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES** -- The Piqua City School District recognizes its responsibility to provide appropriate programming for its identified gifted and talented students. The program provides enrolled students with extended opportunities for advanced thinking skills development and independent research. The gifted services continuum begins with screening for eligibility as outlined by the Ohio Department of Education. Once identified, students are provided services through a Written Education Plan that is updated yearly. Gifted services may include, but are not limited to; whole-class instruction, small group instruction, independent studies, honors courses, and advanced placement coursework at the elementary, intermediate, junior high, and high school levels. Currently, Piqua High School offers AP courses in Art, Biology, Calculus, Chemistry, Physics, English Language and Composition, English Literature and Composition, US Government, World History, and College Credit Plus courses through Wright State University and Edison State Community College. For the 2020-2021 school year, students who are receiving instruction remotely can receive advanced placement courses through the district's purchased service providers.

**COLLEGE CREDIT PLUS** -- Starting in the 7th grade, students attending the Piqua City Schools can take advantage of earning college credit through the concurrent enrollment program at Piqua High School. Students may take college courses within the high school or a public college. Students from public secondary schools who attend a public college are not required to pay for college course tuition, instructional tools, fees, or supplies. The postsecondary institution must waive fees for these students and is also responsible for providing supplemental supplies required by the course syllabus. Piqua City Schools may seek reimbursement from students/families if the student receives a failing grade at the end of the college course or if the student withdraws from the college course after the 14th calendar day after the particular course began, unless the student is identified as being economically disadvantaged in accordance with Ohio Administrative Code.

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

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2020***

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**ECONOMIC CONDITIONS AND OUTLOOK** -- During calendar year 2019, the county's six-year reappraisal of property valuations was completed. The updated appraisal took effect during calendar year 2020. In accordance with millage rollback provisions of HB920, the District has assessed millage at the 20 mill-floor, the lowest millage permitted by Ohio Revised Code. As a result of this, the District is able to benefit financially from increased assessed valuations. The Triennial update was performed during 2016 by the Miami County Auditor's office and took effect during calendar year 2017. In 1990 a ½% School District Income Tax was approved by the voters of Piqua. In May of 2008 the community approved an additional ¾% to our income tax rate. The income tax rate for Piqua City Schools now stands at 1.25%.

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

**LONG TERM FINANCIAL PLANNING** -- As required by Ohio law, the District approved a five-year financial forecast of operational revenues and expenditures along with assumptions in October. Revenues are expected to exceed expenditures for the next fiscal year. A solid level of general fund unassigned fund balance is expected to be held throughout the forecasted fiscal years. Given the uncertainty of future state budgets, as well as local, state and national economic factors, years beyond fiscal year 2021 may deviate significantly from the forecast. The district has received less tax revenue as a result of COVID-19 and district leadership has made adjustments to our expenses in advance to maintain our economic stability.

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

**RECENT SIGNIFICANT ACCOMPLISHMENTS** -- Building leadership teams continue to successfully use data to develop outcome-based plans for student improvement. The Ohio Improvement Process is incorporated into the district Collaborative Leadership Team process to strengthen the focus of Teacher-Based-Leadership Teams and Building-Based Leadership Teams. District, building and teacher goals have specifically addressed Success Bound, student growth, achievement results, Student Learning Objectives, and student growth measurement to ensure a typical year's growth and focus strategies on Value Added performance.

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2020***

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The District recently upgraded another section (phase II) of the Piqua High School, now forty (40) years old. The first phase included a section of the building that housed an industrial arts program that was eliminated in 1995. This space was minimally used for instruction and held a great deal of storage. The renovation, completed in the summer of 2019, now provides a lively space full of students throughout the day focusing on classes that have a significant influence on their future careers. These new courses strengthen the partnership we have with the Upper Valley Career Center. Students are able to earn Work Keys credentials that meet standards to help students earn a meaningful diploma that aides in the successful transition into adulthood. This renovation and program additions has been featured in presentations and has been visited by a number of schools throughout the state as a model for others to emulate.

The renovation of the second section of the building, was completed in the summer of 2020. Phase two of the project houses physical education, athletics, special education, home economics, band, choir, The Hartzell Center for the Performing Arts, common space, administrative offices, the nurse's clinic as well as multiple classrooms. Additionally, 40 year old restrooms were updated to individual bathroom closets to provide more privacy as requested by the Principal's Student Advisory group. All of these spaces were renovated to include new flooring, matching school color paint scheme, electrical, plumbing, lighting, data wiring and other updates to extend the life of this building for another 40 years. This section of the building is now more efficient and successfully meets the needs of today's students.

District-wide implementation of Positive Behavioral Interventions and Supports (PBIS) continues. All staff have been trained on this practice and the impact has been powerful. Piqua Central Intermediate School and the Piqua High School have earned State recognition for their work. Teams from both schools have presented at other districts as well as conferences throughout the state regarding their progressive work.

In light of the COVID-19 Pandemic, Piqua City Schools was forced to shut down on March 13<sup>th</sup> due to Governor DeWine's orders. With a 'Stay at Home' order in place, the district quickly transitioned to remote learning to meet the needs of our students. A speedy campaign was put in place to help students access the needed technology and Internet services necessary to fully engage in Remote Learning. Beginning the 2020-2021 school year, parents and students had the option to come back to school for in-person learning or remain on remote learning due to COVID-19's continued presence. As a result, nearly 1,100 computers were distributed with support through our technology department and hotline. An online curriculum was provided with teacher support to parents and students remaining on line. In order to meet the needs of the whole child, the district's food service provided 94,888 breakfasts and 93,693 lunches to all children in the community, whether they attended the district or not, beginning with the shut down and through summer. Additionally, all students currently served through remote learning continue to have access to breakfasts and lunches throughout the week. The district will continue to evaluate its plan to meet the needs of students through both in-person and remote learning in order to make adjustments that meet the current needs of our students.

# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Letter of Transmittal For the Fiscal Year Ended June 30, 2020***

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**MAJOR INITIATIVES FOR THE FUTURE** – Although COVID-19 has significantly altered how we deliver education, student achievement continues to be the focal point for Piqua City Schools with strategies aimed at helping students to develop a pathway to graduation that will make each child ‘bound for success.’ This process began at the Piqua High School where the staff developed a Success Bound course for all sophomores. Students in this course will learn more about post-secondary education options, work force opportunities, Military possibilities, and potential vocational prospects. An interactive wall display helps students and parents successfully track State and local requirements for students to be Success Bound in order to earn a timely diploma that leads to a strong transition into adulthood. The District benefits from a great partnership with its Business Advisory Council that is made of local business men and woman that are guiding a great deal of this work. The Piqua High School has worked with The Piqua Junior School staff to help them develop programming that supports a strong transition for students to the high school. Elementary schools have developed plans that lead their students to a successful transition into the district’s secondary school programs.

Equally as important is the need to meet the whole child and ensure equity in education among all students. The district continues to work with a number of local agencies to ensure that students in-person or remotely are safe and have what they need to be healthy and successful by providing supports needed. The district has also taken the initiative to focus on equitable education for students and staff. Through a partnership with Sinclair College’s Diversity Officer, we have begun to delve deeper into the topic of equity. This work has involved scheduled interviews with former students, book studies, Ted Talks, Administrative work sessions in and out of the district, a district Inclusivity Committee, teacher training and more. It is our hope that this work leads to strong supports and education for each student, no matter his or her diverse background.

### **ACCOUNTING INFORMATION**

**ACCOUNTING SYSTEM** -- The District’s accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

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

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

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

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### ***Letter of Transmittal For the Fiscal Year Ended June 30, 2020***

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

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

**BUDGETARY CONTROLS** – All funds, except custodial funds, are subject to annual expenditure budgets. The procedures below outline the District's budgetary procedures:

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

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

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

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

## **PIQUA CITY SCHOOL DISTRICT**

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***Letter of Transmittal  
For the Fiscal Year Ended June 30, 2020***

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### **OTHER INFORMATION**

**AUDIT** -- State statutes require an annual audit. Millhuff-Stang CPA conducted the audit for the fiscal year ended June 30, 2020. The auditor's unmodified opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

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

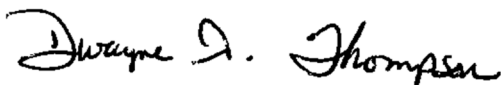
**AWARDS** -- The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities who qualify.

To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The District has received a Certificate of Achievement for the last twenty three consecutive years (fiscal years ended 1997-2019). 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. The District also submitted the CAFR to the Association of School Business Officials for review and the document received the Certificate of Excellence award with no major comments the previous five fiscal years (FY 15-19).

**ACKNOWLEDGMENTS** -- We are also grateful for the services of Donald J. Schonhardt & Associates, Inc. for their assistance in preparing 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,



Dwayne A. Thompson, Superintendent



Jeremie Hittle, Treasurer



# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June 30, 2020***

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

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

<b>December 2019 Board</b>	<b>Began Service as a Board Member</b>		<b>Present Term Expires</b>
Andy Hite, President	January	2006	December 31, 2021
Clint Bostick, Vice President	January	2016	December 31, 2019
Sean Ford	January	2018	December 31, 2021
Kelly McMaken	January	2018	December 31, 2021
Frank Patrizio	January	2012	December 31, 2019

<b>December 2020 Board</b>	<b>Began Service as a Board Member</b>		<b>Present Term Expires</b>
Clint Bostick, President	January	2016	December 31, 2023
Kelly McMaken, Vice President	January	2018	December 31, 2021
Sean Ford	January	2018	December 31, 2021
Steve Frazier	January	2020	December 31, 2023
Andy Hite	January	2006	December 31, 2021

### ***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. Dwayne Thompson was hired as Superintendent of Piqua City Schools effective August 1, 2016. His current contract is through July 31, 2024.

### ***Treasurer***

The Treasurer serves as the fiscal officer of the District and, with the Board President, executes all conveyances made by the Board of Education. The Treasurer, Jeremie Hittle has held the position since September, 2013. His current contract is through July 31, 2021.

# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Management Team Members For the Fiscal Year Ended June 30, 2020***

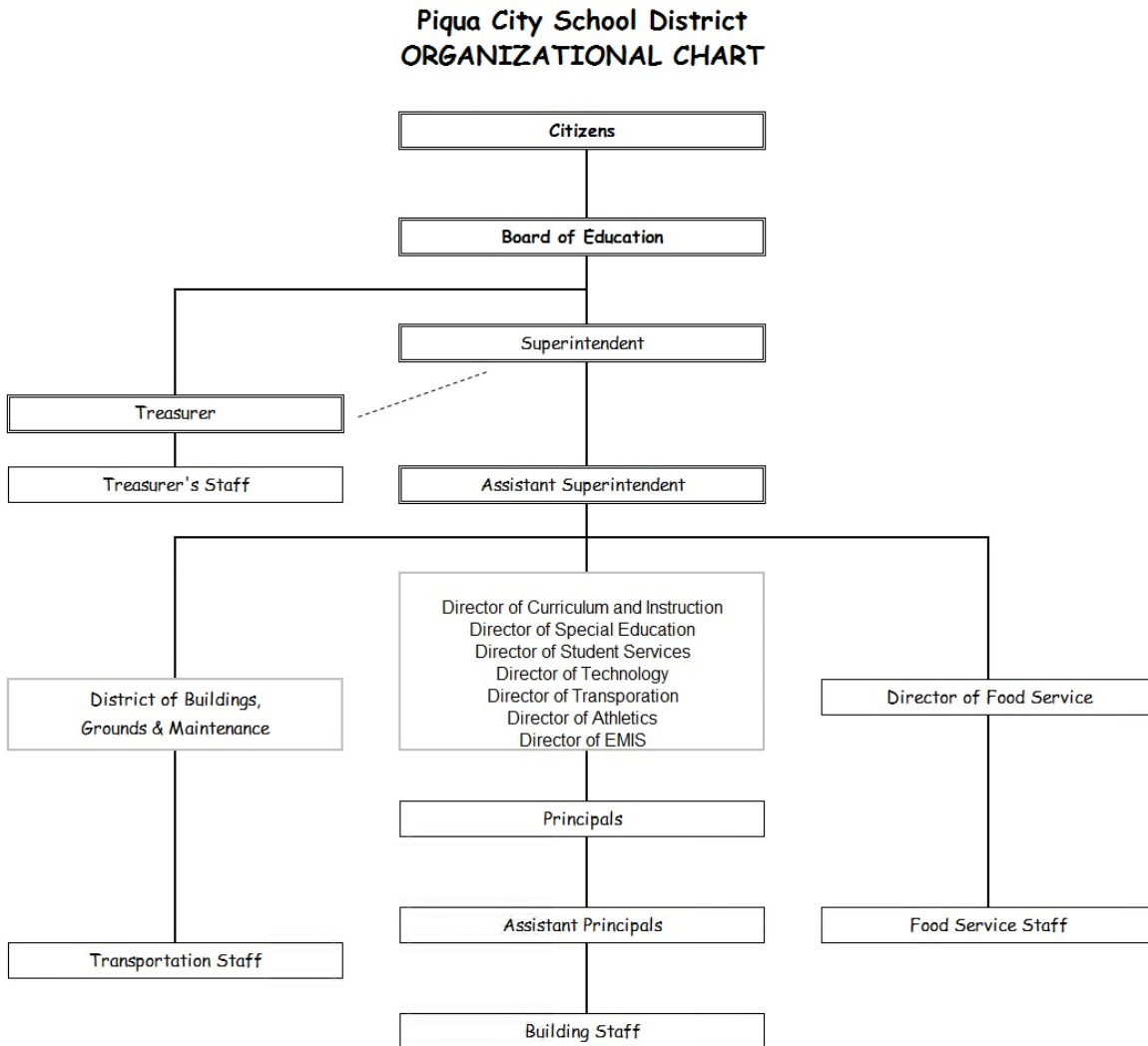
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### ***Management Team Members***

Dwayne Thompson	Superintendent of Schools
Jeremie Hittle	Treasurer
Anthony Lyons	Assistant Superintendent
Teresa Anderson, Scott Bloom	Directors of Curriculum and Instruction
Amy Todd	Director of Special Education
Mindy Gearhardt	Director of Student Services
Erich Heidenreich	Director of District Technology
Beth Cain	Director of Transportation
Chip Hare	Director of Athletics
Tracy Mumaw	Director of EMIS
Sean Shumaker	District Buildings, Grounds & Maintenance
Jennifer Garland	Director of Food Service
Kylee Harrmann	School Psychologist
Becky Holderman	School Psychologist
Michelle Bonifas	School Psychologist
Rob Messick	Principal, Piqua High School
Darrell Hite	Assistant Principal, Piqua High School
Joe Taylor	Assistant Principal, Piqua High School
Jeff Clark	Principal, Piqua Junior High School
Chad Albers	Assistant Principal, Piqua Junior High School
Heath Butler	Principal, Piqua Central Intermediate School
Lindsay Muhlenkamp	Assistant Principal, Piqua Central Intermediate School
Megan Askins	Assistant Principal, Piqua Central Intermediate School
Ross Loudenback	Principal, Springcreek Primary School
Sara Watson	Assistant, Springcreek Primary School
Tracy Trogdlon	Principal, Washington Primary School
Shannon Pence	Assistant, Washington Primary School

# PIQUA CITY SCHOOL DISTRICT

## School District Organizational Chart For the Fiscal Year Ended June 30, 2020



NOTE: Please see reverse side for individual positions.

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

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***Job Description Listing  
For the Fiscal Year Ended June 30, 2020***

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<b>Position:</b>	<b>Responsible To:</b>
Superintendent	Board of Education
Treasurer	Board of Education
Assistant Superintendent	Superintendent
Director of Curriculum and Instruction	Superintendent and Assistant Superintendent
Director of Special Education	Superintendent and Assistant Superintendent
Director of Student Services	Superintendent and Assistant Superintendent
Director of Technology	Superintendent and Assistant Superintendent
Director of Transportation	Superintendent and Assistant Superintendent
Director of Athletics	Superintendent and Assistant Superintendent
Director of EMIS	Superintendent and Assistant Superintendent
Director of Buildings, Grounds, and Grounds Maintenance	Superintendent and Assistant Superintendent
Director of Food Service	Superintendent and Assistant Superintendent
Lead Principals	Superintendent and Assistant Superintendent
Assistant Principals	Superintendent, Asst. Superintendent, Lead Principal Building Principal
Teacher	Building Principal
Guidance Counselor	Assistant Superintendent and Director of Student Services
School Nurse	Assistant Superintendent and Director of Student Services
School Psychologist	Assistant Superintendent and Director of Special Education
Speech, Language and Hearing Therapist	Assistant Superintendent and Director of Special Education
Secretary	Assistant Superintendent and Lead Principal
Aide	Assistant Superintendent and Lead Principal
Substitute Teacher	Assistant Superintendent and Lead Principal
Asst. Treasurer, Payroll Clerk, Budgetary & Financial Clerk	Treasurer
Head Cook, Assistant Head Cook, Cook, Sub Cook	Assistant Superintendent and Director of Food Service
Bus Driver, Substitute Bus Driver, Bus Mechanic	Assistant Superintendent and Director of Transportation
Custodian, Sub Custodian	District of Buildings, Grounds, and Maintenance

**PIQUA CITY SCHOOL DISTRICT**

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

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Government Finance Officers Association

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, 2019

*Christopher P. Morrill*

Executive Director/CEO

# PIQUA CITY SCHOOL DISTRICT

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*Association of School Business Officials International  
Certificate of Excellence in Financial Reporting*

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**The Certificate of Excellence in Financial Reporting  
is presented to**

**Piqua City Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director

## *FINANCIAL SECTION*

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**Independent Auditor's Report**

Board of Education  
Piqua City School District  
215 Looney Road  
Piqua, Ohio 45356

**Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Piqua City School District, Miami County, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in note 3 to the financial statements, during fiscal year 2020, the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, "Fiduciary Activities". The 2020 financial statements have been restated due to this implementation. We did not modify our opinion regarding this matter.

As discussed in note 21 to the financial statements, during fiscal year 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, the schedules of District's proportionate share of the net pension and OPEB liabilities on pages 92, 93, and 97, and the schedules of District contributions on pages 94, 95, 98, and 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

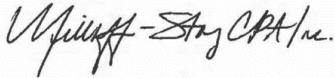
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections are presented for purposes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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

December 16, 2020



# PIQUA CITY SCHOOL DISTRICT

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*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020*

*Unaudited*

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The discussion and analysis of Piqua City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

## FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2020 are as follows:

- ❑ In total, net position decreased \$1,791,981. Net position of governmental activities decreased \$1,498,955, which represents a 4% decrease. Net position of business-type activities decreased \$293,026, which represents an 85% decrease from fiscal year 2019.
- ❑ General revenues accounted for \$38,403,326, or 80% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$9,405,365 or 20% of total revenues of \$47,808,691.
- ❑ The District had \$47,637,308 in expenses related to governmental activities; only \$7,735,027 of these expenses were offset by program specific charges for services and sales, grants, or contributions. General revenues (primarily taxes) of \$38,403,326 were not adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$38,316,921 in revenues and \$37,404,239 in expenditures. The general fund's fund balance increased from a balance of \$17,631,248 to an ending balance of \$18,296,246.
- ❑ Net position of the enterprise funds decreased \$292,097.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

# **PIQUA CITY SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020***

***Unaudited***

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## **Government-wide Statements**

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

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health.

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

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

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

## **Fund Financial Statements**

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

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

## **PIQUA CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**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 scholarship programs and other items listed as custodial or private purpose. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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

The following table provides a summary of the District's net position for fiscal year 2020 compared to fiscal year 2019:

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	Restated 2019	2020	2019	2020	Restated 2019
Current and other Assets	\$56,189,671	\$47,154,362	\$950,084	\$1,166,624	\$57,139,755	\$48,320,986
Capital Assets, Net	73,680,780	72,371,518	453,148	458,749	74,133,928	72,830,267
Total Assets	<u>129,870,451</u>	<u>119,525,880</u>	<u>1,403,232</u>	<u>1,625,373</u>	<u>131,273,683</u>	<u>121,151,253</u>
Deferred Outflows of Resources	9,631,094	11,968,954	271,910	214,357	9,903,004	12,183,311
Net Pension Liability	36,920,406	36,549,651	873,339	795,833	37,793,745	37,345,484
Net OPEB Liability	2,987,409	3,494,184	376,874	389,641	3,364,283	3,883,825
Other Long-term Liabilities	41,143,472	31,625,657	77,213	76,059	41,220,685	31,701,716
Other Liabilities	3,890,972	3,475,810	92,346	120,815	3,983,318	3,596,625
Total Liabilities	<u>84,942,259</u>	<u>75,145,302</u>	<u>1,419,772</u>	<u>1,382,348</u>	<u>86,362,031</u>	<u>76,527,650</u>
Deferred Inflows of Resources	17,119,010	17,410,301	201,676	110,662	17,320,686	17,520,963
Net Position						
Net Investment in Capital Assets	46,303,543	43,006,160	453,148	458,749	46,756,691	43,464,909
Restricted	6,501,857	5,884,187	0	0	6,501,857	5,884,187
Unrestricted (Deficit)	<u>(15,365,124)</u>	<u>(9,951,116)</u>	<u>(399,454)</u>	<u>(112,029)</u>	<u>(15,764,578)</u>	<u>(10,063,145)</u>
Total Net Position	<u>\$37,440,276</u>	<u>\$38,939,231</u>	<u>\$53,694</u>	<u>\$346,720</u>	<u>\$37,493,970</u>	<u>\$39,285,951</u>

The District reported an increase in total assets of 8%. This increase was the result of an increase in cash, which can be attributed to the issuance of \$10,000,000 of certificates of participation. This debt issuance resulted in a 13% increase in liabilities. Fluctuations in deferred outflows of resources can be attributed to the net pension and net OPEB liabilities, resulting in an overall decrease in net position.

## **PIQUA CITY SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020***

***Unaudited***

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The net pension liability is reported by the District pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net OPEB liability/asset is reported by the District pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.



## **PIQUA CITY SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020***

***Unaudited***

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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

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## **PIQUA CITY SCHOOL DISTRICT**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for fiscal year 2020 compared to fiscal year 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services and Sales	\$1,341,576	\$1,374,685	\$376,255	\$461,913	\$1,717,831	\$1,836,598
Operating Grants	6,393,451	5,902,468	1,294,083	1,192,942	7,687,534	7,095,410
<b>Total Program Revenues</b>	<b>7,735,027</b>	<b>7,277,153</b>	<b>1,670,338</b>	<b>1,654,855</b>	<b>9,405,365</b>	<b>8,932,008</b>
<b>General Revenues:</b>						
Property Taxes	13,495,009	13,286,552	0	0	13,495,009	13,286,552
Income Taxes	6,029,669	6,720,246	0	0	6,029,669	6,720,246
Intergovernmental, Unrestricted	17,614,637	18,284,577	0	0	17,614,637	18,284,577
Other	1,264,011	1,265,590	0	0	1,264,011	1,265,590
<b>Total General Revenues</b>	<b>38,403,326</b>	<b>39,556,965</b>	<b>0</b>	<b>0</b>	<b>38,403,326</b>	<b>39,556,965</b>
<b>Total Revenues</b>	<b>46,138,353</b>	<b>46,834,118</b>	<b>1,670,338</b>	<b>1,654,855</b>	<b>47,808,691</b>	<b>48,488,973</b>
<b>Program Expenses</b>						
Instruction	28,580,114	22,854,305	0	0	28,580,114	22,854,305
<b>Support Services:</b>						
Pupils	2,446,409	2,438,201	0	0	2,446,409	2,438,201
Instructional Staff	2,668,681	2,392,598	0	0	2,668,681	2,392,598
Board of Education	26,688	27,235	0	0	26,688	27,235
Administration	2,862,358	2,498,617	0	0	2,862,358	2,498,617
Fiscal Services	972,891	901,620	0	0	972,891	901,620
Business	4,007	580	0	0	4,007	580
Operation and Maintenance of Plant	3,251,416	2,524,505	0	0	3,251,416	2,524,505
Pupil Transportation	1,655,783	1,773,964	0	0	1,655,783	1,773,964
Central	2,214,677	1,937,323	0	0	2,214,677	1,937,323
Operation of Non-Instructional Services	226,382	207,216	0	0	226,382	207,216
Extracurricular Activities	1,058,881	1,039,743	0	0	1,058,881	1,039,743
Interest and Fiscal Charges	1,669,021	1,177,519	0	0	1,669,021	1,177,519
Food Service	0	0	1,890,657	1,556,983	1,890,657	1,556,983
TV Station	0	0	72,707	107,231	72,707	107,231
<b>Total Expenses</b>	<b>47,637,308</b>	<b>39,773,426</b>	<b>1,963,364</b>	<b>1,664,214</b>	<b>49,600,672</b>	<b>41,437,640</b>
Change in Net Position Before Transfers	(1,498,955)	7,060,692	(293,026)	(9,359)	(1,791,981)	7,051,333
Transfers	0	(19,500)	0	19,500	0	0
<b>Total Change in Net Position</b>	<b>(1,498,955)</b>	<b>7,041,192</b>	<b>(293,026)</b>	<b>10,141</b>	<b>(1,791,981)</b>	<b>7,051,333</b>
Beginning Net Position - Restated	38,939,231	31,898,039	346,720	336,579	39,285,951	32,234,618
<b>Ending Net Position</b>	<b>\$37,440,276</b>	<b>\$38,939,231</b>	<b>\$53,694</b>	<b>\$346,720</b>	<b>\$37,493,970</b>	<b>\$39,285,951</b>

### **Governmental Activities**

Net position of the District's governmental activities decreased \$1,498,955. Overall, total revenues remained consistent with the prior year. A decrease in income taxes can be attributed to the Covid-19 pandemic, which impacted economic conditions. A 20% increase in expenses can be attributed to changes in the net pension and net OPEB liabilities.

## **PIQUA CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

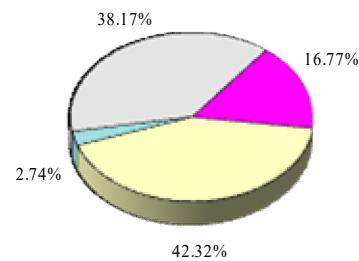
**Unaudited**

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

The District also receives an income tax, which is based on 1.25% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the District.

Property taxes and income taxes made up 29% and 13% respectively, of revenues for governmental activities in fiscal year 2020. The District's reliance upon tax revenues is demonstrated by the following graph indicating 42% of total revenues from general taxes:

Revenue Sources	2020	Percent of Total
Intergovernmental, Unrestricted	\$17,614,637	38.17%
Program Revenues	7,735,027	16.77%
General Tax Revenues	19,524,678	42.32%
General Other	1,264,011	2.74%
Total Revenue	<u>\$46,138,353</u>	<u>100.00%</u>



### **Business-Type Activities**

Net position of the business-type activities decreased \$293,026, or approximately 85%. A decrease in charges for services can be attributed to a shortened school year, due to the Covid-19 pandemic. An increase in expenses can be attributed to changes in the net pension and OPEB liabilities.

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

The District's governmental funds reported a combined fund balance of \$35,262,964, which is an increase from last year's total of \$26,932,103. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2020 and 2019.

	Fund Balance June 30, 2020	Restated Fund Balance June 30, 2019	Increase (Decrease)
General	\$18,296,246	\$17,631,248	\$664,998
Bond Retirement	3,701,226	3,885,281	(184,055)
Permanent Improvement	10,774,144	3,483,759	7,290,385
Other Governmental	2,491,348	1,931,815	559,533
Total	<u>\$35,262,964</u>	<u>\$26,932,103</u>	<u>\$8,330,861</u>

## **PIQUA CITY SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020***

***Unaudited***

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*Bond Retirement Fund* – The Bond Retirement Fund balance decreased approximately 5% during fiscal year 2020. A decrease in property tax revenue can be attributed to the expiration of a school construction bond levy. This fund reported the issuance of \$16.2 million of refunding bonds to refinance a portion of the 2012 school facility construction bonds.

*Permanent Improvement Fund* – The Permanent Improvement Fund balance increased \$7,290,385, to an ending balance of \$10,774,144. This fund reported the issuance of \$10 million of Certificates of Participation to be used for phase two of the high school renovation project.

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

	2020	2019	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Taxes	\$16,139,649	\$16,635,298	(\$495,649)
Tuition	714,351	725,027	(10,676)
Transportation Fees	17,921	42,001	(24,080)
Investment Earnings	645,264	765,963	(120,699)
Extracurricular Activities	71,784	92,217	(20,433)
Class Materials and Fees	84,879	94,951	(10,072)
Intergovernmental - State	19,977,945	20,545,648	(567,703)
Intergovernmental - Federal	370,362	723,360	(352,998)
All Other Revenue	294,766	322,040	(27,274)
Total	<u>\$38,316,921</u>	<u>\$39,946,505</u>	<u>(\$1,629,584)</u>

General Fund revenues in fiscal year 2020 decreased approximately 4% when compared with revenues in fiscal year 2019. A decrease in income taxes can be attributed to the Covid-19 pandemic, which impacted economic conditions. The decrease in intergovernmental state revenues can be attributed to decreases in State school foundation monies. An increase in intergovernmental federal revenues in the prior fiscal year due to Medicare reimbursement catch up payments resulted in a subsequent decrease in fiscal year 2020. Changes in the fair value of investments resulted in a decrease in investment earnings.

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## **PIQUA CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Unaudited**

	2020 Expenditures	2019 Expenditures	Increase (Decrease)
Current:			
Instruction	\$24,019,148	\$23,221,592	\$797,556
Supporting Services:			
Pupils	2,275,282	2,569,480	(294,198)
Instructional Staff	2,351,439	2,434,859	(83,420)
Board of Education	26,688	27,235	(547)
Administration	2,597,576	2,701,318	(103,742)
Fiscal Services	867,615	849,146	18,469
Operation and Maintenance of Plant	2,994,547	2,857,977	136,570
Pupil Transportation	1,385,019	1,529,616	(144,597)
Central	333,736	281,296	52,440
Operation of Non-Instructional Services	3,315	6,760	(3,445)
Extracurricular Activities	518,038	521,489	(3,451)
Debt Service:			
Principal Retirement	30,842	29,487	1,355
Interest and Fiscal Charges	994	2,349	(1,355)
Total	\$37,404,239	\$37,032,604	\$371,635

General Fund expenditures increased \$371,635 or approximately 1%. An increase in instruction can be attributed to an increase in special education costs, due to an increase in the number of students receiving special education services. Decreases in pupil support services and transportation expenditures can be attributed to the shortened school year, due to the Covid-19 pandemic. An increase in operation and maintenance of plant can mostly be attributed to outlays for security system improvements as well as furniture purchases.

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 2020 the District amended its General Fund budget several times. Original budgeted, final budgeted, and actual budget basis revenues and expenditures were not materially different.

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## **PIQUA CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Unaudited**

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

At the end of fiscal year 2020 the District had \$74,133,928 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, equipment and vehicles. Of this total, \$73,680,780 was related to governmental activities and \$453,148 to the business-type activities. The following tables show fiscal year 2020 and 2019 balances:

	Governmental Activities		Increase (Decrease)
	2020	2019	
Land	\$787,761	\$798,611	(\$10,850)
Construction in Progress	1,038,354	37,000	1,001,354
Land Improvements	8,309,531	7,143,658	1,165,873
Buildings and Improvements	82,179,187	80,726,426	1,452,761
Machinery and Equipment	3,605,727	3,390,760	214,967
Vehicles	2,732,034	2,867,306	(135,272)
Less: Accumulated Depreciation	(24,971,814)	(22,592,243)	(2,379,571)
Totals	\$73,680,780	\$72,371,518	\$1,309,262

Land improvements included parking lot paving and tennis court improvements. Additions to buildings and improvements can mostly be attributed to Phase 1 of the high school renovation project, which included HVAC improvements, new flooring, paint, lighting, restroom improvements, and the repurposing of certain areas into career oriented classrooms. Additions to construction in progress can be attributed to Phase 2 of the high school renovation project, which includes renovation of the commons, art rooms, consumer science rooms, special education wing, Center for the Performing Arts, band room, choir room, music practice room, locker rooms, and administration area. Machinery and equipment additions included computer equipment, security cameras, a band tower, and an Anatomage Table.

	Business-Type Activities		Increase (Decrease)
	2020	2019	
Machinery and Equipment	\$878,183	\$873,671	\$4,512
Less: Accumulated Depreciation	(425,035)	(414,922)	(10,113)
Totals	\$453,148	\$458,749	(\$5,601)

Additions to business type capital assets consisted of the purchase of four convection ovens. Additional information on the District's capital assets can be found in Note 9.

# **PIQUA CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Unaudited**

## **Debt and Other Long Term Obligations**

The following table summarizes the District's debt and other long term obligations as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Governmental Activities:		
General Obligation Bonds:		
2015 School Improvement Refunding	\$0	\$1,064,038
2020 School Improvement Refunding	17,305,349	0
2012 School Facility Construction	7,364,684	24,515,951
Certificates of Participation	14,121,963	3,770,000
Capital Leases Payable	5,276	36,118
Compensated Absences	<u>2,346,200</u>	<u>2,239,550</u>
Total Governmental Activities	41,143,472	31,625,657
Business-Type Activities:		
Compensated Absences	<u>77,213</u>	<u>76,059</u>
Total Business-Type Activities	<u>77,213</u>	<u>76,059</u>
Totals	<u><u>\$41,220,685</u></u>	<u><u>\$31,701,716</u></u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2020, the District's overall legal debt margin was below the legal limit. Additional information on the District's long-term debt can be found in Note 13.

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

Like most public school districts in Ohio, the Piqua City School District relies on its property and income taxes along with state and federal aid to provide the funds necessary to maintain its educational programs. Growth in the tax base of Piqua has been for the most part nonexistent since the economic downturn in 2007. In recent years, there has been a slight increase in income tax collections and property tax collections still remain stagnant. This is particularly due to commercial and industrial property values, specifically the mall and Walmart value decreasing significantly. The Board of Education has been willing to confront difficult decisions regarding the instructional programs and staffing coupled with the community's willingness to provide additional funding has resulted in a stable financial condition. We have been able to continue operating in the black for the past 12 years, and are on track to complete our 13<sup>th</sup> year. COVID-19 has made revenue forecasting more difficult. We have seen a reduction in tax revenue due to high unemployment from the shutdown of economic activity nationwide. District administration took additional steps for FY21 to reduce expenses and keep a balanced budget. The steps taken saved nearly \$850,000 in operating expenses. We are now in a good position, but that could change with any additional cuts from the State of Ohio.

In order to maintain the District's commitment to a strong educational program, we asked our community to renew our expiring 5 year emergency levy on November 7, 2017. The approval of this levy renewal allows Piqua City Schools to maintain our Commitment to Excellence. The Board passed a continuing permanent improvement levy on May 7, 2019. The community continued to show its support toward the District with the approval of both of these issues overwhelmingly. Additionally, on November 8, 2011 voters passed a 4.92 mill levy which will provide the local share needed to construct two new pre-kindergarten to third grade buildings and one fourth through sixth grade building.

# **PIQUA CITY SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020***

***Unaudited***

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We are in the second year of a new State of Ohio biannual budget. The previous budget and school funding formula has helped produce more revenue to the District through state aid. However, this funding cycle Ohio school districts were placed on a two year spending freeze. The frozen amount is at the previous fiscal year with a formula that was not fully funded. We will take steps necessary to keep our budget balanced as we move forward. We will also continue to monitor developments on school funding and hope for a long term solution to school funding in Ohio.

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

## **REQUESTS FOR INFORMATION**

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





**PIQUA CITY SCHOOL DISTRICT**

**Statement of Net Position**  
**June 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Pooled Cash and Investments	\$ 35,671,483	\$ 661,235	\$ 36,332,718
Receivables:			
Taxes	15,428,495	0	15,428,495
Accounts	84,496	0	84,496
Intergovernmental	716,640	0	716,640
Interest	10,135	0	10,135
Internal Balance	(269,802)	269,802	0
Inventory of Supplies at Cost	0	17,828	17,828
Prepaid Items	50,837	1,219	52,056
Restricted Assets:			
Cash with Fiscal Agent	762	0	762
Investments	2,250,000	0	2,250,000
Net OPEB Asset	2,246,625	0	2,246,625
Non-Depreciable Capital Assets	1,826,115	0	1,826,115
Depreciable Capital Assets, Net	71,854,665	453,148	72,307,813
<b>Total Assets</b>	<b>129,870,451</b>	<b>1,403,232</b>	<b>131,273,683</b>
<b>Deferred Outflows of Resources:</b>			
Deferred Loss on Early Retirement of Debt	659,676	0	659,676
Pension	8,151,952	177,777	8,329,729
OPEB	819,466	94,133	913,599
<b>Total Deferred Outflows of Resources</b>	<b>9,631,094</b>	<b>271,910</b>	<b>9,903,004</b>
<b>Liabilities:</b>			
Accounts Payable	662,151	10,002	672,153
Accrued Wages and Benefits	1,996,497	65,885	2,062,382
Intergovernmental Payable	537,644	16,459	554,103
Claims Payable	432,701	0	432,701
Matured Bonds and Interest Payable	762	0	762
Accrued Interest Payable	261,217	0	261,217
Long Term Liabilities:			
Due Within One Year	2,005,204	19,427	2,024,631
Due in More Than One Year:			
Net Pension Liability	36,920,406	873,339	37,793,745
Net OPEB Liability	2,987,409	376,874	3,364,283
Other Amounts Due in More Than One Year	39,138,268	57,786	39,196,054
<b>Total Liabilities</b>	<b>84,942,259</b>	<b>1,419,772</b>	<b>86,362,031</b>

**PIQUA CITY SCHOOL DISTRICT**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Fiscal Year	11,425,707	0	11,425,707
Pension	2,011,814	45,839	2,057,653
OPEB	3,681,489	155,837	3,837,326
<b>Total Deferred Inflows of Resources</b>	<b>17,119,010</b>	<b>201,676</b>	<b>17,320,686</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	46,303,543	453,148	46,756,691
Restricted For:			
Capital Projects	49,964	0	49,964
Debt Service	3,495,499	0	3,495,499
Community Gifts and Awards	234,373	0	234,373
Federal and State Programs	2,722,021	0	2,722,021
Unrestricted (Deficit)	(15,365,124)	(399,454)	(15,764,578)
<b>Total Net Position</b>	<b>\$ 37,440,276</b>	<b>\$ 53,694</b>	<b>\$ 37,493,970</b>

See accompanying notes to the basic financial statements

# PIQUA CITY SCHOOL DISTRICT

## Statement of Activities For the Fiscal Year Ended June 30, 2020

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
<b>Governmental Activities:</b>			
Instruction	\$ 28,580,114	\$ 871,014	\$ 5,568,855
Support Services:			
Pupils	2,446,409	0	14,867
Instructional Staff	2,668,681	0	176,636
Board of Education	26,688	0	0
Administration	2,862,358	0	0
Fiscal Services	972,891	0	0
Business	4,007	0	0
Operation and Maintenance of Plant	3,251,416	0	157,181
Pupil Transportation	1,655,783	17,921	1,402
Central	2,214,677	0	0
Operation of Non-Instructional Services	226,382	0	225,966
Extracurricular Activities	1,058,881	452,641	18,211
Interest and Fiscal Charges	1,669,021	0	230,333
<b>Total Governmental Activities</b>	47,637,308	1,341,576	6,393,451
<b>Business-Type Activities:</b>			
Food Service	1,890,657	314,635	1,294,083
TV Station	72,707	61,620	0
<b>Total Business-Type Activities</b>	1,963,364	376,255	1,294,083
<b>Totals</b>	\$ 49,600,672	\$ 1,717,831	\$ 7,687,534

### General Revenues

#### Taxes:

- Property Taxes levied for: General Purposes
- Property Taxes levied for: Facilities Maintenance
- Property Taxes levied for: Debt Service
- Property Taxes levied for: Capital Outlay
- Income Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements

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

### Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (22,140,245)	\$ 0	\$ (22,140,245)
(2,431,542)	0	(2,431,542)
(2,492,045)	0	(2,492,045)
(26,688)	0	(26,688)
(2,862,358)	0	(2,862,358)
(972,891)	0	(972,891)
(4,007)	0	(4,007)
(3,094,235)	0	(3,094,235)
(1,636,460)	0	(1,636,460)
(2,214,677)	0	(2,214,677)
(416)	0	(416)
(588,029)	0	(588,029)
(1,438,688)	0	(1,438,688)
(39,902,281)	0	(39,902,281)
0	(281,939)	(281,939)
0	(11,087)	(11,087)
0	(293,026)	(293,026)
\$ (39,902,281)	\$ (293,026)	\$ (40,195,307)
10,214,411	0	10,214,411
172,920	0	172,920
1,785,106	0	1,785,106
1,322,572	0	1,322,572
6,029,669	0	6,029,669
17,614,637	0	17,614,637
712,083	0	712,083
551,928	0	551,928
38,403,326	0	38,403,326
(1,498,955)	(293,026)	(1,791,981)
38,939,231	346,720	39,285,951
\$ 37,440,276	\$ 53,694	\$ 37,493,970

**PIQUA CITY SCHOOL DISTRICT**

**Balance Sheet  
Governmental Funds  
June 30, 2020**

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Pooled Cash and Investments	\$ 17,476,137	\$ 1,214,946	\$ 11,099,612	\$ 2,515,636	\$ 32,306,331
Receivables:					
Taxes	12,119,592	1,627,787	1,503,295	177,821	15,428,495
Accounts	18,299	0	66,197	0	84,496
Intergovernmental	0	0	0	716,640	716,640
Interest	10,135	0	0	0	10,135
Interfund Loans Receivable	178,250	0	0	0	178,250
Prepaid Items	27,667	0	0	23,170	50,837
Restricted Assets:					
Cash with Fiscal Agent	0	762	0	0	762
Investments	0	2,250,000	0	0	2,250,000
<b>Total Assets</b>	<b>\$ 29,830,080</b>	<b>\$ 5,093,495</b>	<b>\$ 12,669,104</b>	<b>\$ 3,433,267</b>	<b>\$ 51,025,946</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 47,914	\$ 0	\$ 601,683	\$ 12,554	\$ 662,151
Accrued Wages and Benefits	1,854,885	0	0	141,612	1,996,497
Intergovernmental Payable	508,536	0	0	29,108	537,644
Matured Bonds and Interest Payable	0	762	0	0	762
Interfund Loans Payable	0	0	0	178,250	178,250
Compensated Absences Payable	53,309	0	0	0	53,309
<b>Total Liabilities</b>	<b>2,464,644</b>	<b>762</b>	<b>601,683</b>	<b>361,524</b>	<b>3,428,613</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Amounts	369,140	55,490	49,964	434,068	908,662
Property Tax Levy for Next Fiscal Year	8,700,050	1,336,017	1,243,313	146,327	11,425,707
<b>Total Deferred Inflows of Resources</b>	<b>9,069,190</b>	<b>1,391,507</b>	<b>1,293,277</b>	<b>580,395</b>	<b>12,334,369</b>
<b>Fund Balance:</b>					
Nonspendable	27,667	0	0	23,170	50,837
Restricted	0	3,701,226	8,857,350	2,499,156	15,057,732
Committed	0	0	1,916,794	0	1,916,794
Assigned	685,794	0	0	0	685,794
Unassigned	17,582,785	0	0	(30,978)	17,551,807
<b>Total Fund Balance</b>	<b>18,296,246</b>	<b>3,701,226</b>	<b>10,774,144</b>	<b>2,491,348</b>	<b>35,262,964</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 29,830,080</b>	<b>\$ 5,093,495</b>	<b>\$ 12,669,104</b>	<b>\$ 3,433,267</b>	<b>\$ 51,025,946</b>

See accompanying notes to the basic financial statements

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Reconciliation of Total Governmental Fund Balances To Net Position of Governmental Activities June 30, 2020***

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<b>Total Governmental Fund Balances</b>	\$ 35,262,964
<b><i>Amounts reported for governmental activities in the statement of net position are different because</i></b>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	73,680,780
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	908,662
The net pension and OPEB liabilities/asset are not due and payable, nor available in the current period; therefore, the liabilities/asset and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	8,151,952
Deferred Inflows - Pension	(2,011,814)
Net Pension Liability	(36,920,406)
Deferred Outflows - OPEB	819,466
Deferred Inflows - OPEB	(3,681,489)
Net OPEB Asset	2,246,625
Net OPEB Liability	<u>(2,987,409)</u>
	(34,383,075)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	2,662,649
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds Payable	(24,670,033)
Certificates of Participation	(14,121,963)
Deferred Loss on Early Retirement of Debt	659,676
Capital Leases Payable	(5,276)
Compensated Absences Payable	(2,292,891)
Accrued Interest Payable	<u>(261,217)</u>
	<u>(40,691,704)</u>
<b><i>Net Position of Governmental Activities</i></b>	<b><u>\$ 37,440,276</u></b>

See accompanying notes to the basic financial statements

## PIQUA CITY SCHOOL DISTRICT

### Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2020

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Local Sources:					
Taxes	\$ 16,139,649	\$ 1,789,115	\$ 1,297,457	\$ 171,252	\$ 19,397,473
Tuition	714,351	0	0	0	714,351
Transportation Fees	17,921	0	0	0	17,921
Investment Earnings	645,264	36,983	16,147	5,246	703,640
Extracurricular Activities	71,784	0	0	452,641	524,425
Class Materials and Fees	84,879	0	0	0	84,879
Intermediate Sources	0	0	0	80,173	80,173
Intergovernmental - State	19,977,945	307,972	139,166	868,920	21,294,003
Intergovernmental - Federal	370,362	230,333	0	1,739,067	2,339,762
All Other Revenue	294,766	3,016	144,904	109,242	551,928
<b>Total Revenues</b>	<b>38,316,921</b>	<b>2,367,419</b>	<b>1,597,674</b>	<b>3,426,541</b>	<b>45,708,555</b>
<b>Expenditures:</b>					
Current:					
Instruction	24,019,148	0	557,872	1,732,894	26,309,914
Supporting Services:					
Pupils	2,275,282	0	3,526	16,797	2,295,605
Instructional Staff	2,351,439	0	0	117,663	2,469,102
Board of Education	26,688	0	0	0	26,688
Administration	2,597,576	0	14,851	4,765	2,617,192
Fiscal Services	867,615	33,787	21,029	2,928	925,359
Business	0	0	0	3,427	3,427
Operation and Maintenance of Plant	2,994,547	0	4,750	108,345	3,107,642
Pupil Transportation	1,385,019	0	0	20,344	1,405,363
Central	333,736	0	0	0	333,736
Operation of Non-Instructional Services	3,315	0	0	202,583	205,898
Extracurricular Activities	518,038	0	0	444,453	962,491
Capital Outlay	0	0	3,866,261	210,503	4,076,764
Debt Service:					
Principal Retirement	30,842	2,300,000	0	0	2,330,842
Interest and Fiscal Charges	994	1,614,648	0	0	1,615,642
<b>Total Expenditures</b>	<b>37,404,239</b>	<b>3,948,435</b>	<b>4,468,289</b>	<b>2,864,702</b>	<b>48,685,665</b>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	912,682	(1,581,016)	(2,870,615)	561,839	(2,977,110)



## *PIQUA CITY SCHOOL DISTRICT*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	0	0	161,000	10	161,010
Transfers In	2,316	250,000	250,000	0	502,316
Transfers Out	(250,000)	0	(250,000)	(2,316)	(502,316)
Refunding Bonds Issued	0	16,219,281	0	0	16,219,281
Premium on Debt Issuance	0	2,020,036	0	0	2,020,036
Certificates of Participation Issued	0	0	10,000,000	0	10,000,000
Payment to Refunded Bond Escrow Agent	0	(17,092,356)	0	0	(17,092,356)
<b>Total Other Financing Sources (Uses)</b>	<u>(247,684)</u>	<u>1,396,961</u>	<u>10,161,000</u>	<u>(2,306)</u>	<u>11,307,971</u>
Net Change in Fund Balance	664,998	(184,055)	7,290,385	559,533	8,330,861
<b>Fund Balance at Beginning of Year - Restated</b>	<u>17,631,248</u>	<u>3,885,281</u>	<u>3,483,759</u>	<u>1,931,815</u>	<u>26,932,103</u>
<b>Fund Balance End of Year</b>	<u>\$ 18,296,246</u>	<u>\$ 3,701,226</u>	<u>\$ 10,774,144</u>	<u>\$ 2,491,348</u>	<u>\$ 35,262,964</u>

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

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***Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Fiscal Year Ended June 30, 2020***

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Net Change in Fund Balances - Total Governmental Funds \$ 8,330,861

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 1,331,052

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received. (21,790)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 421,355

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:

Pension	2,903,084	
OPEB	74,429	2,977,513

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities/asset are reported as pension/OPEB expense in the statement of activities:

Pension	(6,146,798)	
OPEB	609,957	(5,536,841)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. In addition, repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. (8,772,238)

## **PIQUA CITY SCHOOL DISTRICT**

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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (97,260)

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (125,284)

The internal service funds are used by management to charge the costs of services to individual funds and is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. (6,323)

***Change in Net Position of Governmental Activities*** \$ (1,498,955)

See accompanying notes to the basic financial statements

## **PIQUA CITY SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 16,815,800	\$ 16,729,469	\$ 16,729,469	\$ 0
Tuition	715,000	714,351	714,351	0
Transportation Fees	47,500	17,921	17,921	0
Investment Earnings	480,000	629,761	629,761	0
Class Material and Fees	92,100	84,879	84,879	0
Intergovernmental - State	20,611,586	19,977,945	19,977,945	0
Intergovernmental - Federal	300,000	348,008	348,008	0
All Other Revenues	<u>236,340</u>	<u>270,885</u>	<u>270,885</u>	<u>0</u>
Total Revenues	<u>39,298,326</u>	<u>38,773,219</u>	<u>38,773,219</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
Instructional Services:				
Regular	18,007,559	17,626,753	17,626,753	0
Special	5,721,160	6,634,029	6,634,029	0
Other	275,888	269,799	269,799	0
Support Services:				
Pupils	2,653,562	2,312,837	2,312,837	0
Instructional Staff	2,636,792	2,452,228	2,452,228	0
Board of Education	43,731	26,646	26,646	0
Administration	2,871,857	2,666,831	2,666,831	0
Fiscal Services	866,798	878,653	878,653	0
Operation and Maintenance of Plant	3,151,501	3,195,464	3,195,464	0
Pupil Transportation	1,635,028	1,463,612	1,463,612	0
Central	309,308	333,843	333,843	0
Operation of Non-Instructional Services	9,150	1,678	1,678	0
Extracurricular Activities	<u>551,719</u>	<u>521,778</u>	<u>521,778</u>	<u>0</u>
Total Expenditures	<u>38,734,053</u>	<u>38,384,151</u>	<u>38,384,151</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	564,273	389,068	389,068	0

**PIQUA CITY SCHOOL DISTRICT**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers In	65,000	53,574	53,574	0
Transfers Out	(590,000)	(303,574)	(303,574)	0
Refund of Prior Year's Expenditures	145,000	169,275	169,275	0
Total Other Financing Sources (Uses):	<u>(380,000)</u>	<u>(80,725)</u>	<u>(80,725)</u>	<u>0</u>
 Net Change in Fund Balance	 184,273	 308,343	 308,343	 0
 Fund Balance at Beginning of Year	 16,241,153	 16,241,153	 16,241,153	 0
Prior Year Encumbrances	301,305	301,305	301,305	0
Fund Balance at End of Year	<u>\$ 16,726,731</u>	<u>\$ 16,850,801</u>	<u>\$ 16,850,801</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

**Statement of Net Position  
Proprietary Funds  
June 30, 2020**

	Business-Type Activities			Governmental Activities
	Major Food Service	Nonmajor TV Station	Total Enterprise Funds	Internal Service Fund
<b>Assets:</b>				
<i>Current Assets:</i>				
Pooled Cash and Investments	\$ 645,676	\$ 15,559	\$ 661,235	\$ 3,365,152
Inventory of Supplies at Cost	17,828	0	17,828	0
Prepaid Items	1,219	0	1,219	0
<i>Total Current Assets</i>	<u>664,723</u>	<u>15,559</u>	<u>680,282</u>	<u>3,365,152</u>
<i>Non Current Assets:</i>				
Capital Assets, Net	436,573	16,575	453,148	0
<b>Total Assets</b>	<u>1,101,296</u>	<u>32,134</u>	<u>1,133,430</u>	<u>3,365,152</u>
<b>Deferred Outflows of Resources:</b>				
Pension	145,279	32,498	177,777	0
OPEB	90,296	3,837	94,133	0
<b>Total Deferred Outflows of Resources</b>	<u>235,575</u>	<u>36,335</u>	<u>271,910</u>	<u>0</u>
<b>Liabilities:</b>				
<i>Current Liabilities:</i>				
Accounts Payable	10,002	0	10,002	0
Accrued Wages and Benefits	65,874	11	65,885	0
Intergovernmental Payable	16,459	0	16,459	0
Claims Payable	0	0	0	432,701
Compensated Absences - Current	16,024	3,403	19,427	0
<i>Total Current Liabilities</i>	<u>108,359</u>	<u>3,414</u>	<u>111,773</u>	<u>432,701</u>
<i>Long Term Liabilities:</i>				
Compensated Absences Payable	57,786	0	57,786	0
Net Pension Liability	813,849	59,490	873,339	0
Net OPEB Liability	351,192	25,682	376,874	0
<i>Total Long Term Liabilities</i>	<u>1,222,827</u>	<u>85,172</u>	<u>1,307,999</u>	<u>0</u>
<b>Total Liabilities</b>	<u>1,331,186</u>	<u>88,586</u>	<u>1,419,772</u>	<u>432,701</u>
<b>Deferred Inflows of Resources:</b>				
Pension	42,769	3,070	45,839	0
OPEB	147,574	8,263	155,837	0
<b>Total Deferred Inflows of Resources</b>	<u>190,343</u>	<u>11,333</u>	<u>201,676</u>	<u>0</u>
<b>Net Position:</b>				
Investment in Capital Assets	436,573	16,575	453,148	0
Unrestricted	(621,231)	(48,025)	(669,256)	2,932,451
<b>Total Net Position</b>	<u>\$ (184,658)</u>	<u>\$ (31,450)</u>	<u>\$ (216,108)</u>	<u>\$ 2,932,451</u>

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.

	269,802
Net Position of Business-type Activities	\$ 53,694

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2020**

	Business-Type Activities			Governmental Activities
	Major Food Service	Nonmajor TV Station	Total Enterprise Funds	Internal Service Fund
<b>Operating Revenues:</b>				
Sales	\$ 313,003	\$ 0	\$ 313,003	\$ 0
Charges for Services	0	61,620	61,620	0
Interfund Charges	0	0	0	2,256,409
<b>Total Operating Revenues</b>	313,003	61,620	374,623	2,256,409
<b>Operating Expenses:</b>				
Salaries and Wages	560,773	40,832	601,605	0
Fringe Benefits	418,924	29,395	448,319	536,987
Contractual Services	37,877	0	37,877	211,864
Claims	0	0	0	1,515,614
Supplies and Materials	828,291	530	828,821	7,639
Depreciation	41,163	1,950	43,113	0
<b>Total Operating Expenses</b>	1,887,028	72,707	1,959,735	2,272,104
Operating Loss	(1,574,025)	(11,087)	(1,585,112)	(15,695)
<b>Nonoperating Revenues (Expenses):</b>				
Operating Grants and Contributions	1,294,083	0	1,294,083	0
Investment Earnings	1,632	0	1,632	8,443
Loss on Disposal of Capital Assets	(2,700)	0	(2,700)	0
<b>Total Nonoperating Revenues (Expenses)</b>	1,293,015	0	1,293,015	8,443
<b>Change in Net Position</b>	(281,010)	(11,087)	(292,097)	(7,252)
Net Position Beginning of Year	96,352	(20,363)	75,989	2,939,703
Net Position End of Year	\$ (184,658)	\$ (31,450)	\$ (216,108)	\$ 2,932,451
Change in Net Position - Total Enterprise Funds			(292,097)	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			(929)	
Change in Net Position - Total Business-type Activities			\$ (293,026)	

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

**Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2020**

	Business-Type Activities			Governmental Activities
	Major	Nonmajor	Total Enterprise Funds	Internal Service Fund
	Food Service	TV Station		
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$324,254	\$61,620	\$385,874	\$0
Cash Received from Interfund Charges	0	0	0	2,256,409
Cash Payments for Goods and Services	(706,905)	(530)	(707,435)	(1,302,416)
Cash Payments to Employees for Services and Benefits	(939,183)	(51,077)	(990,260)	(536,987)
Net Cash Provided (Used) by Operating Activities	(1,321,834)	10,013	(1,311,821)	417,006
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	1,179,113	0	1,179,113	0
Net Cash Provided by Noncapital Financing Activities	1,179,113	0	1,179,113	0
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition of Equipment	(40,212)	0	(40,212)	0
Net Cash Used by Capital and Related Financing Activities	(40,212)	0	(40,212)	0
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	1,632	0	1,632	8,443
Net Cash Provided by Investing Activities	1,632	0	1,632	8,443
Net Increase (Decrease) in Cash and Cash Equivalents	(181,301)	10,013	(171,288)	425,449
Cash and Cash Equivalents at Beginning of Year	826,977	5,546	832,523	2,939,703
Cash and Cash Equivalents at End of Year	\$645,676	\$15,559	\$661,235	\$3,365,152
<u>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Loss	(\$1,574,025)	(\$11,087)	(\$1,585,112)	(\$15,695)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	41,163	1,950	43,113	0
Nonoperating Revenue	11,251	0	11,251	0
Donated Commodities Used During the Year	103,719	0	103,719	0
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:				
Decrease in Inventory	45,542	0	45,542	0
Increase in Prepaid Items	(1,219)	0	(1,219)	0
(Increase) Decrease in Deferred Outflows	(64,581)	7,028	(57,553)	0
Increase in Accounts Payable	10,002	0	10,002	0
Decrease in Accrued Wages and Benefits	(36,595)	(1,369)	(37,964)	0
Increase (Decrease) in Intergovernmental Payables	42	(549)	(507)	0
Increase in Claims Payable	0	0	0	432,701
Increase in Compensated Absences	928	226	1,154	0
Increase in Deferred Inflows	84,093	6,921	91,014	0
Increase in Net Pension Liability	70,560	6,946	77,506	0
Decrease in Net OPEB Liability	(12,714)	(53)	(12,767)	0
Total Adjustments	252,191	21,100	273,291	432,701
Net Cash Provided (Used) by Operating Activities	(1,321,834)	\$10,013	(1,311,821)	\$417,006

See accompanying notes to the basic financial statements



**PIQUA CITY SCHOOL DISTRICT**

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***Statement of Net Position  
Fiduciary Funds  
June 30, 2020***

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	Private Purpose Trust
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 380,563
Investments with Fiscal Agent	<u>297,173</u>
<b>Total Assets</b>	<u>677,736</u>
<b>Liabilities:</b>	
<b>Total Liabilities</b>	<u>0</u>
<b>Net Position:</b>	
Held in Trust	<u>677,736</u>
<b>Total Net Position</b>	<u><u>\$ 677,736</u></u>

See accompanying notes to the basic financial statements

**PIQUA CITY SCHOOL DISTRICT**

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**Statement of Changes in Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2020**

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	Private Purpose	
	Trust	Custodial
<b>Additions:</b>		
Collection of Extracurricular Fees		
for other Governments	\$ 0	\$ 56,069
Total Collections	0	56,069
Investment Earnings:		
Interest	12,288	0
Net Change in the Fair Value of Investments	(13,303)	0
Total Investment Earnings	(1,015)	0
Total Additions	(1,015)	56,069
<b>Deductions:</b>		
Distribution of Extracurricular Fees		
to other Governments	0	56,069
Community Gifts, Awards and Scholarships	11,251	0
Total Deductions	11,251	56,069
Change in Net Position	(12,266)	0
Net Position at Beginning of Year - Restated	690,002	0
Net Position End of Year	\$ 677,736	\$ 0

See accompanying notes to the basic financial statements

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

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

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

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 205 teachers, 21 certified administrators, 122 classified staff, and 13 classified administrators providing education to 3,418 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," and Statement No. 39, "*Determining Whether Certain Organizations are Component Units*," in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing board and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on the District. Additionally, the primary government is required to consider other organizations for which the primary government is not financially accountable to determine whether the relationship is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the foregoing, the District's reporting entity has no component units, and includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

The District is a member of the Metropolitan Educational Technology Association, the Southwestern Ohio Educational Purchasing Council, the Southwestern Ohio Instructional Technology Association, the Upper Valley Career Center, and the Educational Regional Service System Region 10. All of the aforementioned entities are jointly governed organizations that provide various services to member school districts, see Note 17 "Jointly Governed Organizations." Sometimes a government may appoint the voting majority of board members for another entity without establishing a bond of financial accountability with that entity that would justify its inclusion as a component unit. Generally accepted accounting principles refer to entities that meet this description as related organizations. The Piqua Public Library was determined to be a related organization, see Note 18.

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

#### **A. Reporting Entity (Continued)**

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

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

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

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

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

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

**Permanent Improvement Fund** – The permanent improvement fund accounts for financial resources to be used for the acquisition or construction of major capital assets.

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

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

***Proprietary Funds*** - The proprietary funds are accounted for on an “economic resources” measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of the proprietary funds are included on the statement of net position. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

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

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

The other enterprise fund of the District accounts for television station operations.

**Internal Service Fund** - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost-reimbursement basis. The District’s internal service fund accounts for the activities of the self-insurance program for employee health care benefits.

***Fiduciary Funds*** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into two classifications: private-purpose trust funds and custodial 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 custodial fund accounts for athletic tournament monies collected on behalf of other Districts.

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

**Government-wide Financial Statements** – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. Other interfund services provided and used are not eliminated. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

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

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

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

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

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

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

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

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

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

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

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

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

Current property taxes measurable at June 30, 2020, and which are not intended to finance fiscal year 2020 operations, have been recorded as deferred inflows of resources. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end.

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

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# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

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

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

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

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

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

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

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

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

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



# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

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

##### 2. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2020.

##### 3. Appropriations

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

##### 4. Lapsing of Appropriations

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

##### 5. Basis of Budgeting

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

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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

**E. Budgetary Process (Continued)**

5. Basis of Budgeting (Continued)

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

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$664,998
Increase (Decrease):	
Accrued Revenues	
at June 30, 2020,	
received during FY 2021	(3,179,223)
Accrued Revenues	
at June 30, 2019,	
received during FY 2020	3,848,711
Accrued Expenditures	
at June 30, 2020,	
paid during FY 2021	2,464,644
Accrued Expenditures	
at June 30, 2019,	
paid during FY 2020	(3,088,468)
FY 2020 Prepays for FY 2021	(27,667)
FY 2019 Prepays for FY 2020	38,790
Encumbrances Outstanding	(333,971)
Perspective Difference:	
Activity of Funds Reclassified	
for GAAP Reporting Purposes	(79,471)
Budget Basis	\$308,343

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits, investments with original maturities of less than three months, and the State Treasury Asset Reserve (STAR Ohio). The amounts in STAR Ohio are considered cash equivalents because they are highly liquid investments with original maturity dates of three months or less.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 6, "Cash, Cash Equivalents and Investments."

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

#### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The District allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" and GASB Statement No. 72, "Fair Value Measurement and Application," the District records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. See Note 6, "Cash, Cash Equivalents and Investments."

The District's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the District. The District measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million. All accounts of the participant will be combined for these purposes.

Fifth Third Bank acts as the fiscal agent for investments held for the Francis Allison Trust, which is reported as a private purpose trust fund in the accompanying financial statements. The funds are reported as "Investments with Fiscal Agent" in the Statement of Net Position for Fiduciary Funds.

#### **H. Inventory**

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

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

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

#### **I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2020, 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.

#### **J. Capital Assets and Depreciation**

Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500 and an estimated useful life threshold of five or more years.

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

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

Contributed capital assets are recorded at their acquisition value as of 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 their acquisition value as of the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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

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

**3. Depreciation**

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

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

**K. Long-Term Obligations**

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

Obligation	Fund
General Obligation Bonds	Bond Retirement Fund
Certificates of Participation	Bond Retirement Fund*
Capital Leases	General Fund
Compensated Absences	General Fund, Food Service Fund, IDEA-B Fund, Title I Fund, Title II-A Fund
Net Pension/OPEB Liability	General Fund, Food Service Fund, TV Station Fund, Auxiliary Services Fund, IDEA-B Fund, Title I Fund, Title II-A Fund

\*Principal and interest payments on the Energy Conservation Improvement Certificates of Participation are being funded by a transfer from the Permanent Improvement Fund to the Bond Retirement Fund.

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

#### **L. Compensated Absences**

In accordance with GASB Statement No. 16, “*Accounting for Compensated Absences*,” vacation benefits are accrued as a liability when an employee’s right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year up to a maximum of 270 days. Upon retirement, employees will receive twenty-five percent of the accumulated sick leave up to a maximum of 60 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 60 days. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. In the government wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

#### **M. Net Position**

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes represents balances in special revenue funds which are restricted in use per grant agreements.

Of the District’s \$6,501,857 in restricted net position, none is restricted by enabling legislation.

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

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

#### **N. Pension/OPEB**

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

#### **O. 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.

#### **P. Restricted Assets**

Restricted assets in the bond retirement fund represent cash and investments set aside for outstanding bonds and coupons not yet redeemed as well as other debt retirement.

#### **Q. Fund Balance**

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

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

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

##### **Q. Fund Balance (Continued)**

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

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

***Assigned*** - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned amounts represent intended uses established by policies of the School District Board of Education, including giving the Treasurer the authority to constrain monies for intended purposes. The School District Board of Education may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Through the District's purchasing policy the Board of Education has given the Treasurer the authority to constrain monies for intended purposes, which are also reported as assigned fund balance.

***Unassigned*** - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

##### **R. Estimates**

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



# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

#### **S. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension/OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension/OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension/OPEB, and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position and explained in Notes 11 and 12.

#### **T. 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, TV Station operation fees, and interfund charges for the internal service fund. 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.

#### **U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during fiscal year 2020.

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 2 – COMPLIANCE AND ACCOUNTABILITY**

**Fund Deficits** - The fund deficits at June 30, 2020 of \$184,658 in the Food Service Fund, \$31,450 in the TV Station Fund (enterprise funds), \$14,138 in the IDEA-B Fund, \$16,741 in the Title I Disadvantaged Children Assistance Fund, and \$99 in the Title II-A Fund (special revenue funds) arise from the recognition of expenses/expenditures on the accrual/modified accrual basis which are greater than expenses/expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION/FUND BALANCE**

For fiscal year 2020, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, “Fiduciary Activities,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization. This Statement had no effect on beginning net position/fund balance, or note disclosures.

The implementation of GASB 84 had the following effect on net position/fund balance as reported June 30, 2019:

	Governmental Activities	Other Governmental Funds	Total Governmental Funds	Private Purpose Trust Funds
Net Position/Fund Balance June 30, 2019	\$38,708,826	\$1,701,410	\$26,701,698	\$857,181
Adjustments:				
GASB 84 Fund Reclassification	230,405	230,405	230,405	(167,179)
Restated Net Position/ Fund Balance June 30, 2019	<u>\$38,939,231</u>	<u>\$1,931,815</u>	<u>\$26,932,103</u>	<u>\$690,002</u>

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**PIQUA CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**NOTE 4 – FUND BALANCES**

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

Fund Balances	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$27,667	\$0	\$0	\$23,170	\$50,837
Total Nonspendable	<u>27,667</u>	<u>0</u>	<u>0</u>	<u>23,170</u>	<u>50,837</u>
Restricted:					
Classroom Facilities Maintenance	0	0	0	1,165,054	1,165,054
Student Wellness Support	0	0	0	515,674	515,674
Non-Public School Support	0	0	0	13,014	13,014
Extracurricular Activities	0	0	0	448,586	448,586
Community Gifts and Awards	0	0	0	234,373	234,373
Targeted Academic Assistance	0	0	0	122,455	122,455
Debt Service Payments	0	3,701,226	0	0	3,701,226
Capital Improvements	0	0	8,857,350	0	8,857,350
Total Restricted	<u>0</u>	<u>3,701,226</u>	<u>8,857,350</u>	<u>2,499,156</u>	<u>15,057,732</u>
Committed:					
Capital Improvements	0	0	1,916,794	0	1,916,794
Total Committed	<u>0</u>	<u>0</u>	<u>1,916,794</u>	<u>0</u>	<u>1,916,794</u>
Assigned:					
Public School Support	368,809	0	0	0	368,809
Services and Supplies	316,985	0	0	0	316,985
Total Assigned:	<u>685,794</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>685,794</u>
Unassigned (Deficit)	<u>17,582,785</u>	<u>0</u>	<u>0</u>	<u>(30,978)</u>	<u>17,551,807</u>
Total Fund Balances	<u>\$18,296,246</u>	<u>\$3,701,226</u>	<u>\$10,774,144</u>	<u>\$2,491,348</u>	<u>\$35,262,964</u>

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 5 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

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

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

Capital Outlay	\$3,907,086
Depreciation Expense	<u>(2,576,034)</u>
	\$1,331,052

*Governmental revenues not reported in the funds:*

Increase in Delinquent Tax Revenue	\$127,205
Increase in Grants Receivable	<u>294,150</u>
	\$421,355

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

Debt Principal Retirement	\$2,300,000
Certificates of Participation Issued	(10,000,000)
Refunding Bonds Issued	(16,219,281)
Premium on Debt Issuance	(2,020,036)
Payment to Refunded Bond Escrow Agent	17,092,356
Amortize Deferred Loss on Early Retirement of Debt	(52,162)
Debt Premium Amortization	145,102
Accreted Interest on Capital Appreciation Bonds	(49,059)
Capital Lease Principal Retirement	<u>30,842</u>
	(\$8,772,238)

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

Increase in Compensated Absences Payable	<u>(\$125,284)</u>
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## ***PIQUA CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

## **PIQUA CITY SCHOOL DISTRICT**

### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

##### **A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The District's policy is to deposit funds with banking institutions which collateralize public monies in accordance with the Ohio Revised Code.

At year end the carrying amount of the District's deposits was \$23,495,545 and the bank balance was \$24,018,505. Federal depository insurance covered \$23,427,048 of the bank balance and \$591,457 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the District's name and securities held in the Ohio Pooled Collateral System.

##### **B. Investments**

The District's investments, including those held by a fiscal agent, at June 30, 2020 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
STAR Ohio <sup>4</sup>	\$169,946	AAAm <sup>1</sup>	NA	\$169,946	\$0	\$0
Money Market Fund <sup>4</sup>	1,129,340	AAAm/Aaa <sup>1,2</sup>	NA	1,129,340	0	0
Corporate Bond Fund	56,220	AAA-BB <sup>1</sup>	Level 2	56,220	0	0
Corporate Equities Fund	222,546	NA	Level 2	222,546	0	0
REIT Fund	12,067	NA	Level 2	12,067	0	0
Marketable CD's	13,921,170	AAA <sup>3</sup>	Level 2	13,400,149	521,021	0
FNMA	254,382	AA+/aa3 <sup>1,2</sup>	Level 2	254,382	0	0
<b>Total Investments</b>	<b>\$15,765,671</b>			<b>\$15,244,650</b>	<b>\$521,021</b>	<b>\$0</b>

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

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

<sup>3</sup> All are fully FDIC insured and therefore have an implied AAA credit rating

<sup>4</sup> Reported at amortized cost

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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

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

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Level 2 inputs are significant other observable inputs. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant unobservable inputs.

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

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

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 88% are in Marketable CD's, 2% are FNMA, 7% are money market funds, and 3% are in other investments.

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

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# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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### **NOTE 7 - TAXES**

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

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed value listed as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2020 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien December 31, 2018, were levied after April 1, 2019 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Piqua City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in fiscal year 2020 were as follows:

	<u>2019 Second Half Collections</u>	<u>2020 First Half Collections</u>
Agricultural/Residential and Other Real Estate	\$384,567,020	\$416,499,190
Public Utility Personal	<u>8,979,590</u>	<u>9,675,060</u>
Total Assessed Value	<u>\$393,546,610</u>	<u>\$426,174,250</u>
Tax rate per \$1,000 of assessed valuation	\$50.05	\$48.54



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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 7 - TAXES (Continued)**

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

Effective January 1, 1991 the District levied a voted tax of 0.5 percent for general operations on the income of residents and of estates. In March 2008 the voters approved an additional 0.75 percent tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

##### **C. Tax Abatements**

###### ***Real Estate Tax Abatements***

In prior years the City of Piqua has provided various tax incentives under Community Reinvestment Area (CRA) programs. The City authorizes incentives through passage of public ordinances, based upon each businesses investment criteria and through a contractual application process with each entity, including proof that the improvement has been made and certification by the local housing officer. The tax abatement under the program is equal to 100% of the additional property tax resulting from the increase in the assessed value as a result of the improvements for fifteen years following the year of certification. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located within the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes.

The City of Piqua had 33 individual agreements under the CRA program. These abatements reduced the District's property tax revenues by \$367,649 in calendar year 2020.

**PIQUA CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020***

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**NOTE 8 – INTERFUND TRANSACTIONS**

On the Statement of Net Position, the Business-Type Activities reported an internal balance at June 30, 2020 of \$269,802 which is offset in the Governmental Activities by the same amount.

**A. Interfund Loans**

Following is a summary of interfund receivables/payables for all funds at June 30, 2020:

	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$178,250	\$0
Other Governmental Funds	0	178,250
Totals	\$178,250	\$178,250

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

**B. Transfers**

Following is a summary of transfers in and out for all funds for the fiscal year ended June 30, 2020:

Fund	Transfer In	Transfer Out
General Fund	\$2,316	\$250,000
Bond Retirement Fund	250,000	0
Permanent Improvement Fund	250,000	250,000
Other Governmental Funds	0	2,316
Total All Funds	\$502,316	\$502,316

During fiscal year 2020 the Permanent Improvement Fund transferred \$250,000 to the Bond Retirement Fund, which will be used to fund a future balloon payment on the energy conservation certificates of participation. In addition, the General Fund transferred \$250,000 to the Permanent Improvement Fund to be used for a tennis court improvement project. Several student activity funds were closed out in fiscal year 2020, and transferred to the General Fund.

**PIQUA CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at June 30, 2020:

**Historical Cost:**

Class	June 30, 2019	Additions	Deletions	June 30, 2020
<b>Capital assets not being depreciated:</b>				
Land	\$798,611	\$0	(\$10,850)	\$787,761
Construction in Progress	37,000	1,038,354	(37,000)	1,038,354
	<u>835,611</u>	<u>1,038,354</u>	<u>(47,850)</u>	<u>1,826,115</u>
<b>Capital assets being depreciated:</b>				
Land Improvements	7,143,658	1,165,873	0	8,309,531
Buildings and Improvement	80,726,426	1,452,761	0	82,179,187
Machinery and Equipment	3,390,760	287,098	(72,131)	3,605,727
Vehicles	2,867,306	0	(135,272)	2,732,034
Total Cost	<u>\$94,963,761</u>	<u>\$3,944,086</u>	<u>(\$255,253)</u>	<u>\$98,652,594</u>
<b>Accumulated Depreciation:</b>				
Class	June 30, 2019	Additions	Deletions	June 30, 2020
Land Improvements	(\$4,234,780)	(\$325,235)	\$0	(\$4,560,015)
Buildings and Improvement	(14,740,534)	(1,763,054)	0	(16,503,588)
Machinery and Equipment	(1,791,274)	(287,394)	61,191	(2,017,477)
Vehicles	(1,825,655)	(200,351)	135,272	(1,890,734)
Total Depreciation	<u>(\$22,592,243)</u>	<u>(\$2,576,034) *</u>	<u>\$196,463</u>	<u>(\$24,971,814)</u>
<b>Net Value:</b>	<u>\$72,371,518</u>			<u>\$73,680,780</u>

\* Depreciation was charged to governmental functions as follows:

Instruction	\$437,216
Support Services:	
Pupils	141
Administration	10,396
Fiscal	1,685
Business	580
Operation and Maintenance of Plant	48,796
Pupil Transportation	181,733
Central	1,841,518
Operation of Non-Instructional Services	18,550
Extracurricular Activities	35,419
Total Depreciation Expense	<u>\$2,576,034</u>

**PIQUA CITY SCHOOL DISTRICT**

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*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020*

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**NOTE 9 - CAPITAL ASSETS (Continued)**

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

Summary by Category at June 30, 2020:

***Historical Cost:***

<u>Class</u>	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Machinery and Equipment	\$873,671	\$40,212	(\$35,700)	\$878,183
Total Cost	<u>\$873,671</u>	<u>\$40,212</u>	<u>(\$35,700)</u>	<u>\$878,183</u>

***Accumulated Depreciation:***

<u>Class</u>	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Machinery and Equipment	(\$414,922)	(\$43,113)	\$33,000	(\$425,035)
Total Depreciation	<u>(\$414,922)</u>	<u>(\$43,113)</u>	<u>\$33,000</u>	<u>(\$425,035)</u>
<b><i>Net Value:</i></b>	<u>\$458,749</u>			<u>\$453,148</u>

**NOTE 10 - RECEIVABLES**

Receivables at June 30, 2020 consisted of taxes, accounts, interest, and intergovernmental receivables.

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# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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### **NOTE 11 - DEFINED BENEFIT PENSION PLANS**

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

#### **A. Net Pension Liability**

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Plan Description**

***School Employees Retirement System (SERS)***

Plan Description –District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

***Funding Policy*** – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14 percent. No amount was allocated to the Health Care Fund.

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. Plan Description** (Continued)

The District's contractually required contribution to SERS was \$662,570 for fiscal year 2020.

##### ***State Teachers Retirement System (STRS)***

***Plan Description*** –District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

##### **B. Plan Description** (Continued)

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

***Funding Policy*** – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2020, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2020 contribution rates were equal to the statutory maximum rates, and the full employer contribution was allocated to the pension fund.

The District's contractually required contribution to STRS was \$2,314,734 for fiscal year 2020. Of this amount \$389,379 is reported as an intergovernmental payable.

##### **C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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**PIQUA CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$7,796,424	\$29,997,321	\$37,793,745
Proportion of the Net Pension Liability -2020	0.1303059%	0.1356461%	
Proportion of the Net Pension Liability -2019	0.1385132%	0.1337680%	
Percentage Change	<u>(0.0082073%)</u>	<u>0.0018781%</u>	
Pension Expense	\$1,184,015	\$5,136,178	\$6,320,193

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$197,702	\$244,225	\$441,927
Change of assumptions	0	3,523,768	3,523,768
District contributions subsequent to the measurement date	662,570	2,314,734	2,977,304
Changes in proportionate share	151,055	1,235,675	1,386,730
Total Deferred Outflows of Resources	<u>\$1,011,327</u>	<u>\$7,318,402</u>	<u>\$8,329,729</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$129,853	\$129,853
Net difference between projected and actual earnings on pension plan investments	100,077	1,466,107	1,566,184
Changes in proportionate share	361,616	0	361,616
Total Deferred Inflows of Resources	<u>\$461,693</u>	<u>\$1,595,960</u>	<u>\$2,057,653</u>

\$2,977,304 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	\$87,097	\$2,393,219	\$2,480,316
2022	(250,124)	771,292	521,168
2023	(6,660)	(6,200)	(12,860)
2024	56,751	249,397	306,148
Total	<u>(\$112,936)</u>	<u>\$3,407,708</u>	<u>\$3,294,772</u>

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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### **NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

#### **D. Actuarial Assumptions**

##### ***School Employees Retirement System (SERS)***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed June 30, 2015.

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$10,925,586	\$7,796,424	\$5,172,242

***State Teachers Retirement System (STRS)***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019 actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

Asset Class	Target Allocation *	Long Term Expected Rate of Return **
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

\*\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2019.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$43,837,748	\$29,997,321	\$18,280,697

# PIQUA CITY SCHOOL DISTRICT

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## *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020*

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### NOTE 12 - DEFINED BENEFIT OPEB PLANS

#### **A. Net OPEB Liability (Asset)**

The net OPEB liability (asset) reported on the statement of net position represents a liability (asset) for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the District's obligation to annually required payments. The District cannot control benefit terms or the manner in which OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded OPEB liabilities within 30 years. If the OPEB amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

#### **B. Plan Description**

##### ***School Employees Retirement System (SERS)***

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage.

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

##### **B. Plan Description** (Continued)

In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, 0.0 percent of covered payroll was contributed to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was \$83,455.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$83,455 for fiscal year 2020, which is reported as an intergovernmental payable.

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

**B. Plan Description (Continued)**

***State Teachers Retirement System (STRS)***

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

**C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$3,364,283	(\$2,246,625)	\$1,117,658
Proportion of the Net OPEB Liability (Asset) -2020	0.1337800%	0.1356461%	
Proportion of the Net OPEB Liability (Asset) -2019	0.1399945%	0.1337680%	
Percentage Change	<u>(0.0062145%)</u>	<u>0.0018781%</u>	
OPEB Expense	\$60,571	(\$657,113)	(\$596,542)



**PIQUA CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

**C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$49,386	\$203,675	\$253,061
Changes of assumptions	245,720	47,223	292,943
Net difference between projected and actual earnings on OPEB plan investments	8,074	0	8,074
Changes in proportionate share	171,324	104,742	276,066
District contributions subsequent to the measurement date	83,455	0	83,455
Total Deferred Outflows of Resources	<u>\$557,959</u>	<u>\$355,640</u>	<u>\$913,599</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$739,113	\$114,300	\$853,413
Changes of assumptions	188,523	2,463,164	2,651,687
Changes in proportionate share	191,123	0	191,123
Net difference between projected and actual earnings on OPEB plan investments	0	141,103	141,103
Total Deferred Inflows of Resources	<u>\$1,118,759</u>	<u>\$2,718,567</u>	<u>\$3,837,326</u>

\$83,455 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2021	(\$192,418)	(\$518,197)	(\$710,615)
2022	(98,604)	(518,199)	(616,803)
2023	14,968	(461,643)	(446,675)
2024	(383,406)	(441,798)	(825,204)
2025	11,902	(429,547)	(417,645)
Thereafter	3,303	6,457	9,760
Total	<u>(\$644,255)</u>	<u>(\$2,362,927)</u>	<u>(\$3,007,182)</u>

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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### **NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

#### **D. Actuarial Assumptions**

##### ***School Employees Retirement System (SERS)***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.22 percent
Prior Measurement Date	3.70 percent
Medical Trend Assumption	
Medicare - Measurement Date	5.25 to 4.75 percent
Pre-Medicare - Measurement Date	7.00 to 4.75 percent
Medicare - Prior Measurement Date	5.375 to 4.75 percent
Pre-Medicare - Prior Measurement Date	7.25 to 4.75 percent

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

##### **D. Actuarial Assumptions** (Continued)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure the total OPEB liability prior to June 30, 2019 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rates** – The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
School District's proportionate share of the net OPEB liability	\$4,083,605	\$3,364,283	\$2,792,343

	1% Decrease (6.00% Decreasing to 3.75%)	Current Trend Rate (7.00% Decreasing to 4.75%)	1% Increase (8.00% Decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$2,695,474	\$3,364,283	\$4,251,636

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

##### **D. Actuarial Assumptions** (Continued)

##### ***State Teachers Retirement System (STRS)***

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0.0%, effective July 1, 2017
Discount Rate of Return	7.45%
Health Care Cost Trends	
Medical	
Pre-Medicare	5.87% initial, 4% ultimate
Medicare	4.93% initial, 4% ultimate
Prescription Drug	
Pre-Medicare	7.73% initial, 4% ultimate
Medicare	9.62% initial, 4% ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
 Total	 <u>100.00 %</u>	

\*Target weights will be phased in over a 24-month period concluding on

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019.

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**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

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**NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)**

**D. Actuarial Assumptions (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount and Health Care Cost Trend Rates*** – The net OPEB liability (asset) is sensitive to changes in the discount and health care cost trend rates. To illustrate the potential impact the following table presents the net OPEB liability (asset) calculated using the discount rate of 7.45 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent), or one percentage point higher (8.45 percent) than the current rate. Also shown is the net OPEB liability (asset) calculated using a health care cost trend rate this is one percentage point lower and one percentage point higher.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB liability (asset)	(\$1,917,047)	(\$2,246,625)	(\$2,523,723)
	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
School District's proportionate share of the net OPEB liability (asset)	(\$2,547,570)	(\$2,246,625)	(\$1,878,041)

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**PIQUA CITY SCHOOL DISTRICT**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

**NOTE 13 - DEBT AND OTHER LONG-TERM OBLIGATIONS**

Detail of changes in debt and other long-term obligations of the District for the fiscal year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020	Amount Due Within One Year
<b>Governmental Activities Debt:</b>					
General Obligation Bonds:					
2015 School Improvement Refunding      2.0-4.0%	\$1,015,000	\$0	(\$1,015,000)	\$0	\$0
Bond Premium	49,038	0	(49,038)	0	0
Total 2015 School Improvement Refunding Bonds	1,064,038	0	(1,064,038)	0	0
2020 School Improvement Refunding      1.75-3.02%	0	16,219,281	0	16,219,281	245,000
Accreted Interest	0	49,059	0	49,059	0
Bond Premium	0	1,086,391	(49,382)	1,037,009	0
Total 2020 School Improvement Refunding Bonds	0	17,354,731	(49,382)	17,305,349	245,000
2012 School Facility Construction      1.5-5.0%	24,245,000	0	(16,970,000)	7,275,000	760,000
Bond Premium	270,951	0	(181,267)	89,684	0
Total 2012 School Facility Construction Bonds	24,515,951	0	(17,151,267)	7,364,684	760,000
Total General Obligation Bonds	25,579,989	17,354,731	(18,264,687)	24,670,033	1,005,000
Certificates of Participation:					
Energy Conservation Improvements      6.75%	3,770,000	0	0	3,770,000	0
School Building Improvements      3.00-4.00%	0	10,000,000	(535,000)	9,465,000	540,000
Premium	0	933,645	(46,682)	886,963	0
Total Certificates of Participation	3,770,000	10,933,645	(581,682)	14,121,963	540,000
<b>Governmental Activities Other Long-Term Obligations:</b>					
Capital Leases Payable	36,118	0	(30,842)	5,276	5,276
Compensated Absences	2,239,550	414,715	(308,065)	2,346,200	454,928
Total Governmental Activities	31,625,657	28,703,091	(19,185,276)	41,143,472	2,005,204
<b>Business-Type Activities Other Long-Term Obligations:</b>					
Compensated Absences	76,059	9,005	(7,851)	77,213	19,427
Total Business-Type Activities	76,059	9,005	(7,851)	77,213	19,427
Total Debt and Other Long-Term Obligations	<u>\$31,701,716</u>	<u>\$28,712,096</u>	<u>(\$19,193,127)</u>	<u>\$41,220,685</u>	<u>\$2,024,631</u>

The District's overall debt margin was \$18,356,901 with an unvoted debt margin of \$426,174 at June 30, 2020.



**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 13 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

*Certificates of Participation* – The certificates of participation represent a lease-financing agreement by which the District has financed school facility energy conservation and building improvements. Lease payments are made by the District to a Trustee. In the event of default, the Trustee may, at its option, exercise one or more of the following remedies:

- By written notice to the District, request the District to promptly return possession of the Project to the Lessor or, at the Lessor's option, the Lessor may enter upon the Project Site and take immediate possession of and remove personal property constituting Project Facilities;
- Sublease the Project Facilities for the account of the District, holding the District liable for all Lease Payments and other payments due prior to the effective date of the sublease and for the difference between the rental and other amounts paid by the subleases pursuant to such sublease and the amounts payable by the District pursuant to the Lease during the then current Lease Term; and
- Exercise any other right, remedy or privilege available under Ohio or any other applicable law, or proceed by appropriate court action to enforce the terms of the Lease or rescind the Lease or recover damages.

If a court of competent jurisdiction finally adjudicates that the District is in default under the Lease, and subject to lawful appropriations being made therefor and Fiscal Certification, the District will remain liable for all covenants and obligations under the Lease, and for all legal fees and other costs and expenses, to the extent permitted by law, incurred by the Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to the Trustee.

**A. Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements including principal and interest payments as of June 30, 2020, follows:

Years	General Obligation Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$1,005,000	\$660,956	\$1,665,956	\$540,000	\$617,876	\$1,157,876
2022	935,000	627,143	1,562,143	415,000	601,676	1,016,676
2023	955,000	606,787	1,561,787	215,000	589,226	804,226
2024	443,230	565,225	1,008,455	230,000	582,776	812,776
2025	1,000,000	564,262	1,564,262	240,000	575,876	815,876
2026-2030	4,596,051	2,487,377	7,083,428	5,955,000	1,666,476	7,621,476
2031-2035	6,100,000	1,627,889	7,727,889	2,885,000	906,600	3,791,600
2036-2040	6,940,000	747,886	7,687,886	2,755,000	280,800	3,035,800
2041	1,520,000	22,952	1,542,952	0	0	0
Totals	<u>\$23,494,281</u>	<u>\$7,910,477</u>	<u>\$31,404,758</u>	<u>\$13,235,000</u>	<u>\$5,821,306</u>	<u>\$19,056,306</u>

# **PIQUA CITY SCHOOL DISTRICT**

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## ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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### **NOTE 13 - DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

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

In February 2020, the District defeased \$16,220,000 of General Obligation Bonds for School Building Improvements, dated March 19, 2012, through the issuance of \$16,219,281 of General Obligation Bonds. The net proceeds of the 2020 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$16,220,000 at June 30, 2020, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding. The District reduced its aggregate debt service payments over the life of the refunded bonds by \$1,805,700 and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$1,376,579.

### **NOTE 14 - CAPITAL LEASE COMMITMENTS**

The District leases copiers under a capital lease. The cost of the equipment obtained under capital lease is \$142,306, the accumulated depreciation is \$113,845 and the net book value is \$28,461, which is included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities.

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of June 30, 2020:

<u>Year Ending June 30,</u>	<u>Capital Lease</u>
2021	<u>\$ 5,307</u>
Minimum Lease Payments	5,307
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(31)</u>
Present Value of minimum lease payments	<u><u>\$5,276</u></u>

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 15 - 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 purchases property and liability insurance through Liberty Mutual.

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 Medical Mutual of Ohio (MMO). 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 Medical Mutual a reduced insurance premium, 95% of the normal fully insured premium, during the twelve month rating period. The District deposits the difference between the reduced premium and the risk 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 reduced 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. Beginning in fiscal year 2020, the District no longer participates in the contingent premium program.

On January 1, 2020, the District began providing group health care to employees and their eligible dependents through a self-insured program. Premiums are paid into an internal service fund by all funds having compensated employees based on an analysis of historical claims experience, the desired fund balances and the number of active participating employees. The monies paid into the self-insurance fund are available to pay claims. The plan is administered by Medical Mutual, which monitors all claim payments. Specific stop loss coverage becomes effective after \$150,000 per member, per year, and the annual aggregate stop loss reimbursement maximum is \$1,000,000. The outstanding claims at June 30, 2020, for the health care self-insurance program amounted to \$432,701.

**PIQUA CITY SCHOOL DISTRICT**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020**

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**NOTE 15 - RISK MANAGEMENT (Continued)**

The claims liability reported in the fund at June 30, 2020 is based on the requirements of GASB Statement No. 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in fiscal year 2020 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2020	\$0	\$1,515,614	(\$1,082,913)	\$432,701

**NOTE 16 – SET-ASIDES**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into reserve. During the fiscal year ended June 30, 2020, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition</u>
Set-aside Cash Balance as of June 30, 2019	\$0
Current Year Set-Aside Requirement	618,719
Current Year Offset Credits	(1,221,934)
Qualifying Disbursements	<u>(3,267,847)</u>
Total	<u>(\$3,871,062)</u>
Set-aside Cash Balance	<u><u>\$0</u></u>

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS**

##### **A. Metropolitan Educational Technology Association**

The Metropolitan Educational Technology Association (META) is a computer consortium and educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and six board members who represent the members of META. The Board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The District paid META \$79,983 for services provided during the fiscal year. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

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

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of over 126 public school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to the SOEPC are made from the General Fund. During fiscal year 2020 no monies were paid to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Cooperative, Ken Swink, Director, 303 Corporate Center Drive, Suite 208 Vandalia, Ohio 45377.

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

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

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

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

All member districts are obligated to pay fees, charges or other assessments as established by the SOITA. Upon dissolution, the net position shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. During fiscal year 2020 no monies were paid to the SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Deb Tschirhart, Executive Director, 1205 East Fifth Street, Dayton, Ohio 45402.

##### **D. Upper Valley Career Center**

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

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

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2020***

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#### **NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

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

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

#### **NOTE 18 – RELATED ORGANIZATION**

The Piqua Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Piqua City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Piqua Public Library, William H. Stump, Financial Officer, 116 W. High Street, Piqua, Ohio 45356.

**PIQUA CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020***

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**NOTE 19 - 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, 2020.

**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, 2020.

**C. School Foundation**

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2020 Foundation funding for the school district; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

**NOTE 20 – SIGNIFICANT COMMITMENTS**

At June 30, 2020 the District had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$333,971
Permanent Improvement Fund	2,631,294
Other Governmental Funds	<u>137,750</u>
Total Governmental Funds	<u><u>\$3,103,015</u></u>



**PIQUA CITY SCHOOL DISTRICT**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2020***

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**NOTE 20 – SIGNIFICANT COMMITMENTS (Continued)**

At June 30, 2020 the District had the following contractual commitments:

<u>Project</u>	<u>Remaining Contractual Commitment</u>	<u>Expected Date of Completion</u>
Piqua High School Renovation Phase 2	\$1,187,503	August 2020
Tennis Court Replacement	214,344	August 2020
Center for the Performing Arts Improvements	217,470	August 2020
	<u>\$1,619,317</u>	

**NOTE 21 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The investments of the pension and other employee benefit plans in which the District participates may incur a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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*PIQUA CITY SCHOOL DISTRICT*

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*REQUIRED SUPPLEMENTARY INFORMATION*

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**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of District's Proportionate Share of the Net Pension Liability  
Last Six Fiscal Years***

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**State Teachers Retirement System**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	0.1188226%	0.1243607%	0.1265845%
District's proportionate share of the net pension liability (asset)	\$28,901,770	\$34,369,651	\$42,371,639
District's covered payroll	\$12,156,608	\$12,118,571	\$13,639,879
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	237.75%	283.61%	310.65%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	72.10%	66.80%

Source: District Treasurer's Office and State Teachers Retirement System

**School Employees Retirement System**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportion of the net pension liability (asset)	0.1302800%	0.1335200%	0.1350718%
District's proportionate share of the net pension liability (asset)	\$6,593,398	\$7,618,781	\$9,886,014
District's covered payroll	\$3,807,165	\$4,017,800	\$4,192,064
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	173.18%	189.63%	235.83%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	69.16%	62.98%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statements 68 in fiscal year 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2015 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.

See accompanying notes to the required supplementary information.

**PIQUA CITY SCHOOL DISTRICT**

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<u>2018</u>	<u>2019</u>	<u>2020</u>
0.1302409%	0.1337680%	0.1356461%
\$30,938,998	\$29,412,576	\$29,997,321
\$13,969,771	\$15,910,686	\$16,466,914
221.47%	184.86%	182.17%
75.30%	77.30%	77.40%

<u>2018</u>	<u>2019</u>	<u>2020</u>
0.1317167%	0.1385132%	0.1303059%
\$7,869,786	\$7,932,908	\$7,796,424
\$4,375,521	\$4,498,015	\$4,632,852
179.86%	176.36%	168.29%
69.50%	71.36%	70.85%

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of District's Pension Contributions  
Last Seven Fiscal Years***

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**State Teachers Retirement System**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$1,580,359	\$1,696,600	\$1,909,583
Contributions in relation to the contractually required contribution	<u>1,580,359</u>	<u>1,696,600</u>	<u>1,909,583</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$12,156,608	\$12,118,571	\$13,639,879
Contributions as a percentage of covered payroll	13.00%	14.00%	14.00%

Source: District Treasurer's Office and State Teachers Retirement System

**School Employees Retirement System**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$527,673	\$529,546	\$586,889
Contributions in relation to the contractually required contribution	<u>527,673</u>	<u>529,546</u>	<u>586,889</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$3,807,165	\$4,017,800	\$4,192,064
Contributions as a percentage of covered payroll	13.86%	13.18%	14.00%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 68 in fiscal year 2015.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

**PIQUA CITY SCHOOL DISTRICT**

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<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$1,955,768	\$2,227,496	\$2,305,368	\$2,314,734
<u>1,955,768</u>	<u>2,227,496</u>	<u>2,305,368</u>	<u>2,314,734</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$13,969,771	\$15,910,686	\$16,466,914	\$16,533,814
14.00%	14.00%	14.00%	14.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$612,573	\$607,232	\$625,435	\$662,570
<u>612,573</u>	<u>607,232</u>	<u>625,435</u>	<u>662,570</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,375,521	\$4,498,015	\$4,632,852	\$4,732,643
14.00%	13.50%	13.50%	14.00%





**PIQUA CITY SCHOOL DISTRICT**

***Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset)  
Last Four Fiscal Years***

**State Teachers Retirement System**

Fiscal Year	2017	2018	2019	2020
District's proportion of the net OPEB liability (asset)	0.1265845%	0.1302409%	0.1337680%	0.1356461%
District's proportionate share of the net OPEB liability (asset)	\$6,965,316	\$5,081,518	(\$2,149,514)	(\$2,246,625)
District's covered payroll	\$13,639,879	\$13,969,771	\$15,910,686	\$16,466,914
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	51.07%	36.38%	(13.51%)	(13.64%)
Plan fiduciary net position as a percentage of the total OPEB liability	37.30%	47.10%	176.00%	174.74%

Source: District Treasurer's Office and State Teachers Retirement System

**School Employees Retirement System**

Fiscal Year	2017	2018	2019	2020
District's proportion of the net OPEB liability (asset)	0.1350718%	0.1334029%	0.1399945%	0.1337800%
District's proportionate share of the net OPEB liability (asset)	\$3,802,476	\$3,580,182	\$3,883,825	\$3,364,283
District's covered payroll	\$4,192,064	\$4,375,521	\$4,498,015	\$4,632,852
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	90.71%	81.82%	86.35%	72.62%
Plan fiduciary net position as a percentage of the total OPEB liability	11.49%	12.46%	13.57%	15.57%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in fiscal year 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

See accompanying notes to the required supplementary information.

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of District's Other Postemployment Benefit (OPEB) Contributions  
Last Seven Fiscal Years***

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**State Teachers Retirement System**

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$121,645	\$0	\$0
Contributions in relation to the contractually required contribution	<u>121,645</u>	<u>0</u>	<u>0</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$12,156,608	\$12,118,571	\$13,639,879
Contributions as a percentage of covered payroll	1.00%	0.00%	0.00%

Source: District Treasurer's Office and State Teachers Retirement System

**School Employees Retirement System**

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$72,238	\$112,897	\$67,915
Contributions in relation to the contractually required contribution (1)	<u>72,238</u>	<u>112,897</u>	<u>67,915</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$3,807,165	\$4,017,800	\$4,192,064
Contributions as a percentage of covered payroll	1.90%	2.81%	1.62%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in fiscal year 2018.  
Information prior to 2014 is not available.

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

**PIQUA CITY SCHOOL DISTRICT**

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<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$13,969,771	\$15,910,686	\$16,466,914	\$16,533,814
0.00%	0.00%	0.00%	0.00%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$71,509	\$95,780	\$105,955	\$83,455
<u>71,509</u>	<u>95,780</u>	<u>105,955</u>	<u>83,455</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,375,521	\$4,498,015	\$4,632,852	\$4,732,643
1.63%	2.13%	2.29%	1.76%

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

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020***

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#### **NET PENSION LIABILITY**

##### **SERS**

*Changes in benefit terms* – For fiscal year 2020 and 2019, there were no changes to benefit terms. For fiscal year 2018, the following were the most significant changes in benefits that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2015 through 2017.

*Changes in assumptions* – For fiscal years 2020 and 2019 there were no changes in assumptions.

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disable member was updated to the following:
  - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

There were no changes in assumptions for fiscal years 2015 through 2017.

##### **STRS**

*Changes in benefit terms* – For fiscal year 2020 and 2019, there were no changes to benefit terms. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2015 through 2017.

*Changes in assumptions* – For fiscal year 2020 and 2019, there were no changes in assumptions. For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

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

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020***

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#### **NET PENSION LIABILITY** (Continued)

- Inflation assumptions were lowered from 2.75 percent to 2.50 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered to 3.00 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2015 through 2017.

#### **NET OPEB LIABILITY (ASSET)**

##### **SERS**

*Changes in benefit terms* – There were no changes to benefit terms for fiscal years 2017 through 2020.

*Changes in assumptions* – For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
  - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
  - Pre-Medicare – 2019 – 7.25 to 4.75 percent, 2020 – 7.00 to 4.75

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
  - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
  - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63.

## **PIQUA CITY SCHOOL DISTRICT**

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020***

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#### **NET OPEB LIABILITY (ASSET)** (Continued)

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disabled members was updated to the following:
  - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

#### **STRS**

*Changes in benefit terms* – For fiscal year 2020, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extend the current Medicare Part B partial reimbursement for one year.

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

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020***

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#### **NET OPEB LIABILITY (ASSET)** (Continued)

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.
- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

There were no changes to benefit terms for fiscal year 2017.

*Changes in assumptions* – For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
  - Medical Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – from 8 percent to 7.73 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – from -5.23 percent to 9.62 percent initial, 4 percent ultimate

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
  - Medical Medicare – 6 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – 5 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – 8 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – -5.23 percent initial, 4 percent ultimate

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

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020***

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#### **NET OPEB LIABILITY (ASSET)** (Continued)

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.
- The assumed salary scale was modified.

There were no changes in assumptions for fiscal year 2017.



*PIQUA CITY SCHOOL DISTRICT*

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*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

# ***PIQUA CITY SCHOOL DISTRICT***

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## ***Nonmajor Governmental Funds***

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### ***Special Revenue Funds***

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

#### **Special Trust Fund**

To account for contributions, investment earnings, and other revenues to be used for community gifts and awards.

#### **Public School Support Fund**

To account for specific local revenue sources, other than taxes that are restricted to expenditures for specified purposes, curricular and extracurricular, approved by board resolutions. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

#### **Other Grant Fund**

To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

#### **District Managed Activity Fund**

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

#### **Auxiliary Services Fund**

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

#### **Student Wellness and Success Fund**

To account for monies received to assist the District to plan and launch health and wellness services to meet the needs of student wellness initiatives.

#### **Miscellaneous State Grants Fund**

To account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

#### **Miscellaneous Federal Grants Fund**

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

#### **Title I School Improvement A Fund**

To account for grants to improve the teaching and learning of children failing, or most at risk of failing to meet State academic achievement standards. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

(Continued)

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

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### ***Special Revenue Funds (Continued)***

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#### **IDEA-B Fund**

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

#### **Title I Disadvantaged Children Assistance Fund**

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

#### **Classroom Facilities Maintenance Fund**

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

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

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

#### **Preschool Grant Fund**

To account for federal revenues to be used for providing special education and related services to preschool students with disabilities.

**PIQUA CITY SCHOOL DISTRICT**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2020**

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	Special Trust	Other Grant	District Managed Activity	Auxiliary Services
<b>Assets:</b>				
Pooled Cash and Investments	\$ 234,373	\$ 108,116	\$ 460,165	\$ 18,245
Receivables:				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	23,170	0
<b>Total Assets</b>	<u>\$ 234,373</u>	<u>\$ 108,116</u>	<u>\$ 483,335</u>	<u>\$ 18,245</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 11,579	\$ 875
Accrued Wages and Benefits	0	0	0	3,355
Intergovernmental Payable	0	0	0	1,001
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>11,579</u>	<u>5,231</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable Amounts	0	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance:</b>				
Nonspendable	0	0	23,170	0
Restricted	234,373	108,116	448,586	13,014
Unassigned	0	0	0	0
<b>Total Fund Balance (Deficit)</b>	<u>234,373</u>	<u>108,116</u>	<u>471,756</u>	<u>13,014</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 234,373</u>	<u>\$ 108,116</u>	<u>\$ 483,335</u>	<u>\$ 18,245</u>

**PIQUA CITY SCHOOL DISTRICT**

Student Wellness and Success	Miscellaneous State Grants	Miscellaneous Federal Grants	IDEA-B	Title I Disadvantaged Children Assistance	Classroom Facilities Maintenance
\$ 540,854	\$ 14,238	\$ 0	\$ 0	\$ 0	\$ 1,139,645
0	0	0	0	0	177,821
0	0	22,809	383,852	215,266	0
0	0	0	0	0	0
<u>\$ 540,854</u>	<u>\$ 14,238</u>	<u>\$ 22,809</u>	<u>\$ 383,852</u>	<u>\$ 215,266</u>	<u>\$ 1,317,466</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
20,745	0	0	53,005	64,507	0
4,435	0	0	10,868	12,804	0
0	0	3,303	61,371	100,481	0
<u>25,180</u>	<u>0</u>	<u>3,303</u>	<u>125,244</u>	<u>177,792</u>	<u>0</u>
0	0	19,405	272,746	54,215	6,085
0	0	0	0	0	146,327
<u>0</u>	<u>0</u>	<u>19,405</u>	<u>272,746</u>	<u>54,215</u>	<u>152,412</u>
0	0	0	0	0	0
515,674	14,238	101	0	0	1,165,054
0	0	0	(14,138)	(16,741)	0
<u>515,674</u>	<u>14,238</u>	<u>101</u>	<u>(14,138)</u>	<u>(16,741)</u>	<u>1,165,054</u>
<u>\$ 540,854</u>	<u>\$ 14,238</u>	<u>\$ 22,809</u>	<u>\$ 383,852</u>	<u>\$ 215,266</u>	<u>\$ 1,317,466</u>

(Continued)

**PIQUA CITY SCHOOL DISTRICT**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2020**

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	Title II-A	Preschool Grant	Total Nonmajor Special Revenue Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Pooled Cash and Investments	\$ 0	\$ 0	\$ 2,515,636
Receivables:			
Taxes	0	0	177,821
Intergovernmental	93,450	1,263	716,640
Prepaid Items	<u>0</u>	<u>0</u>	<u>23,170</u>
<b>Total Assets</b>	<u>\$ 93,450</u>	<u>\$ 1,263</u>	<u>\$ 3,433,267</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 100	\$ 0	\$ 12,554
Accrued Wages and Benefits	0	0	141,612
Intergovernmental Payable	0	0	29,108
Interfund Loans Payable	<u>11,832</u>	<u>1,263</u>	<u>178,250</u>
<b>Total Liabilities</b>	<u>11,932</u>	<u>1,263</u>	<u>361,524</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	81,617	0	434,068
Property Tax Levy for Next Fiscal Year	<u>0</u>	<u>0</u>	<u>146,327</u>
<b>Total Deferred Inflows of Resources</b>	<u>81,617</u>	<u>0</u>	<u>580,395</u>
<b>Fund Balance:</b>			
Nonspendable	0	0	23,170
Restricted	0	0	2,499,156
Unassigned	<u>(99)</u>	<u>0</u>	<u>(30,978)</u>
<b>Total Fund Balance (Deficit)</b>	<u>(99)</u>	<u>0</u>	<u>2,491,348</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 93,450</u>	<u>\$ 1,263</u>	<u>\$ 3,433,267</u>

**PIQUA CITY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020**

	Special Trust	Other Grant	District Managed Activity	Auxiliary Services
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Investment Earnings	641	0	1,335	53
Extracurricular Activities	52	60	452,529	0
Intermediate Sources	0	80,173	0	0
Intergovernmental - State	0	0	0	117,328
Intergovernmental - Federal	0	0	0	0
All Other Revenue	19,029	18,869	71,344	0
<b>Total Revenues</b>	<u>19,722</u>	<u>99,102</u>	<u>525,208</u>	<u>117,381</u>
<b>Expenditures:</b>				
Current:				
Instruction	0	27,731	285	0
Supporting Services:				
Pupils	4,100	0	9,915	570
Instructional Staff	0	650	0	0
Administration	4,765	0	0	0
Fiscal Services	0	0	0	0
Business	3,427	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	18,951	0
Operation of Non-Instructional Services	0	0	0	103,422
Extracurricular Activities	0	8,399	436,054	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<u>12,292</u>	<u>36,780</u>	<u>465,205</u>	<u>103,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,430	62,322	60,003	13,389
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	10	0
Transfers Out	0	0	(2,316)	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>(2,306)</u>	<u>0</u>
Net Change in Fund Balance	7,430	62,322	57,697	13,389
<b>Fund Balance (Deficit) at Beginning of Year - Restated</b>	<u>226,943</u>	<u>45,794</u>	<u>414,059</u>	<u>(375)</u>
<b>Fund Balance (Deficit) End of Year</b>	<u>\$ 234,373</u>	<u>\$ 108,116</u>	<u>\$ 471,756</u>	<u>\$ 13,014</u>

(Continued)

**PIQUA CITY SCHOOL DISTRICT**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020**

	Student Wellness and Success	Miscellaneous State Grants	Miscellaneous Federal Grants	Title I School Improvement A
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Investment Earnings	0	0	0	0
Extracurricular Activities	0	0	0	0
Intermediate Sources	0	0	0	0
Intergovernmental - State	714,440	14,237	0	0
Intergovernmental - Federal	0	0	65,853	55,000
All Other Revenue	0	0	0	0
<b>Total Revenues</b>	<u>714,440</u>	<u>14,237</u>	<u>65,853</u>	<u>55,000</u>
<b>Expenditures:</b>				
Current:				
Instruction	160,576	0	65,622	55,000
Supporting Services:				
Pupils	0	2,212	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal Services	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	38,190	0	0	0
Pupil Transportation	0	0	130	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<u>198,766</u>	<u>2,212</u>	<u>65,752</u>	<u>55,000</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	515,674	12,025	101	0
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	515,674	12,025	101	0
<b>Fund Balance (Deficit) at Beginning of Year - Restated</b>	<u>0</u>	<u>2,213</u>	<u>0</u>	<u>0</u>
<b>Fund Balance (Deficit) End of Year</b>	<u>\$ 515,674</u>	<u>\$ 14,238</u>	<u>\$ 101</u>	<u>\$ 0</u>



**PIQUA CITY SCHOOL DISTRICT**

IDEA-B	Title I Disadvantaged Children Assistance	Classroom Facilities Maintenance	Title II-A	Preschool Grant	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 171,252	\$ 0	\$ 0	\$ 171,252
0	0	3,217	0	0	5,246
0	0	0	0	0	452,641
0	0	0	0	0	80,173
0	0	22,915	0	0	868,920
607,582	943,391	0	65,978	1,263	1,739,067
0	0	0	0	0	109,242
<u>607,582</u>	<u>943,391</u>	<u>197,384</u>	<u>65,978</u>	<u>1,263</u>	<u>3,426,541</u>
540,893	878,866	0	3,921	0	1,732,894
0	0	0	0	0	16,797
23,714	34,568	0	58,731	0	117,663
0	0	0	0	0	4,765
0	0	2,928	0	0	2,928
0	0	0	0	0	3,427
0	0	70,155	0	0	108,345
0	0	0	0	1,263	20,344
53,392	45,606	0	163	0	202,583
0	0	0	0	0	444,453
0	0	210,503	0	0	210,503
<u>617,999</u>	<u>959,040</u>	<u>283,586</u>	<u>62,815</u>	<u>1,263</u>	<u>2,864,702</u>
(10,417)	(15,649)	(86,202)	3,163	0	561,839
0	0	0	0	0	10
0	0	0	0	0	(2,316)
0	0	0	0	0	(2,306)
(10,417)	(15,649)	(86,202)	3,163	0	559,533
(3,721)	(1,092)	1,251,256	(3,262)	0	1,931,815
<u>\$ (14,138)</u>	<u>\$ (16,741)</u>	<u>\$ 1,165,054</u>	<u>\$ (99)</u>	<u>\$ 0</u>	<u>\$ 2,491,348</u>

**PIQUA CITY SCHOOL DISTRICT**

**Schedule Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Fiscal Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 16,815,800	\$ 16,729,469	\$ 16,729,469	\$ 0
Tuition	715,000	714,351	714,351	0
Transportation Fees	47,500	17,921	17,921	0
Investment Earnings	480,000	629,761	629,761	0
Class Material and Fees	92,100	84,879	84,879	0
Intergovernmental - State	20,611,586	19,977,945	19,977,945	0
Intergovernmental - Federal	300,000	348,008	348,008	0
All Other Revenues	236,340	270,885	270,885	0
Total Revenues	39,298,326	38,773,219	38,773,219	0
<b>Expenditures:</b>				
Instructional Services:				
Regular:				
Salaries and Wages	10,713,623	10,484,943	10,484,943	0
Fringe Benefits	4,520,887	4,175,044	4,175,044	0
Purchased Services	1,864,637	2,474,574	2,474,574	0
Supplies and Materials	681,339	379,970	379,970	0
Capital Outlay	227,073	112,222	112,222	0
Total Regular	18,007,559	17,626,753	17,626,753	0
Special:				
Salaries and Wages	1,601,697	1,680,596	1,680,596	0
Fringe Benefits	677,384	639,246	639,246	0
Purchased Services	3,428,979	4,310,913	4,310,913	0
Supplies and Materials	6,600	1,749	1,749	0
Other Expenditures	3,000	405	405	0
Capital Outlay	3,500	1,120	1,120	0
Total Special	5,721,160	6,634,029	6,634,029	0
Other:				
Fringe Benefits	888	0	0	0
Purchased Services	275,000	269,799	269,799	0
Total Other	275,888	269,799	269,799	0
Total Instructional Services	24,004,607	24,530,581	24,530,581	0

(Continued)

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Support Services:</b>				
<b>Pupils:</b>				
Salaries and Wages	1,158,058	1,127,631	1,127,631	0
Fringe Benefits	609,977	542,322	542,322	0
Purchased Services	879,200	604,060	604,060	0
Supplies and Materials	6,327	38,824	38,824	0
Total Pupils	<u>2,653,562</u>	<u>2,312,837</u>	<u>2,312,837</u>	<u>0</u>
<b>Instructional Staff:</b>				
Salaries and Wages	1,576,298	1,534,539	1,534,539	0
Fringe Benefits	914,612	832,238	832,238	0
Purchased Services	86,132	40,872	40,872	0
Supplies and Materials	59,750	44,579	44,579	0
Total Instructional Staff	<u>2,636,792</u>	<u>2,452,228</u>	<u>2,452,228</u>	<u>0</u>
<b>Board of Education:</b>				
Salaries and Wages	8,572	8,125	8,125	0
Fringe Benefits	1,895	1,566	1,566	0
Purchased Services	33,264	16,830	16,830	0
Other Expenditures	0	125	125	0
Total Board of Education	<u>43,731</u>	<u>26,646</u>	<u>26,646</u>	<u>0</u>
<b>Administration:</b>				
Salaries and Wages	1,666,507	1,555,087	1,555,087	0
Fringe Benefits	802,429	724,534	724,534	0
Purchased Services	359,852	363,954	363,954	0
Supplies and Materials	22,033	16,489	16,489	0
Other Expenditures	15,120	4,336	4,336	0
Capital Outlay	5,916	2,431	2,431	0
Total Administration	<u>2,871,857</u>	<u>2,666,831</u>	<u>2,666,831</u>	<u>0</u>
<b>Fiscal Services:</b>				
Salaries and Wages	384,256	337,831	337,831	0
Fringe Benefits	189,093	157,279	157,279	0
Purchased Services	37,661	77,796	77,796	0
Supplies and Materials	1,038	2,087	2,087	0
Other Expenditures	254,750	303,035	303,035	0
Capital Outlay	0	625	625	0
Total Fiscal Services	<u>866,798</u>	<u>878,653</u>	<u>878,653</u>	<u>0</u>

(Continued)

**PIQUA CITY SCHOOL DISTRICT**

**Schedule Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Fiscal Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operation and Maintenance of Plant:				
Salaries and Wages	1,026,757	966,725	966,725	0
Fringe Benefits	509,901	453,486	453,486	0
Purchased Services	1,333,504	1,446,187	1,446,187	0
Supplies and Materials	231,032	181,952	181,952	0
Capital Outlay	50,307	147,114	147,114	0
Total Operation and Maintenance of Plant	3,151,501	3,195,464	3,195,464	0
Pupil Transportation:				
Salaries and Wages	876,044	828,395	828,395	0
Fringe Benefits	434,462	390,635	390,635	0
Purchased Services	130,839	79,201	79,201	0
Supplies and Materials	184,384	164,121	164,121	0
Other Expenditures	245	160	160	0
Capital Outlay	9,054	1,100	1,100	0
Total Pupil Transportation	1,635,028	1,463,612	1,463,612	0
Central:				
Salaries and Wages	175,913	187,738	187,738	0
Fringe Benefits	104,121	105,947	105,947	0
Purchased Services	29,274	20,483	20,483	0
Capital Outlay	0	19,675	19,675	0
Total Central	309,308	333,843	333,843	0
Total Support Services	14,168,577	13,330,114	13,330,114	0
Operation of Non-Instructional Services:				
Fringe Benefits	4,135	129	129	0
Purchased Services	5,015	1,549	1,549	0
Total Operation of Non-Instructional Services	9,150	1,678	1,678	0
Extracurricular Activities:				
Salaries and Wages	465,189	446,543	446,543	0
Fringe Benefits	82,394	71,291	71,291	0
Purchased Services	4,136	3,944	3,944	0
Total Extracurricular Activities	551,719	521,778	521,778	0
Total Expenditures	38,734,053	38,384,151	38,384,151	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	564,273	389,068	389,068	0

(Continued)

**PIQUA CITY SCHOOL DISTRICT**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Transfers In	65,000	53,574	53,574	0
Transfers Out	(590,000)	(303,574)	(303,574)	0
Refund of Prior Year's Expenditures	145,000	169,275	169,275	0
Total Other Financing Sources (Uses):	<u>(380,000)</u>	<u>(80,725)</u>	<u>(80,725)</u>	<u>0</u>
 Net Change in Fund Balance	 184,273	 308,343	 308,343	 0
 Fund Balance at Beginning of Year	 16,241,153	 16,241,153	 16,241,153	 0
Prior Year Encumbrances	301,305	301,305	301,305	0
Fund Balance at End of Year	<u>\$ 16,726,731</u>	<u>\$ 16,850,801</u>	<u>\$ 16,850,801</u>	<u>\$ 0</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Fiscal Year Ended June 30, 2020***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and			
Other Financing Sources	<u>\$ 3,463,998</u>	<u>\$ 3,463,998</u>	<u>\$ 0</u>
Total Expenditures and			
Other Financing Uses	<u>3,586,747</u>	<u>3,586,747</u>	<u>0</u>
Net Change in Fund Balance	(122,749)	(122,749)	0
Fund Balance at Beginning of Year	<u>3,567,025</u>	<u>3,567,025</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 3,444,276</u></u>	<u><u>\$ 3,444,276</u></u>	<u><u>\$ 0</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Projects Fund  
For the Fiscal Year Ended June 30, 2020***

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**PERMANENT IMPROVEMENT FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 11,866,954	\$ 11,866,954	\$ 0
Total Expenditures and Other Financing Uses	<u>6,769,882</u>	<u>6,769,882</u>	<u>0</u>
Net Change in Fund Balance	5,097,072	5,097,072	0
Fund Balance at Beginning of Year	1,735,282	1,735,282	0
Prior Year Encumbrances	<u>1,635,963</u>	<u>1,635,963</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,468,317</u>	<u>\$ 8,468,317</u>	<u>\$ 0</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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	<b>SPECIAL TRUST FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 19,772</u>	<u>\$ 19,772</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>16,623</u>	<u>16,623</u>	<u>0</u>
Net Change in Fund Balance	3,149	3,149	0
Fund Balance at Beginning of Year	221,972	221,972	0
Prior Year Encumbrances	<u>4,971</u>	<u>4,971</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 230,092</u></u>	<u><u>\$ 230,092</u></u>	<u><u>\$ 0</u></u>



**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and			
Other Financing Sources	<u>\$ 173,930</u>	<u>\$ 173,930</u>	<u>\$ 0</u>
Total Expenditures and			
Other Financing Uses	<u>94,459</u>	<u>94,459</u>	<u>0</u>
Net Change in Fund Balance	79,471	79,471	0
Fund Balance at Beginning of Year	279,453	279,453	0
Prior Year Encumbrances	<u>10,304</u>	<u>10,304</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 369,228</u></u>	<u><u>\$ 369,228</u></u>	<u><u>\$ 0</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

---

	<b>OTHER GRANT FUND</b>		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 99,102	\$ 99,102	\$ 0
Total Expenditures and Other Financing Uses	<u>86,976</u>	<u>86,976</u>	<u>0</u>
Net Change in Fund Balance	12,126	12,126	0
Fund Balance at Beginning of Year	44,566	44,566	0
Prior Year Encumbrances	<u>1,424</u>	<u>1,424</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 58,116</u>	<u>\$ 58,116</u>	<u>\$ 0</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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**DISTRICT MANAGED ACTIVITY FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and			
Other Financing Sources	<u>\$ 520,710</u>	<u>\$ 520,710</u>	<u>\$ 0</u>
Total Expenditures and			
Other Financing Uses	<u>492,515</u>	<u>492,515</u>	<u>0</u>
Net Change in Fund Balance	28,195	28,195	0
Fund Balance at Beginning of Year - Restated	401,616	401,616	0
Prior Year Encumbrances	<u>11,361</u>	<u>11,361</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 441,172</u></u>	<u><u>\$ 441,172</u></u>	<u><u>\$ 0</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 117,381	\$ 117,381	\$ 0
Total Expenditures and Other Financing Uses	115,194	115,194	0
Net Change in Fund Balance	2,187	2,187	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	6,957	6,957	0
Fund Balance at End of Year	<u>\$ 9,144</u>	<u>\$ 9,144</u>	<u>\$ 0</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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**STUDENT WELLNESS AND SUCCESS FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 714,440</u>	<u>\$ 714,440</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>173,586</u>	<u>173,586</u>	<u>0</u>
Net Change in Fund Balance	540,854	540,854	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 540,854</u></u>	<u><u>\$ 540,854</u></u>	<u><u>\$ 0</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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**MISCELLANEOUS STATE GRANTS FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and			
Other Financing Sources	\$ 14,237	\$ 14,237	\$ 0
Total Expenditures and			
Other Financing Uses	<u>2,212</u>	<u>2,212</u>	<u>0</u>
Net Change in Fund Balance	12,025	12,025	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances	2,213	2,213	0
Fund Balance at End of Year	<u>\$ 14,238</u>	<u>\$ 14,238</u>	<u>\$ 0</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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**MISCELLANEOUS FEDERAL GRANTS FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and			
Other Financing Sources	\$ 100,054	\$ 63,954	\$ (36,100)
Total Expenditures and			
Other Financing Uses	<u>72,174</u>	<u>72,174</u>	<u>0</u>
Net Change in Fund Balance	27,880	(8,220)	(36,100)
Fund Balance at Beginning of Year	(1,505)	(1,505)	0
Prior Year Encumbrances	1,505	1,505	0
Fund Balance at End of Year	<u>\$ 27,880</u>	<u>\$ (8,220)</u>	<u>\$ (36,100)</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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**TITLE I SCHOOL IMPROVEMENT A FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>55,000</u>	<u>55,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>



**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

---

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 1,143,232	\$ 676,511	\$ (466,721)
Total Expenditures and Other Financing Uses	<u>666,783</u>	<u>666,783</u>	<u>0</u>
Net Change in Fund Balance	476,449	9,728	(466,721)
Fund Balance at Beginning of Year	(92,396)	(92,396)	0
Prior Year Encumbrances	<u>17,495</u>	<u>17,495</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 401,548</u>	<u>\$ (65,173)</u>	<u>\$ (466,721)</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and			
Other Financing Sources	\$ 1,195,306	\$ 945,253	\$ (250,053)
Total Expenditures and			
Other Financing Uses	<u>1,001,313</u>	<u>1,001,313</u>	<u>0</u>
Net Change in Fund Balance	193,993	(56,060)	(250,053)
Fund Balance at Beginning of Year	(83,506)	(83,506)	0
Prior Year Encumbrances	<u>16,281</u>	<u>16,281</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 126,768</u>	<u>\$ (123,285)</u>	<u>\$ (250,053)</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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**CLASSROOM FACILITIES MAINTENANCE FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and			
Other Financing Sources	<u>\$ 195,853</u>	<u>\$ 195,853</u>	<u>\$ 0</u>
Total Expenditures and			
Other Financing Uses	<u>337,789</u>	<u>337,789</u>	<u>0</u>
Net Change in Fund Balance	(141,936)	(141,936)	0
Fund Balance at Beginning of Year	1,051,196	1,051,196	0
Prior Year Encumbrances	<u>213,182</u>	<u>213,182</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,122,442</u>	<u>\$ 1,122,442</u>	<u>\$ 0</u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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	TITLE II-A FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 180,430</u>	<u>\$ 86,401</u>	<u>\$ (94,029)</u>
Total Expenditures and Other Financing Uses	<u>90,118</u>	<u>90,118</u>	<u>0</u>
Net Change in Fund Balance	90,312	(3,717)	(94,029)
Fund Balance at Beginning of Year	<u>(14,764)</u>	<u>(14,764)</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 75,548</u></u>	<u><u>\$ (18,481)</u></u>	<u><u>\$ (94,029)</u></u>

**PIQUA CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2020***

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	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and			
Other Financing Sources	\$ 1,263	\$ 0	\$ (1,263)
Total Expenditures and			
Other Financing Uses	<u>1,263</u>	<u>1,263</u>	<u>0</u>
Net Change in Fund Balance	0	(1,263)	(1,263)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (1,263)</u>	<u>\$ (1,263)</u>



## *STATISTICAL SECTION*

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***STATISTICAL TABLES***

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This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

***Contents***

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<b>Financial Trends</b>	S 2– S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 30 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 34 – S 47
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.	

**Piqua City School District**

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

	2011	2012	2013	* 2014
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$18,928,936	\$19,340,046	\$21,394,368	\$16,365,362
Restricted for:				
Capital Projects	2,589,369	27,756,367	26,783,068	28,663,014
Debt Service	942,770	2,070,747	2,198,752	2,224,714
Community Gifts and Awards	0	0	0	0
Federal and State Programs	912,316	328,593	581,067	1,273,869
Permanent Fund:				
Expendable	21,902	21,002	20,841	18,712
Nonexpendable	44,184	44,919	44,919	45,919
Unrestricted	7,867,316	8,964,093	9,149,244	(28,068,377)
Total Governmental Activities Net Position	<u>\$31,306,793</u>	<u>\$58,525,767</u>	<u>\$60,172,259</u>	<u>\$20,523,213</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$315,934	\$297,028	\$268,486	\$207,011
Unrestricted	1,081,342	1,271,588	1,271,971	616,706
Total Business-type Activities Net Position	<u>\$1,397,276</u>	<u>\$1,568,616</u>	<u>\$1,540,457</u>	<u>\$823,717</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$19,244,870	\$19,637,074	\$21,662,854	\$16,572,373
Restricted	4,510,541	30,221,628	29,628,647	32,226,228
Unrestricted	8,948,658	10,235,681	10,421,215	(27,451,671)
Total Primary Government Net Position	<u>\$32,704,069</u>	<u>\$60,094,383</u>	<u>\$61,712,716</u>	<u>\$21,346,930</u>

\* As Restated

Note: The District implemented GASB Statement 68 in 2015 and GASB Statement 75 in 2018, resulting in a significant decrease in net position due to reporting a net pension/OPEB liability.

Source: District Treasurer's Office

*Piqua City School District*

*		*		*	
2015	2016	2017	2018	2019	2020
\$35,412,859	\$35,233,032	\$36,332,681	\$38,694,689	\$43,006,160	\$46,303,543
8,580,230	4,659,193	4,995,248	0	24,849	49,964
2,813,093	2,957,907	4,150,656	3,547,836	3,780,823	3,495,499
0	0	0	0	226,944	234,373
1,161,290	1,670,987	1,986,848	1,765,039	1,851,571	2,722,021
17,620	15,552	13,524	10,657	0	0
46,919	47,919	48,919	50,919	0	0
(25,013,950)	(21,576,352)	(33,855,602)	(12,401,506)	(9,951,116)	(15,365,124)
<u>\$23,018,061</u>	<u>\$23,008,238</u>	<u>\$13,672,274</u>	<u>\$31,667,634</u>	<u>\$38,939,231</u>	<u>\$37,440,276</u>
\$483,878	\$431,625	\$401,600	\$349,058	\$458,749	\$453,148
620,896	688,066	(19,148)	(12,479)	(112,029)	(399,454)
<u>\$1,104,774</u>	<u>\$1,119,691</u>	<u>\$382,452</u>	<u>\$336,579</u>	<u>\$346,720</u>	<u>\$53,694</u>
\$35,896,737	\$35,664,657	\$36,734,281	\$39,043,747	\$43,464,909	\$46,756,691
12,619,152	9,351,558	11,195,195	5,374,451	5,884,187	6,501,857
(24,393,054)	(20,888,286)	(33,874,750)	(12,413,985)	(10,063,145)	(15,764,578)
<u>\$24,122,835</u>	<u>\$24,127,929</u>	<u>\$14,054,726</u>	<u>\$32,004,213</u>	<u>\$39,285,951</u>	<u>\$37,493,970</u>

## *Piqua City School District*

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

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$21,406,030	\$22,684,939	\$22,155,945	\$21,934,785
Support Services:				
Pupils	1,491,789	1,335,557	870,161	972,157
Instructional Staff	2,034,765	2,120,361	2,164,903	1,715,488
Board of Education	23,825	24,845	30,160	40,625
Administration	2,390,523	2,291,914	2,318,480	2,480,794
Fiscal Services	629,529	658,690	682,210	660,369
Business	2,338	6,432	261	263
Operation and Maintenance of Plant	3,018,583	2,775,724	2,912,605	2,812,103
Pupil Transportation	1,522,099	1,722,426	1,677,670	1,679,345
Central	269,213	302,710	228,016	236,868
Operation of Non-Instructional Services	301,869	257,682	189,833	136,472
Extracurricular Activities	915,886	875,739	919,219	937,821
Interest and Fiscal Charges	493,346	1,223,052	1,839,145	1,554,211
<i>Total Governmental Activities Expenses</i>	<u>34,499,795</u>	<u>36,280,071</u>	<u>35,988,608</u>	<u>35,161,301</u>
Business-type Activities:				
Food Service	1,677,921	1,774,101	1,809,390	1,697,492
TV Station	0	0	0	0
<i>Total Business-type Activities Expenses</i>	<u>1,677,921</u>	<u>1,774,101</u>	<u>1,809,390</u>	<u>1,697,492</u>
<i>Total Primary Government Expenses</i>	<u><u>\$36,177,716</u></u>	<u><u>\$38,054,172</u></u>	<u><u>\$37,797,998</u></u>	<u><u>\$36,858,793</u></u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Instruction	\$291,930	\$293,716	\$540,703	\$836,070
Support Services:				
Pupils	52	35	39	71
Pupil Transportation	49,763	51,565	45,884	46,213
Extracurricular Activities	425,579	344,182	379,305	362,582
Operating Grants and Contributions	4,526,847	3,452,569	2,825,291	3,097,272
Capital Grants and Contributions	0	25,793,854	0	0
<i>Total Governmental Activities</i>	<u>5,294,171</u>	<u>29,935,921</u>	<u>3,791,222</u>	<u>4,342,208</u>
<i>Program Revenues</i>	<u>5,294,171</u>	<u>29,935,921</u>	<u>3,791,222</u>	<u>4,342,208</u>

*Piqua City School District*

2015	2016	2017	2018	2019	2020
\$23,167,197	\$23,331,406	\$26,077,417	\$12,942,670	\$22,854,305	\$28,580,114
1,105,305	1,281,827	2,228,050	1,370,196	2,438,201	2,446,409
2,929,248	2,019,011	2,294,068	2,031,739	2,392,598	2,668,681
40,010	41,484	37,803	37,823	27,235	26,688
2,695,336	2,380,233	2,756,091	1,307,444	2,498,617	2,862,358
687,199	672,639	869,154	838,096	901,620	972,891
503	491	580	580	580	4,007
3,166,532	6,566,039	3,569,768	4,040,176	2,524,505	3,251,416
1,580,322	1,653,836	1,784,827	1,469,981	1,773,964	1,655,783
1,369,176	2,106,009	2,024,940	1,952,871	1,937,323	2,214,677
191,076	180,753	531,216	195,287	207,216	226,382
985,661	898,912	1,018,618	667,304	1,039,743	1,058,881
1,419,981	1,287,472	1,256,588	1,214,058	1,177,519	1,669,021
<u>39,337,546</u>	<u>42,420,112</u>	<u>44,449,120</u>	<u>28,068,225</u>	<u>39,773,426</u>	<u>47,637,308</u>
1,772,835	1,618,415	1,849,949	1,660,399	1,556,983	1,890,657
0	0	563	56,734	107,231	72,707
<u>1,772,835</u>	<u>1,618,415</u>	<u>1,850,512</u>	<u>1,717,133</u>	<u>1,664,214</u>	<u>1,963,364</u>
<u>\$41,110,381</u>	<u>\$44,038,527</u>	<u>\$46,299,632</u>	<u>\$29,785,358</u>	<u>\$41,437,640</u>	<u>\$49,600,672</u>
\$680,563	\$704,407	\$835,657	\$784,111	\$912,195	\$871,014
108	82	122	183	289	0
49,931	45,393	49,826	44,754	42,001	17,921
517,498	404,401	469,922	432,246	420,200	452,641
5,283,836	3,710,040	4,076,841	3,763,058	5,902,468	6,393,451
6,000	0	178,258	0	0	0
<u>6,537,936</u>	<u>4,864,323</u>	<u>5,610,626</u>	<u>5,024,352</u>	<u>7,277,153</u>	<u>7,735,027</u>

(Continued)

## *Piqua City School District*

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

	2011	2012	2013	2014
<b>Business-type Activities:</b>				
Charges for Services				
Food Service	546,857	536,698	474,457	405,110
TV Station	0	0	0	0
Operating Grants and Contributions	1,399,062	1,408,743	1,306,774	1,262,409
<i>Total Business-type     Activities Program Revenues</i>	<u>1,945,919</u>	<u>1,945,441</u>	<u>1,781,231</u>	<u>1,667,519</u>
<i>Total Primary Government     Program Revenues</i>	<u>7,240,090</u>	<u>31,881,362</u>	<u>5,572,453</u>	<u>6,009,727</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(29,205,624)	(6,344,150)	(32,197,386)	(30,819,093)
Business-type Activities	267,998	171,340	(28,159)	(29,973)
<i>Total Primary Government     Net (Expense)/Revenue</i>	<u>(\$28,937,626)</u>	<u>(\$6,172,810)</u>	<u>(\$32,225,545)</u>	<u>(\$30,849,066)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$9,751,326	\$9,013,333	\$8,829,511	\$9,384,129
Facilities Maintenance	0	144,359	195,212	169,789
Debt Service	900,216	2,065,576	2,281,813	2,331,814
Capital Outlay	1,015,252	930,571	917,366	938,183
Income Taxes	4,724,090	4,922,054	5,390,586	5,457,157
Intergovernmental, Unrestricted	14,444,884	15,954,919	15,601,233	16,297,871
Investment Earnings	302,254	95,818	156,983	239,157
Miscellaneous	248,003	436,494	471,174	306,281
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	<u>31,386,025</u>	<u>33,563,124</u>	<u>33,843,878</u>	<u>35,124,381</u>
Business-type Activities:				
Miscellaneous	0	0	0	0
Transfers	0	0	0	0
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$31,386,025</u>	<u>\$33,563,124</u>	<u>\$33,843,878</u>	<u>\$35,124,381</u>
<b>Change in Net Position</b>				
Governmental Activities	2,180,401	27,218,974	1,646,492	4,305,288
Business-type Activities	267,998	171,340	(28,159)	(29,973)
<i>Total Primary Government     Change in Net Position</i>	<u>\$2,448,399</u>	<u>\$27,390,314</u>	<u>\$1,618,333</u>	<u>\$4,275,315</u>

Source: District Treasurer's Office

*Piqua City School District*

2015	2016	2017	2018	2019	2020
384,424	469,789	397,791	399,101	399,553	314,635
0	0	0	77,325	62,360	61,620
1,237,888	1,163,543	1,136,358	1,194,834	1,192,942	1,294,083
1,622,312	1,633,332	1,534,149	1,671,260	1,654,855	1,670,338
8,160,248	6,497,655	7,144,775	6,695,612	8,932,008	9,405,365
(32,799,610)	(37,555,789)	(38,838,494)	(23,043,873)	(32,496,273)	(39,902,281)
(150,523)	14,917	(316,363)	(45,873)	(9,359)	(293,026)
<u>(\$32,950,133)</u>	<u>(\$37,540,872)</u>	<u>(\$39,154,857)</u>	<u>(\$23,089,746)</u>	<u>(\$32,505,632)</u>	<u>(\$40,195,307)</u>
\$9,135,206	\$9,016,592	\$9,581,540	\$10,020,733	\$9,886,732	\$10,214,411
161,123	158,350	165,267	171,503	168,621	172,920
2,233,206	2,224,789	2,348,637	2,381,044	2,282,618	1,785,106
898,235	883,256	927,938	965,147	948,581	1,322,572
5,624,996	5,947,908	6,020,378	6,673,002	6,720,246	6,029,669
17,551,947	18,509,553	19,912,421	20,087,152	18,284,577	17,614,637
434,987	270,484	75,389	215,402	857,439	712,083
196,726	535,034	753,230	525,250	408,151	551,928
(431,580)	0	0	0	(19,500)	0
35,804,846	37,545,966	39,784,800	41,039,233	39,537,465	38,403,326
0	0	1,052	0	0	0
431,580	0	0	0	19,500	0
431,580	0	1,052	0	19,500	0
<u>\$36,236,426</u>	<u>\$37,545,966</u>	<u>\$39,785,852</u>	<u>\$41,039,233</u>	<u>\$39,556,965</u>	<u>\$38,403,326</u>
3,005,236	(9,823)	946,306	17,995,360	7,041,192	(1,498,955)
281,057	14,917	(315,311)	(45,873)	10,141	(293,026)
<u>\$3,286,293</u>	<u>\$5,094</u>	<u>\$630,995</u>	<u>\$17,949,487</u>	<u>\$7,051,333</u>	<u>(\$1,791,981)</u>

**Piqua City School District**

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Nonspendable	\$16,476	\$1,533	\$1,365	\$1,218	\$1,444
Restricted	834,143	0	0	0	0
Assigned	596,081	582,016	757,641	969,061	710,243
Unassigned	5,463,244	7,199,254	7,927,306	9,974,884	11,793,972
<i>Total General Fund</i>	<u>6,909,944</u>	<u>7,782,803</u>	<u>8,686,312</u>	<u>10,945,163</u>	<u>12,505,659</u>
All Other Governmental Funds					
Nonspendable	43,919	44,919	44,919	45,919	46,919
Restricted	7,072,488	35,123,558	38,662,999	26,964,030	12,133,198
Committed	0	0	0	0	0
Assigned	94,184	94,237	94,295	94,398	94,558
Unassigned	(194,496)	(144,671)	(85,589)	(486,311)	(85,760)
<i>Total All Other Governmental Funds</i>	<u>7,016,095</u>	<u>35,118,043</u>	<u>38,716,624</u>	<u>26,618,036</u>	<u>12,188,915</u>
<i>Total Governmental Funds</i>	<u>\$13,926,039</u>	<u>\$42,900,846</u>	<u>\$47,402,936</u>	<u>\$37,563,199</u>	<u>\$24,694,574</u>

Source: District Treasurer's Office

\* As restated due to GASB 84 implementation



*Piqua City School District*

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
			*	
\$0	\$29,589	\$32,419	\$38,790	\$27,667
0	0	0	0	0
1,062,004	504,741	494,547	550,326	685,794
<u>15,205,904</u>	<u>15,784,919</u>	<u>16,190,381</u>	<u>17,042,132</u>	<u>17,582,785</u>
<u>16,267,908</u>	<u>16,319,249</u>	<u>16,717,347</u>	<u>17,631,248</u>	<u>18,296,246</u>
47,919	48,919	50,919	0	23,170
8,826,335	10,657,246	5,291,099	5,825,546	15,057,732
0	0	5,208,765	3,483,759	1,916,794
0	0	0	0	0
<u>(438,556)</u>	<u>(258,884)</u>	<u>(115,298)</u>	<u>(8,450)</u>	<u>(30,978)</u>
<u>8,435,698</u>	<u>10,447,281</u>	<u>10,435,485</u>	<u>9,300,855</u>	<u>16,966,718</u>
<u>\$24,703,606</u>	<u>\$26,766,530</u>	<u>\$27,152,832</u>	<u>\$26,932,103</u>	<u>\$35,262,964</u>

## *Piqua City School District*

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

	2011	2012	2013	2014
<b>Revenues:</b>				
Local Sources:				
Taxes	\$16,378,456	\$17,066,075	\$17,828,558	\$18,257,962
Tuition	3,980	2,980	258,696	536,811
Transportation Fees	49,763	51,565	45,884	46,213
Investment Earnings	281,495	70,250	145,746	227,194
Extracurricular Activities	588,873	516,971	538,415	533,590
Class Materials and Fees	124,656	117,947	122,897	128,251
Intermediate Sources	33,062	18,594	50,857	48,494
Intergovernmental - State	14,590,761	17,007,252	22,106,018	30,560,017
Intergovernmental - Federal	4,394,062	3,270,878	2,662,927	2,081,121
All Other Revenue	248,003	436,494	471,174	306,281
<b>Total Revenues</b>	<b>36,693,111</b>	<b>38,559,006</b>	<b>44,231,172</b>	<b>52,725,934</b>
<b>Expenditures:</b>				
Current:				
Instruction	21,059,021	21,694,021	21,616,288	22,024,698
Supporting Services:				
Pupils	1,498,317	1,331,123	934,030	976,990
Instructional Staff	2,004,830	2,084,488	2,130,850	1,708,970
Board of Education	23,825	24,845	30,160	40,625
Administration	2,404,543	2,293,806	2,269,621	2,383,929
Fiscal Services	625,762	654,313	678,113	661,744
Business	2,338	6,432	261	263
Operation and Maintenance of Plant	2,966,605	2,732,303	2,618,058	2,770,650
Pupil Transportation	1,368,692	1,563,661	1,535,300	1,571,452
Central	268,299	294,528	217,670	246,910
Operation of Non-Instructional Services	300,829	255,659	187,306	133,943
Extracurricular Activities	838,102	792,826	836,366	855,359
Capital Outlay	1,235,638	3,532,815	3,603,325	26,266,836
Debt Service:				
Principal Retirement	710,000	29,831,000	1,395,000	1,480,000
Interest and Fiscal Charges	292,868	954,701	1,676,566	1,444,155
<b>Total Expenditures</b>	<b>35,599,669</b>	<b>68,046,521</b>	<b>39,728,914</b>	<b>62,566,524</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,093,442	(29,487,515)	4,502,258	(9,840,590)

*Piqua City School District*

2015	2016	2017	2018	2019	2020
\$18,064,013	\$18,111,354	\$19,138,691	\$20,316,226	\$20,047,884	\$19,397,473
463,230	499,535	634,995	577,358	725,027	714,351
49,931	45,393	49,826	44,754	42,001	17,921
425,359	270,566	75,511	207,860	844,086	703,640
608,087	486,277	547,708	528,297	512,417	524,425
126,744	122,996	122,876	110,702	94,951	84,879
51,900	9,829	222,887	47,903	29,142	80,173
24,443,198	19,662,848	20,958,329	21,156,167	21,261,548	21,294,003
3,122,369	2,547,922	2,948,613	3,051,764	2,887,886	2,339,762
196,726	535,034	753,230	525,250	408,151	551,928
<u>47,551,557</u>	<u>42,291,754</u>	<u>45,452,666</u>	<u>46,566,281</u>	<u>46,853,093</u>	<u>45,708,555</u>
23,352,039	23,326,291	24,251,042	24,987,579	25,371,710	26,309,914
1,146,716	1,317,598	2,109,129	2,250,423	2,621,386	2,295,605
2,982,462	1,976,444	2,159,597	2,739,503	2,486,528	2,469,102
40,010	41,484	37,803	37,823	27,235	26,688
2,746,871	2,377,320	2,891,760	2,580,850	2,708,243	2,617,192
690,556	675,986	826,190	896,098	906,853	925,359
0	0	0	0	0	3,427
3,171,345	2,741,635	3,172,949	2,872,142	2,858,595	3,107,642
1,654,442	1,573,094	1,721,063	1,567,424	1,979,102	1,405,363
207,876	233,052	336,346	296,315	281,296	333,736
196,312	170,791	521,985	187,591	194,171	205,898
981,075	882,549	930,781	934,743	1,051,849	962,491
20,408,370	4,109,029	1,541,419	3,863,645	3,842,679	4,076,764
6,528,749	1,661,555	1,661,954	1,708,192	1,754,487	2,330,842
1,430,754	1,336,756	1,300,988	1,258,850	1,221,168	1,615,642
<u>65,537,577</u>	<u>42,423,584</u>	<u>43,463,006</u>	<u>46,181,178</u>	<u>47,305,302</u>	<u>48,685,665</u>
(17,986,020)	(131,830)	1,989,660	385,103	(452,209)	(2,977,110)

(Continued)

**Piqua City School District**

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

	2011	2012	2013	2014
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	2,292	0	0	1,000
Certificates of Participation Issued	3,770,000	0	0	0
General Obligation Notes Issued	0	29,086,000	0	0
General Obligation Bonds Issued	0	29,030,000	0	0
Premium on Debt Issuance	0	361,265	0	0
Refunding Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Other Financing Sources - Capital Leases	0	0	0	0
Transfers In	0	300,079	302,982	0
Transfers Out	0	(300,079)	(302,982)	0
<b>Total Other Financing Sources (Uses)</b>	<u>3,772,292</u>	<u>58,477,265</u>	<u>0</u>	<u>1,000</u>
<b>Net Change in Fund Balance</b>	<u>\$4,865,734</u>	<u>\$28,989,750</u>	<u>\$4,502,258</u>	<u>(\$9,839,590)</u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 2.97%	 47.75%	 8.45%	 8.24%

Source: District Treasurer's Office

*Piqua City School District*

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2015	2016	2017	2018	2019	2020
6,987	0	73,264	1,199	1,075	161,010
0	0	0	0	0	10,000,000
0	0	0	0	0	0
0	0	0	0	0	0
245,182	0	0	0	0	2,020,036
4,865,000	0	0	0	0	16,219,281
0	0	0	0	0	(17,092,356)
0	142,306	0	0	0	0
703,046	418,032	4,127,223	3,868,457	2,250,000	502,316
(703,046)	(418,032)	(4,127,223)	(3,868,457)	(2,250,000)	(502,316)
<u>5,117,169</u>	<u>142,306</u>	<u>73,264</u>	<u>1,199</u>	<u>1,075</u>	<u>11,307,971</u>
<u>(\$12,868,851)</u>	<u>\$10,476</u>	<u>\$2,062,924</u>	<u>\$386,302</u>	<u>(\$451,134)</u>	<u>\$8,330,861</u>
17.89%	7.12%	7.06%	6.81%	6.98%	8.81%

***Piqua City School District***

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

<b>Tax year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Real Property</b>				
Assessed	\$400,859,150	\$396,188,850	\$397,123,530	\$371,221,370
Actual	1,145,311,857	1,131,968,143	1,134,638,657	1,060,632,486
<b>Public Utility</b>				
Assessed	4,912,550	5,109,850	5,745,070	5,843,490
Actual	14,035,857	14,599,571	16,414,486	16,695,686
<b>Tangible Personal Property</b>				
Assessed	305,640	0	0	0
Actual	6,112,800	0	0	0
<b>Total</b>				
Assessed	406,077,340	401,298,700	402,868,600	377,064,860
Actual	1,165,460,514	1,146,567,714	1,151,053,143	1,077,328,171
<b>Assessed Value as a Percentage of Actual Value</b>				
	34.84%	35.00%	35.00%	35.00%
<b>Total Direct Tax Rate</b>				
	44.95	49.87	49.88	50.45

Source: Miami County Auditor

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

Assessed value of Real Property is at 35%, Assessed value of Public Utility is at 35%, and Assessed Value of Tangible Personal Property is at 0% for 2010 and forward.

Additionally, telephone and telecommunications property was reclassified to general business personal property and assessed at 5% for 2010 and 0% for 2011 and forward.

*Piqua City School District*

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2014	2015	2016	2017	2018	2019
\$369,583,590	\$377,749,340	\$380,414,560	\$382,380,920	\$384,567,020	\$416,499,190
1,055,953,114	1,079,283,829	1,086,898,743	1,092,516,914	1,098,762,914	1,189,997,686
6,167,950	6,902,690	7,570,670	8,085,240	8,979,590	9,675,060
17,622,714	19,721,971	21,630,486	23,100,686	25,655,971	27,643,029
0	0	0	0	0	0
0	0	0	0	0	0
375,751,540	384,652,030	387,985,230	390,466,160	393,546,610	426,174,250
1,073,575,829	1,099,005,800	1,108,529,229	1,115,617,600	1,124,418,886	1,217,640,714
35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
50.46	50.52	50.41	50.38	50.05	48.54

## *Piqua City School District*

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

	2010	2011	2012	2013	2014
<b>Direct District Rates</b>					
General Fund	39.80	39.80	39.80	40.22	40.23
Bond Retirement Fund	2.35	7.27	7.28	6.93	6.93
Permanent Improvement Fund	2.80	2.80	2.80	3.30	3.30
Total	44.95	49.87	49.88	50.45	50.46
<b>Overlapping Rates</b>					
City of Piqua	4.42	4.42	4.42	4.42	4.47
Joint Vocational School	5.32	5.32	5.32	5.32	5.32
Miami County	8.81	8.81	8.81	8.81	8.81
Forest Hill Cemetery	0.50	0.50	0.50	0.50	0.50
Springcreek Township	4.80	4.80	4.80	4.80	4.80
Washington Township	5.10	5.10	5.10	5.10	5.10
Piqua Library	0.00	1.30	1.30	1.30	1.30
Miami County Health District	0.40	0.40	0.40	0.40	0.40

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

Source:

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

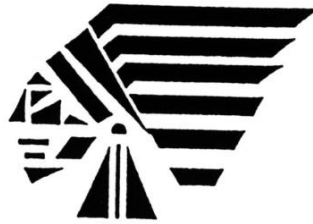


*Piqua City School District*

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2015	2016	2017	2018	2019
40.16	40.16	40.38	40.17	39.86
7.06	6.95	6.70	6.58	4.18
3.30	3.30	3.30	3.30	4.50
<u>50.52</u>	<u>50.41</u>	<u>50.38</u>	<u>50.05</u>	<u>48.54</u>
4.49	4.56	4.50	4.48	4.47
5.32	5.26	5.22	4.90	6.40
8.81	8.82	9.22	9.22	9.21
0.50	0.50	0.50	0.50	0.70
4.80	4.80	4.80	4.80	4.80
5.10	5.10	5.10	5.10	5.10
1.30	1.30	1.30	1.30	1.30
0.40	0.40	0.40	0.40	0.40



## *Piqua City School District*

*Principal Taxpayers  
Real Estate and Public Utilities Tax  
Current Year and Nine Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2019		
		Assessed Value	Rank	Percent of Total Assessed Value
Vectren Energy	Natural Gas	\$4,680,390	1	1.10%
Harvey A Tolson Enterprises	Real Estate	2,960,450	2	0.69%
Dayton Power and Light Co.	Electricity	2,735,440	3	0.64%
Wal-Mart	Retail	2,537,500	4	0.60%
Teeters Real Estate	Real Estate	2,451,980	5	0.58%
Miami Valley Realty	Real Estate	2,227,800	6	0.52%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,165,040	7	0.51%
Pioneer Rural Electric	Electricity	2,149,940	8	0.50%
Hartzell Propeller Inc.	Aircraft Propeller Design	2,028,450	9	0.48%
MVM Center LLC	Real Estate	1,887,000	10	0.44%
Subtotal		25,823,990		6.06%
All Others		400,350,260		93.94%
Total		\$426,174,250		100.00%

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

Source: Miami County Auditor - Land and Buildings  
Based on valuation of property in 2019 and 2010

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

***Piqua City School District***

*Property Tax Levies and Collections  
Last Ten Years*

<b>Collection Year</b>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Total Tax Levy</b>	\$12,544,610	\$12,837,246	\$14,469,502
<b>Collections within the Fiscal Year of the Levy</b>			
Current Tax Collections	12,145,139	12,454,909	14,060,718
Percent of Levy Collected	96.82%	97.02%	97.17%
Delinquent Tax Collections (1)	<u>482,501</u>	<u>432,918</u>	<u>422,679</u>
Total Tax Collections	12,627,640	12,887,827	14,483,397
<b>Percent of Total Tax Collections To Tax Levy</b>	100.66%	100.39%	100.10%
<b>Accumulated Outstanding Delinquent Taxes</b>	1,231,409	1,172,973	1,140,871
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	9.82%	9.14%	7.88%

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

Source: Miami County Auditor's Office

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

*Piqua City School District*

2013	2014	2015	2016	2017	2018	2019
\$14,375,763	\$14,466,849	\$14,569,702	\$14,621,570	\$14,949,067	\$15,022,207	\$15,013,219
13,864,575	13,981,355	14,083,891	14,169,998	14,585,137	14,660,709	14,578,833
96.44%	96.64%	96.67%	96.91%	97.57%	97.59%	97.11%
481,497	487,500	548,675	544,794	494,998	443,029	428,344
14,346,072	14,468,855	14,632,566	14,714,792	15,080,135	15,103,738	15,007,177
99.79%	100.01%	100.43%	100.64%	100.88%	100.54%	99.96%
1,029,644	1,033,559	1,016,671	979,822	858,618	795,848	853,033
7.16%	7.14%	6.98%	6.70%	5.74%	5.30%	5.68%

***Piqua City School District***

*Ratios of Outstanding Debt by Type  
Last Ten Years*

	2011	2012	2013	2014
		*		
<b>Governmental Activities</b> (1)				
Certificates of Participation	\$3,770,000	\$3,770,000	\$3,770,000	\$3,770,000
General Obligation Bonds Payable	7,672,565	36,751,472	35,454,737	34,043,453
Capital Leases	0	0	0	0
Total Primary Government	<u>\$11,442,565</u>	<u>\$40,521,472</u>	<u>\$39,224,737</u>	<u>\$37,813,453</u>
<b>Population</b> (2)				
Piqua City	20,522	20,592	20,619	20,699
Outstanding Debt Per Capita	\$558	\$1,968	\$1,902	\$1,827
<b>Income</b> (3) (a)				
Personal (in thousands)	\$718,824	\$784,493	\$836,492	\$847,914
Percentage of Personal Income	1.59%	5.17%	4.69%	4.46%

\* As Restated

Sources:

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

*Piqua City School District*

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2015	2016	2017	2018	2019	2020
\$3,770,000	\$3,770,000	\$3,770,000	\$3,770,000	\$3,770,000	\$14,121,963
32,507,741	30,805,803	29,108,865	27,366,927	25,579,989	24,670,033
0	120,751	93,797	65,605	36,118	5,276
<u>\$36,277,741</u>	<u>\$34,696,554</u>	<u>\$32,972,662</u>	<u>\$31,202,532</u>	<u>\$29,386,107</u>	<u>\$38,797,272</u>

20,759	20,790	20,906	20,987	21,200	21,332
\$1,748	\$1,669	\$1,577	\$1,487	\$1,386	\$1,819

\$854,627	\$868,627	\$938,178	\$902,126	\$961,208	\$927,259
4.24%	3.99%	3.51%	3.46%	3.06%	4.18%

***Piqua City School District***

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

Year	2011	2012	2013	2014
		*		
<b>Population</b> <sup>(1)</sup>	20,522	20,592	20,619	20,699
<b>Estimated Actual Value</b>	1,165,460,514	1,146,567,714	1,151,053,143	1,077,328,171
<b>General Bonded Debt</b> <sup>(2)</sup>				
General Obligation Bonds	7,672,565	36,751,472	35,454,737	34,043,453
<b>Resources Available to Pay Principal</b> <sup>(3)</sup>	942,770	2,070,747	2,198,752	2,224,714
<b>Net General Bonded Debt</b>	6,729,795	34,680,725	33,255,985	31,818,739
<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	0.58%	3.02%	2.89%	2.95%
<b>Net Bonded Debt per Capita</b>	\$328	\$1,684	\$1,613	\$1,537

\* As Restated

Source:

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

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

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



*Piqua City School District*

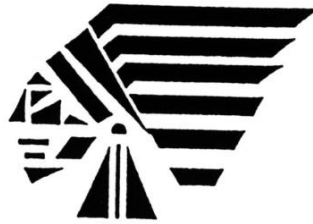
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2015	2016	2017	2018	2019	2020
20,759	20,790	20,906	20,987	21,200	21,332
1,073,575,829	1,099,005,800	1,108,529,229	1,115,617,600	1,124,418,886	1,217,640,714
32,507,741	30,805,803	29,108,865	27,366,927	25,579,989	24,670,033
2,813,093	2,957,907	4,150,656	3,547,836	3,780,823	3,495,499
29,694,648	27,847,896	24,958,209	23,819,091	21,799,166	21,174,534
2.77%	2.53%	2.25%	2.14%	1.94%	1.74%
\$1,430	\$1,339	\$1,194	\$1,135	\$1,028	\$993



***Piqua City School District***

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2020*

<b>Jurisdiction</b>	<b>Gross Debt Outstanding</b>	<b>Percentage Applicable to Piqua City School District (1)</b>	<b>Amount Applicable to Piqua City School District</b>
<b>Direct:</b>			
Piqua City School District	\$38,797,272	100.00%	\$38,797,272
<b>Overlapping:</b>			
Miami County	11,805,435	16.57%	<u>1,956,161</u>
		Subtotal	<u>1,956,161</u>
		Total	<u><u>\$40,753,433</u></u>

Source: Ohio Municipal Advisory Council, June 2020

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

**Piqua City School District**

*Debt Limitations  
Last Ten Years*

	*		
	2011	2012	2013
Net Assessed Valuation	\$406,077,340	\$401,298,700	\$402,868,600
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	36,546,961	36,116,883	36,258,174
Applicable District Debt Outstanding	7,672,565	36,751,472	35,454,737
Less: Applicable Debt Service Fund Amounts (2)	(924,162)	(2,186,831)	(2,297,573)
Net Indebtedness Subject to Limitation	<u>6,748,403</u>	<u>34,564,641</u>	<u>33,157,164</u>
Overall Legal Debt Margin	<u>\$29,798,558</u>	<u>\$1,552,242</u>	<u>\$3,101,010</u>
Debt Margin as a Percentage of Debt Limit	81.53%	4.30%	8.55%
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	406,077	401,299	402,869
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$406,077</u>	<u>\$401,299</u>	<u>\$402,869</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,654,696	3,611,688	3,625,817
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Energy Conservation			
Loans Legal Debt Margin	<u>\$3,654,696</u>	<u>\$3,611,688</u>	<u>\$3,625,817</u>

\* As Restated

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

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

*Piqua City School District*

2014	2015	2016	2017	2018	2019	2020
\$377,064,860	\$375,751,540	\$384,652,030	\$387,985,230	\$390,466,160	\$393,546,610	\$426,174,250
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
33,935,837	33,817,639	34,618,683	34,918,671	35,141,954	35,419,195	38,355,683
34,043,453	32,507,741	30,805,803	28,665,000	26,985,000	25,260,000	23,494,281
(2,320,114)	(2,813,093)	(2,957,907)	(4,150,656)	(3,547,836)	(3,780,823)	(3,495,499)
31,723,339	29,694,648	27,847,896	24,514,344	23,437,164	21,479,177	19,998,782
\$2,212,498	\$4,122,991	\$6,770,787	\$10,404,327	\$11,704,790	\$13,940,018	\$18,356,901
6.52%	12.19%	19.56%	29.80%	33.31%	39.36%	47.86%
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
377,065	375,752	384,652	387,985	390,466	393,547	426,174
0	0	0	0	0	0	0
\$377,065	\$375,752	\$384,652	\$387,985	\$390,466	\$393,547	\$426,174
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,393,584	3,381,764	3,461,868	3,491,867	3,514,195	3,541,919	3,835,568
0	0	0	0	0	0	0
\$3,393,584	\$3,381,764	\$3,461,868	\$3,491,867	\$3,514,195	\$3,541,919	\$3,835,568

## *Piqua City School District*

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

Calendar Year	2010	2011	2012	2013	2014
<b>Population</b> <sup>(1)</sup>					
Piqua City	20,522	20,592	20,619	20,699	20,759
Miami County	102,479	102,846	103,125	103,421	103,970
<b>Income</b> <sup>(2) (a)</sup>					
Total Personal (in thousands)	718,824	784,493	836,492	847,914	854,627
Per Capita	35,027	38,097	40,569	40,964	41,169
<b>Unemployment Rate</b> <sup>(3)</sup>					
Federal	9.6%	8.9%	8.1%	7.2%	5.6%
State	10.1%	8.6%	7.2%	7.5%	5.2%
Miami County	10.5%	8.7%	7.0%	6.7%	4.5%
Fiscal Year	2011	2012	2013	2014	2015
<b>School Enrollment</b> <sup>(4)</sup>					
Grades PK - 3	1,166	1,238	1,232	1,093	1,125
Grades 4 - 6	793	792	787	876	824
Grades 7 - 8	579	562	551	525	545
Grades 9 - 12	1,100	1,116	1,135	1,110	1,040
Total	<u>3,638</u>	<u>3,708</u>	<u>3,705</u>	<u>3,604</u>	<u>3,534</u>

Sources:

- (1) US Bureau of Census of Population - Amounts may change as updated information becomes available.
- (2) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County.  
Total Personal Income is a calculation. Amounts may change as updated information becomes available.
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office

*Piqua City School District*

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2015	2016	2017	2018	2019
20,790	20,906	20,987	21,200	21,332
104,224	104,679	105,122	106,222	106,987
868,627	938,178	902,126	961,208	927,259
41,781	44,876	42,985	45,340	43,468
5.0%	4.6%	3.9%	3.7%	3.5%
4.7%	4.9%	4.9%	4.0%	4.1%
3.9%	4.3%	4.4%	3.9%	3.4%
2016	2017	2018	2019	2020
1,130	1,093	1,115	1,075	1,065
818	797	794	800	805
539	556	567	531	508
1,015	1,046	1,004	1,050	1,040
3,502	3,492	3,480	3,456	3,418





## *Piqua City School District*

### *Principal Employers Current Year and Nine Years Ago*

		2020	
Employer	Nature of Business	Number of Employees	Rank
Spalding & Evenflo Company Inc.	Manufacturer - Juvenile Furniture	633	1
Piqua City Schools	Public School District	361	2
Walmart Stores Inc.	Retail Store	346	3
Industry Products	Manufacturer - Auto Industry Seals	322	4
Apex Aluminum Die	Manufacturer - Die Cutting	317	5
Hartzell Propeller	Manufacturer - Aircraft Propellers	300	6
United Parcel Services	Parcel delivery servicer	278	7
Crane Pumps & Systems Inc.	Manufacturer - Industrial Water Pumps	253	8
City of Piqua	Municipal Government	218	9
Nitto Denko Automotive Ohio	Manufacturer - Automotive Gaskets	201	10
Total		3,229	
Total Employment within the District (1)		NA	

		2011	
Employer	Nature of Business	Number of Employees	Rank
Piqua City Schools	Public School District	357	1
Industry Products	Die Cutting, Silk Screening	351	2
Evenflo Company	Manufacturer - Juvenile Furniture	285	3
Hartzell Propeller	Manufacturer - Aircraft Propellers	268	4
Crane Pumps and Systems	Manufacturer - Industrial Pumps	240	5
Jackson Tube Service	Manufacturer - Steel Tubing	160	6
Miami Valley Steel	Manufacturer - Steel Products	130	7
Nitto Denko Automotive Ohio	Gaskets and Insulating Products	122	8
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	102	9
Hobart Brothers	Manufacturer - Welding Wire	94	10
Total		2,109	
Total Employment within the District		9,734	

Sources: District Treasurer's Office

(1) Not Available

## *Piqua City School District*

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

	2011	2012	2013	2014
<b>Supervisory</b>				
Instructional Administrators	4.00	4.00	4.00	3.00
Noninstructional Administrators	4.00	4.00	4.00	5.00
Consultants/Supervisors of Instruction	3.00	3.00	3.00	3.00
Principals	9.00	9.00	8.00	8.00
Assistant Principals	3.00	3.00	3.00	3.00
<b>Instruction</b>				
Classroom Teachers:				
Kindergarten Center	11.00	11.00	11.00	12.00
Primary: Grades 1-3	46.00	44.00	43.00	43.00
Intermediate: Grades 4-6	43.00	42.00	42.00	42.00
Junior High School	27.00	25.00	24.00	23.00
High School	44.00	42.00	42.00	36.00
<b>Student Services</b>				
Guidance Counselors	7.00	6.00	5.00	4.00
Psychologists	2.00	2.50	2.50	2.50
Speech and Hearing Specialists	2.00	2.00	0.00	0.00
Nurses	1.00	1.00	1.00	1.00
Physical Education	6.00	6.00	6.00	6.00
Fine Arts	15.00	13.00	12.00	12.00
<b>Support Services</b>				
Clerical/Secretaries	22.00	21.00	21.00	21.00
EMIS Coordinator	1.00	1.00	1.00	1.00
Food Service	31.00	29.00	25.00	27.00
Library Aides	10.00	8.00	8.00	8.00
Maintenance/Grounds	21.00	18.00	18.00	20.00
Parents as Teachers	3.00	3.00	2.00	3.00
Transportation	21.00	21.00	21.00	21.00
Tutors/Aides	18.00	15.00	11.00	11.00
Technology	3.00	3.00	3.00	2.00
<i>Total Employees</i>	<u>357.00</u>	<u>336.50</u>	<u>320.50</u>	<u>317.50</u>

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

Source: District Treasurer's Office

*Piqua City School District*

2015	2016	2017	2018	2019	2020
2.00	2.00	2.00	2.00	2.00	2.00
5.00	6.00	6.00	10.00	10.00	11.00
3.00	3.00	3.00	4.00	4.00	4.00
10.00	5.00	5.00	5.00	5.00	5.00
3.00	7.00	7.00	7.00	7.00	7.00
13.00	13.00	16.00	14.00	14.00	13.00
45.00	45.00	46.00	45.00	46.00	48.00
41.00	41.00	44.00	44.00	44.00	44.00
22.00	25.00	24.00	26.00	26.00	26.00
36.00	40.00	41.00	44.00	43.00	45.00
3.00	7.00	8.00	8.00	8.00	8.00
3.00	3.00	3.00	3.00	3.00	3.00
0.00	0.00	0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00	1.00
5.00	5.00	6.00	7.00	7.00	7.00
13.00	13.00	14.00	13.00	13.00	13.00
21.00	22.00	23.00	22.00	21.00	19.00
1.00	1.00	1.00	1.00	1.00	1.00
27.00	30.00	31.00	31.00	30.00	34.00
8.00	9.00	9.00	9.00	9.00	9.00
20.00	19.00	19.00	19.00	19.00	18.00
3.00	3.00	4.00	4.00	4.00	3.00
20.00	20.00	19.00	21.00	21.00	22.00
14.00	12.00	10.00	9.00	14.00	14.00
2.00	3.00	4.00	4.00	4.00	4.00
<u>321.00</u>	<u>335.00</u>	<u>346.00</u>	<u>353.00</u>	<u>356.00</u>	<u>361.00</u>

***Piqua City School District***

*Operating Indicators - Cost per Pupil  
Last Ten Years*

Fiscal Year	2011	2012	2013	2014	2015
Enrollment	3,638	3,708	3,705	3,604	3,534
Modified Accrual Basis					
Operating Expenditures	35,599,669	38,960,521	39,728,914	62,566,524	65,537,577
Cost per Pupil	9,786	10,507	10,723	17,360	18,545
Percentage of Change	8.3%	7.4%	2.1%	61.9%	6.8%
Accrual Basis					
Expenses	34,499,795	36,280,071	35,988,608	35,161,301	39,337,546
Cost per Pupil	9,483	9,784	9,714	9,756	11,131
Percentage of Change	4.9%	3.2%	(0.72%)	0.4%	14.1%
Teaching Staff	202	192	188	180	179

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

*Piqua City School District*

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2016	2017	2018	2019	2020
3,502	3,492	3,480	3,456	3,418
42,423,584	43,463,006	46,181,178	47,305,302	48,685,665
12,114	12,446	13,270	13,688	14,244
(34.68%)	2.7%	6.6%	3.1%	4.1%
42,420,112	44,449,120	28,068,225	39,773,426	47,637,308
12,113	12,729	8,066	11,509	13,937
8.8%	5.1%	(36.64%)	42.7%	21.1%
190	200	200	202	205

## *Piqua City School District*

### *Operating Indicators by Function Last Ten Years*

	2011	2012	2013	2014
<b>Governmental Activities</b>				
Support Services				
Pupils				
Enrollment	3,638	3,708	3,705	3,604
Graduates	244	239	257	251
Percent of Students with Disabilities	14.35%	16.50%	14.50%	17.28%
Percent of Students with English as Second Language	0.5%	0.0%	0.0%	0.2%
Administration				
School Attendance Rate	95.3%	95.0%	94.5%	94.9%
Operation and Maintenance of Plant				
District Square Footage Maintained	608,145	608,145	608,145	608,145
Pupil Transportation				
Average Daily Students Transported	1,939	1,955	1,971	1,834
Average Miles Driven per Day	1,664	1,671	1,704	1,505
Average Miles per Bus	14,262	14,322	14,605	12,900
Number of Buses	21	21	21	21
<b>Business-Type Activities</b>				
Food Service				
Student Meals Served Daily	2,586	2,559	2,145	1,934
Free/Reduced Price Meals Daily	1,607	1,660	1,531	1,437
Percentage of Free/Reduced Price Meals Daily	62.14%	64.87%	71.38%	74.30%
Student Breakfasts Served Daily	1,170	1,183	1,089	989
Free/Reduced Price Breakfasts Daily	967	1,019	946	875
Percentage of Free/Reduced Price Breakfasts Daily	82.65%	86.14%	86.87%	88.47%

Source: District Treasurer's Office

*Piqua City School District*

2015	2016	2017	2018	2019	2020
3,534	3,502	3,492	3,480	3,456	3,418
272	249	239	226	257	246
15.19%	20.50%	12.86%	12.20%	12.93%	14.00%
0.2%	0.2%	0.5%	0.1%	0.2%	0.7%
94.6%	94.7%	94.2%	93.9%	93.6%	97.7%
603,812	546,992	546,992	546,992	546,992	546,992
2,180	2,259	1,850	1,947	1,836	2,040
1,576	1,663	1,490	1,637	1,810	1,773
12,895	12,240	12,771	14,031	15,514	10,175
22	22	21	21	21	23
1,895	1,893	1,904	1,985	1,948	1,940
1,353	1,363	1,323	1,304	1,269	1,277
71.40%	72.00%	69.49%	65.69%	65.14%	65.82%
856	802	764	890	879	912
735	700	658	729	698	723
85.87%	87.28%	86.13%	81.91%	79.41%	79.28%

***Piqua City School District***

*Operating Indicators - Teacher Base Salaries  
Last Ten Years*

Fiscal Year	2011	2012	2013	2014	2015
District Average Salary	55,761	55,346	53,947	53,151	54,812
County Average Salary	52,874	52,945	53,440	53,491	54,026
State Average Salary	57,904	58,119	57,966	57,635	55,242

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

*Operating Indicators - Teachers by Education  
Last Ten Years*

Fiscal Year	2011	2012	2013	2014	2015
Bachelor's Degree	13	13	13	14	17
Bachelor + 15	1	3	7	3	7
Bachelor + 30	15	14	17	20	13
Masters Degree	102	99	92	90	85
Masters Degree + 10	48	41	37	35	35
Masters Degree + 30	23	22	22	18	22
Total	202	192	188	180	179

Source: District Treasurer's Office



*Piqua City School District*

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
56,696	58,210	60,856	63,341	64,034
54,566	54,279	55,361	57,790	59,192
57,154	58,690	60,433	62,353	63,916

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<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
21	26	26	27	28
7	3	2	1	3
12	16	18	21	17
91	83	83	74	82
42	54	51	61	56
17	18	20	18	19
190	200	200	202	205

***Piqua City School District***

*Capital Asset Statistics by Building  
Last Ten Years*

	2011	2012	2013	2014
<b>Secondary</b>				
Piqua Senior High School				
Square Footage	185,375	185,375	185,375	185,375
Capacity (students)	1,200	1,200	1,200	1,200
Enrollment	1,100	1,116	1,133	1,110
Piqua Junior High School				
Square Footage	126,000	126,000	126,000	126,000
Capacity (students)	800	800	800	800
Enrollment	579	561	554	525
<b>Intermediate</b>				
Bennett Intermediate School				
Square Footage	48,739	48,739	48,739	48,739
Capacity (students)	800	800	800	800
Enrollment	292	332	345	301
Wilder Intermediate School				
Square Footage	47,651	47,651	47,651	47,651
Capacity (students)	800	800	800	800
Enrollment	281	260	265	282
Washington Intermediate School				
Square Footage	35,523	35,523	35,523	35,523
Capacity (students)	360	360	360	360
Enrollment	267	268	256	293
Central Intermediate School				
Square Footage	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
<b>Primary</b>				
Favorite Hill Primary School				
Square Footage	40,366	40,366	40,366	40,366
Capacity (students)	400	400	400	400
Enrollment	296	316	321	298
High Street Primary School				
Square Footage	20,816	20,816	20,816	20,816
Capacity (students)	360	360	360	360
Enrollment	272	291	288	245

*Piqua City School District*

2015	2016	2017	2018	2019	2020
186,244	186,244	186,244	186,244	186,244	186,244
1,200	1,200	1,200	1,200	1,200	1,200
1,040	1,015	1,046	1,004	1,050	1,040
113,159	113,159	113,159	113,159	113,159	113,159
800	800	800	800	800	800
548	539	557	567	531	508
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
105,579	105,579	105,579	105,579	105,579	105,579
859	859	859	859	859	859
822	818	797	794	800	805
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

(Continued)

***Piqua City School District***

*Capital Asset Statistics by Building  
Last Ten Years*

	2011	2012	2013	2014
<b>Springcreek Primary School (Old)</b>				
Square Footage	25,326	25,326	25,326	25,326
Capacity (students)	360	360	360	360
Enrollment	255	274	266	277
<b>Springcreek Primary School (New)</b>				
Square Footage	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
<b>Nicklin Avenue Learning Center</b>				
Square Footage	21,519	21,519	21,519	21,519
Capacity (students)	375	375	375	375
Enrollment	296	290	277	273
<b>Washington Primary School</b>				
Square Footage	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
<b>All Other</b>				
<b>Central Administration Building</b>				
Square Footage	13,830	13,830	13,830	13,830
<b>Transportation Building (1)</b>				
Square Footage	16,000	16,000	16,000	16,000
<b>Maintenance Building (1)</b>				
Square Footage	27,000	27,000	27,000	27,000

Source: District Treasurer's Office

Central Intermediate, Springcreek Primary, and Washington Primary were constructed in fiscal year 2015.

(1) Relocated to high school in fiscal year 2020.

*Piqua City School District*

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2015	2016	2017	2018	2019	2020
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
71,000	71,005	71,005	71,005	71,005	71,005
600	600	600	600	600	600
541	556	513	554	503	522
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
71,000	71,005	71,005	71,005	71,005	71,005
600	600	600	600	600	600
583	574	579	561	572	543
13,830	13,830	13,830	9,138	9,138	9,138
16,000	16,000	16,000	16,000	16,000	0
27,000	27,000	27,000	27,000	27,000	0

***Piqua City School District***

*Educational and Operating Statistics  
Last Ten Years*

	2011	2012	2013	2014	2015
<b>Cost per Student (ODE)</b>					
Piqua (1)	9,905	9,613	9,475	9,554	10,928
Ohio (Average) (1)	10,571	10,697	10,149	10,357	9,904
<b>Attendance Rate</b>					
Piqua	95.30%	95.00%	94.50%	94.90%	94.60%
Ohio (Average) (1)	94.50%	94.50%	94.20%	94.30%	94.10%
<b>Graduation Rate</b>					
Piqua	93.80%	92.60%	88.50%	88.50%	90.40%
Ohio (Average) (1)	84.30%	81.30%	82.20%	82.20%	83.00%

Source:

District's Student Records and Ohio Department of Education

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

*Piqua City School District*

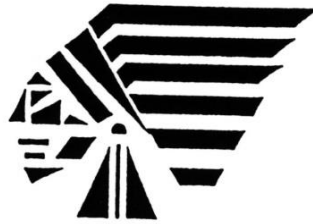
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2016	2017	2018	2019	2020
9,553	9,968	9,776	10,032	10,319
9,837	9,149	9,356	9,724	9,883
94.70%	94.20%	93.90%	93.60%	97.70%
94.10%	93.90%	93.70%	93.50%	N/A
85.90%	87.50%	90.70%	90.80%	88.20%
83.00%	83.50%	84.10%	85.90%	N/A





# OHIO AUDITOR OF STATE KEITH FABER



**PIQUA CITY SCHOOL DISTRICT**

**MIAMI COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 1/26/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)