

Piqua City School District
Miami County
Single Audit
For the Fiscal Year Ended June 30, 2019



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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, 2018 through June 30, 2019. 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

December 23, 2019

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Piqua City School District
Miami County
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For the Fiscal Year Ended June 30, 2019

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Piqua City Schools
Miami County
*Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2019*

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
United States Department of Agriculture						
<i>Passed through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$268,934	\$0	\$268,934	\$0
National School Lunch Program	3L60	10.555	788,365	71,784	788,365	71,784
Total Child Nutrition Cluster			<u>1,057,299</u>	<u>71,784</u>	<u>1,057,299</u>	<u>71,784</u>
Total United States Department of Agriculture			<u>1,057,299</u>	<u>71,784</u>	<u>1,057,299</u>	<u>71,784</u>
United States Department of Education						
<i>Passed through the Ohio Department of Education</i>						
Special Education Cluster:						
Special Education Grants to States	3M20	84.027	759,060	0	746,227	0
Total Special Education Cluster			<u>759,060</u>	<u>0</u>	<u>746,227</u>	<u>0</u>
Title I Grants to Local Educational Agencies	3M00	84.010	917,073	0	912,306	0
Disaster Recovery Assistance for Education	3HFO	84.938	6,913	0	6,913	0
Supporting Effective Instruction State Grants	3Y60	84.367	145,491	0	149,308	0
Student Support and Academic Enrichment Program	3HIO	84.424	57,534	0	57,534	0
Rural Education	3Y80	84.358	359	0	0	0
Total United States Department of Education			<u>1,886,430</u>	<u>0</u>	<u>1,872,288</u>	<u>0</u>
Total Federal Financial Assistance			<u>\$2,943,729</u>	<u>\$71,784</u>	<u>\$2,929,587</u>	<u>\$71,784</u>

N/A - pass through entity number not available.

N - direct award.

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, 2019

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, 2019. 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, 2019, 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 6, 2019.

Internal Control Over Financial Reporting

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

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

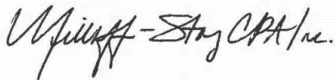
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 6, 2019

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, 2019. 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, 2019.

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.

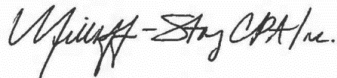
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 6, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by 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 6, 2019

Piqua City School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

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):	Title I Grants to Local Educational Agencies, CFDA #84.010
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 Schools
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#wearepiqua

Schedule of Prior Audit Findings
For the Year Ended June 30, 2019

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2018-001	Significant Deficiency – Financial Reporting.	No	Partially Corrected – reissued in management letter.

PIQUA CITY SCHOOL DISTRICT

Miami County, Ohio



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**



PIQUA CITY SCHOOL DISTRICT

Miami County, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

Prepared by:
Jeremie Hittle
Treasurer



PIQUA CITY SCHOOL DISTRICT

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PIQUA CITY SCHOOL DISTRICT

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INTRODUCTORY SECTION



PIQUA CITY SCHOOL DISTRICT

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



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

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December 6, 2019

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, 2019 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 21,000 people, 45 churches and 200 businesses and manufacturers. It is located on Interstate 75, 50 miles south of Lima, Ohio and 20 miles north of Dayton, Ohio, near the intersection of Interstate 75 and Interstate 70, a significant road intersection in the Midwestern part of the United States.

The District provides a full range of education programs and services to 3,456 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

Letter of Transmittal For the Fiscal Year Ended June 30, 2019

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 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.

STAFF DEVELOPMENT -- Professional development is planned to meet staff needs at the district level, building and classroom level. 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 these 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 is evaluated by the staff and administration prior to attendance to ensure direct alignment to district goals and following attendance to ensure high quality, to identify teacher need for follow-up training and/or to support classroom implementation.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2019

INTERVENTION AND SPECIAL PROGRAMS -- The Piqua City Schools recognizes its responsibility to identify students who are not meeting grade level growth benchmarks. The Piqua City School District has developed Response to Intervention (RTI) teams at each grade level in order to provide appropriate intervention for students identified with learning gaps. Students in the Piqua City School District are assessed using the state provided AIR Assessments, 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 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, and advanced placement coursework at the elementary, intermediate, junior high and high school levels. Currently, Piqua High School offers AP courses in Art, Biology, Calculus, Chemistry, Physics, Economics, English, Literature and Composition, Government, Statistics, US History, World History, Music Theory, Spanish, and French.

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. College tuition and textbooks for concurrent enrollment courses is paid by the District.

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.

ECONOMIC CONDITIONS AND OUTLOOK -- During calendar year 2019, the county's six-year reappraisal of property valuations was completed. The updated appraisal will take 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.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2019

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 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.

The District recently upgraded a whole wing at the Piqua High School. This section of the building housed an industrial arts program that was phased out in 1995. This space was minimally used for instruction and held a great deal of storage. The renovation 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. 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.

District-wide implementation of Positive Behavioral Interventions and Supports (PBIS) is in place. 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.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2019

Piqua City Schools initiated a Piqua Indian Alumni Nation organization this past year. Along with a membership drive, the committee hosted its first alumni event at this year's rivalry football game against Sidney. The committee also developed by-laws for the selection process for the Alumni with Distinction Honor that will 'honor the past while inspiring the future.' Piqua alumni are nominated and chosen for this recognition through a defined process in order to highlight strong role models for current students.

MAJOR INITIATIVES FOR THE FUTURE -- 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. A new 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. This work continued on down to the lower with the development of a successful path for all students as they progress through each building in our district. Staffs are developing student profiles this year to support this work as they set expectations and progress monitor student growth.

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

Letter of Transmittal For the Fiscal Year Ended June 30, 2019

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

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

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

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

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

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

***Letter of Transmittal
For the Fiscal Year Ended June 30, 2019***

OTHER INFORMATION

AUDIT -- State statutes require an annual audit. Millhuff-Stang CPA conducted the audit for the fiscal year ended June 30, 2019. 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.

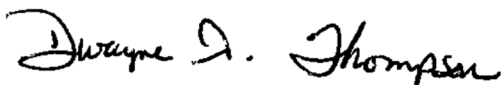
AWARDS -- The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities who qualify.

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 two consecutive years (fiscal years ended 1997-2018). 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 four fiscal years (FY 15-18).

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

Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June 30, 2019

Members of the Board of Education

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

December 2018 Board	Began Service as a Board Member		Present Term Expires
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

December 2019 Board	Began Service as a Board Member		Present Term Expires
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

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

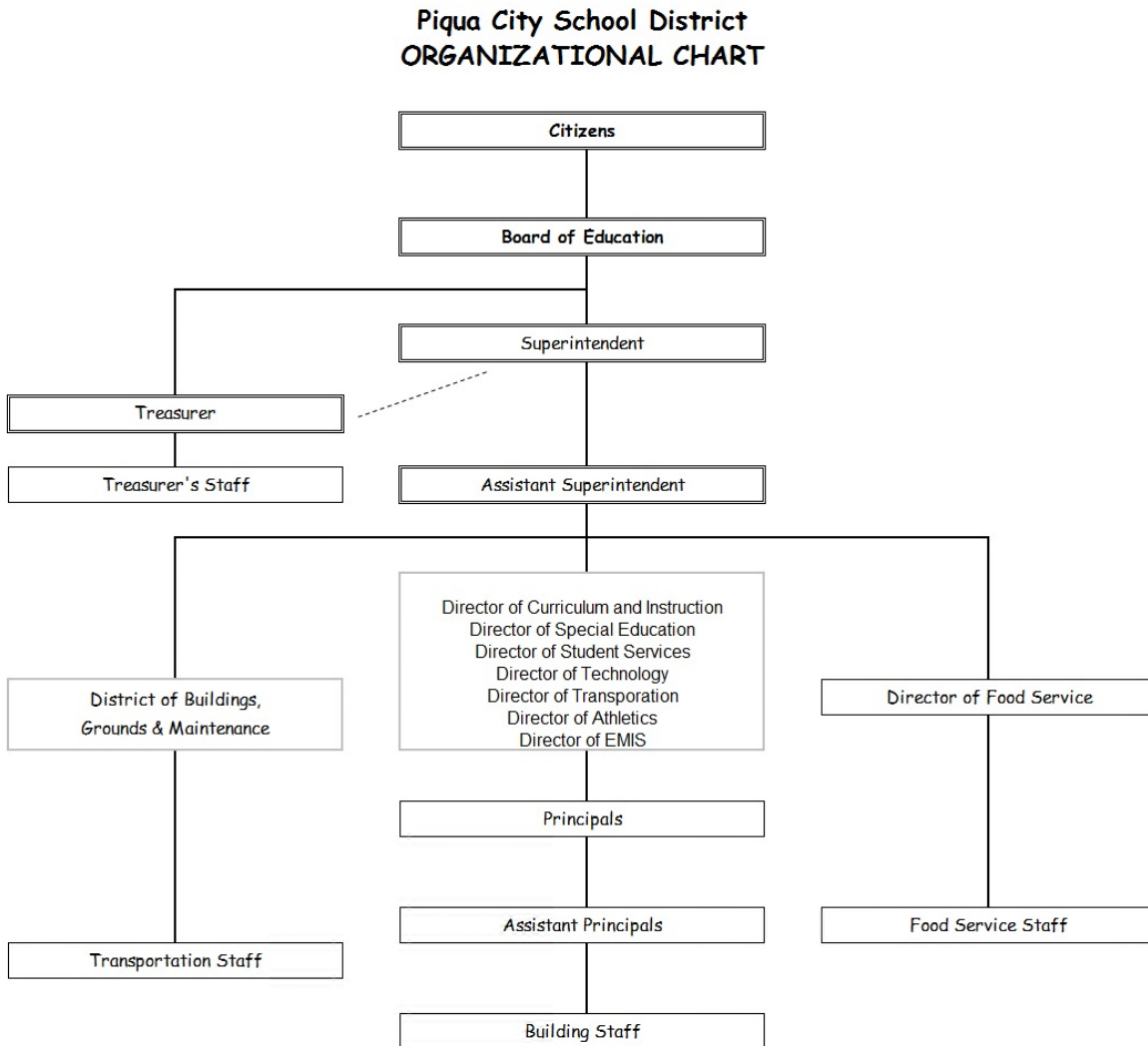
Management Team Members For the Fiscal Year Ended June 30, 2019

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
John Shoffstall	Assistant Principal, Piqua High School
Jeff Clark	Principal, Piqua Junior High School
Chad Albers	Assistant Principal, Piqua Junior High School
Josh Kauffman	Principal, Piqua Central Intermediate School
Heath Butler	Principal, Piqua Central Intermediate School
Kyle Cutnaw	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, 2019*



NOTE: Please see reverse side for individual positions.

PIQUA CITY SCHOOL DISTRICT

***Job Description Listing
For the Fiscal Year Ended June 30, 2019***

Position:	Responsible To:
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

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Piqua City Schools
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

PIQUA CITY SCHOOL DISTRICT

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

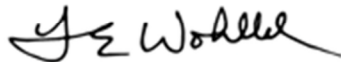


**The Certificate of Excellence in Financial Reporting
is presented to**

Piqua City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

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



Tom Wohleber, CSR
President



Siobhán McMahon, CAE
Chief Operating Officer

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FINANCIAL SECTION



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, 2019, 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, 2019, 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.

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 90, 91, and 95, and the schedules of District contributions on pages 92, 93, 96, and 97 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

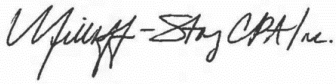
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections are presented for purposes 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 6, 2019 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 6, 2019



PIQUA CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Unaudited

The discussion and analysis of Piqua City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. 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 2019 are as follows:

- ❑ In total, net position increased \$7,051,333. Net position of governmental activities increased \$7,041,192, which represents a 22% increase. Net position of business-type activities increased \$10,141, which represents a 3% increase from fiscal year 2018.
- ❑ General revenues accounted for \$39,556,965, or 82% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$8,932,008 or 18% of total revenues of \$48,488,973.
- ❑ The District had \$39,773,426 in expenses related to governmental activities; only \$7,277,153 of these expenses were offset by program specific charges for services and sales, grants, or contributions. General revenues (primarily taxes) of \$39,556,965 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$39,946,505 in revenues and \$37,032,604 in expenditures. The general fund's fund balance increased from a balance of \$16,717,347 to an ending balance of \$17,631,248.
- ❑ Net position of the enterprise funds decreased \$4,763.

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

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019*

Unaudited

Government-wide Statements

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

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

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

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

- Governmental Activities – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service 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, 2019**

Unaudited

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net position for fiscal year 2019 compared to fiscal year 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other Assets	\$44,774,443	\$44,786,912	\$1,166,624	\$1,241,051	\$45,941,067	\$46,027,963
Net OPEB Asset	2,149,514	0	0	0	2,149,514	0
Capital Assets, Net	72,371,518	69,855,722	458,749	349,058	72,830,267	70,204,780
Total Assets	<u>119,295,475</u>	<u>114,642,634</u>	<u>1,625,373</u>	<u>1,590,109</u>	<u>120,920,848</u>	<u>116,232,743</u>
Deferred Outflows of Resources	<u>11,968,954</u>	<u>13,762,242</u>	<u>214,357</u>	<u>290,822</u>	<u>12,183,311</u>	<u>14,053,064</u>
Net Pension Liability	36,549,651	37,920,692	795,833	888,092	37,345,484	38,808,784
Net OPEB Liability	3,494,184	8,257,666	389,641	404,034	3,883,825	8,661,700
Other Long-term Liabilities	31,625,657	33,324,010	76,059	71,097	31,701,716	33,395,107
Other Liabilities	3,475,810	3,243,788	120,815	120,496	3,596,625	3,364,284
Total Liabilities	<u>75,145,302</u>	<u>82,746,156</u>	<u>1,382,348</u>	<u>1,483,719</u>	<u>76,527,650</u>	<u>84,229,875</u>
Deferred Inflows of Resources	<u>17,410,301</u>	<u>13,991,086</u>	<u>110,662</u>	<u>60,633</u>	<u>17,520,963</u>	<u>14,051,719</u>
Net Position						
Net Investment in Capital Assets	43,006,160	38,694,689	458,749	349,058	43,464,909	39,043,747
Restricted	5,653,782	5,374,451	0	0	5,653,782	5,374,451
Unrestricted (Deficit)	<u>(9,951,116)</u>	<u>(12,401,506)</u>	<u>(112,029)</u>	<u>(12,479)</u>	<u>(10,063,145)</u>	<u>(12,413,985)</u>
Total Net Position	<u>\$38,708,826</u>	<u>\$31,667,634</u>	<u>\$346,720</u>	<u>\$336,579</u>	<u>\$39,055,546</u>	<u>\$32,004,213</u>

The District reported an increase in total assets of 4%. This increase can be attributed to increases in capital assets, as well as the reporting of a net OPEB asset. Principal retirement on long term debt resulted in a 5% decrease in other long-term liabilities. The largest contributing factor to an overall decrease in liabilities of 9% was changes in the net pension and net OPEB liabilities. Fluctuations in deferred outflows of resources and deferred inflows of resources can be attributed to the net pension and net OPEB liabilities, and net OPEB asset.

PIQUA CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019***

Unaudited

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

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019***

Unaudited

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, 2019**

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal year 2019 compared to fiscal year 2018:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,374,685	\$1,261,294	\$461,913	\$476,426	\$1,836,598	\$1,737,720
Operating Grants	5,902,468	3,763,058	1,192,942	1,194,834	7,095,410	4,957,892
Total Program Revenues	<u>7,277,153</u>	<u>5,024,352</u>	<u>1,654,855</u>	<u>1,671,260</u>	<u>8,932,008</u>	<u>6,695,612</u>
General Revenues:						
Property Taxes	13,286,552	13,538,427	0	0	13,286,552	13,538,427
Income Taxes	6,720,246	6,673,002	0	0	6,720,246	6,673,002
Intergovernmental, Unrestricted	18,284,577	20,087,152	0	0	18,284,577	20,087,152
Other	1,265,590	740,652	0	0	1,265,590	740,652
Total General Revenues	<u>39,556,965</u>	<u>41,039,233</u>	<u>0</u>	<u>0</u>	<u>39,556,965</u>	<u>41,039,233</u>
Total Revenues	<u>46,834,118</u>	<u>46,063,585</u>	<u>1,654,855</u>	<u>1,671,260</u>	<u>48,488,973</u>	<u>47,734,845</u>
Program Expenses						
Instruction	22,854,305	12,942,670	0	0	22,854,305	12,942,670
Support Services:						
Pupils	2,438,201	1,370,196	0	0	2,438,201	1,370,196
Instructional Staff	2,392,598	2,031,739	0	0	2,392,598	2,031,739
Board of Education	27,235	37,823	0	0	27,235	37,823
Administration	2,498,617	1,307,444	0	0	2,498,617	1,307,444
Fiscal Services	901,620	838,096	0	0	901,620	838,096
Business	580	580	0	0	580	580
Operation and Maintenance of Plant	2,524,505	4,040,176	0	0	2,524,505	4,040,176
Pupil Transportation	1,773,964	1,469,981	0	0	1,773,964	1,469,981
Central	1,937,323	1,952,871	0	0	1,937,323	1,952,871
Operation of Non-Instructional Services	207,216	195,287	0	0	207,216	195,287
Extracurricular Activities	1,039,743	667,304	0	0	1,039,743	667,304
Interest and Fiscal Charges	1,177,519	1,214,058	0	0	1,177,519	1,214,058
Food Service	0	0	1,556,983	1,660,399	1,556,983	1,660,399
TV Station	0	0	107,231	56,734	107,231	56,734
Total Expenses	<u>39,773,426</u>	<u>28,068,225</u>	<u>1,664,214</u>	<u>1,717,133</u>	<u>41,437,640</u>	<u>29,785,358</u>
Change in Net Position Before Transfers	7,060,692	17,995,360	(9,359)	(45,873)	7,051,333	17,949,487
Transfers	(19,500)	0	19,500	0	0	0
Total Change in Net Position	<u>7,041,192</u>	<u>17,995,360</u>	<u>10,141</u>	<u>(45,873)</u>	<u>7,051,333</u>	<u>17,949,487</u>
Beginning Net Position	<u>31,667,634</u>	<u>13,672,274</u>	<u>336,579</u>	<u>382,452</u>	<u>32,004,213</u>	<u>14,054,726</u>
Ending Net Position	<u>\$38,708,826</u>	<u>\$31,667,634</u>	<u>\$346,720</u>	<u>\$336,579</u>	<u>\$39,055,546</u>	<u>\$32,004,213</u>

Governmental Activities

Net position of the District's governmental activities increased \$7,041,192. Overall, total revenues remained consistent with the prior year. Changes in the fair value of investments resulted in the increase in other revenues. In the prior fiscal year, the District reported a significant decrease in expenses due to changes in the net pension and net OPEB liabilities, which resulted in a subsequent increase in expenses in the current fiscal year. The overall increase in net position can be attributed to changes in the net pension and net OPEB liabilities/asset.

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

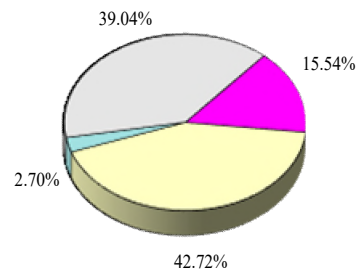
Unaudited

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 28% and 14% respectively of revenues for governmental activities in fiscal year 2019. The District's reliance upon tax revenues is demonstrated by the following graph indicating 43% of total revenues from general taxes:

Revenue Sources	2019	Percent of Total
Intergovernmental, Unrestricted	\$18,284,577	39.04%
Program Revenues	7,277,153	15.54%
General Tax Revenues	20,006,798	42.72%
General Other	1,265,590	2.70%
Total Revenue	<u>\$46,834,118</u>	<u>100.00%</u>



Business-Type Activities

Net position of the business-type activities increased \$10,141 or approximately 3%. Revenues remained consistent with the prior year. A decrease in food service expenses can be attributed to changes in the net pension and OPEB liabilities. The TV Station reported an increase in expenses due to broadcast charges as well as expenses to relocate network infrastructure.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$26,701,698, which is below last year's total of \$27,152,832. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and 2018.

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	Increase (Decrease)
General	\$17,631,248	\$16,717,347	\$913,901
Bond Retirement	3,885,281	3,645,749	239,532
Permanent Improvement	3,483,759	5,208,765	(1,725,006)
Other Governmental	1,701,410	1,580,971	120,439
Total	<u>\$26,701,698</u>	<u>\$27,152,832</u>	<u>(\$451,134)</u>

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

Unaudited

Bond Retirement Fund – The Bond Retirement Fund balance increased approximately 7% during fiscal year 2019. Revenues and expenditures remained consistent with the previous year.

Permanent Improvement Fund – The Permanent Improvement Fund balance decreased approximately 33% during fiscal year 2019. Revenues remained consistent with the prior year. The decrease in fund balance can be attributed to outlays for school building improvements and energy efficiency building upgrades.

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

	2019 Revenues	2018 Revenues	Increase (Decrease)
Taxes	\$16,635,298	\$16,771,999	(\$136,701)
Tuition	725,027	577,358	147,669
Transportation Fees	42,001	44,754	(2,753)
Investment Earnings	765,963	207,081	558,882
Extracurricular Activities	92,217	96,051	(3,834)
Class Materials and Fees	94,951	110,667	(15,716)
Intergovernmental - State	20,545,648	20,146,504	399,144
Intergovernmental - Federal	723,360	440,479	282,881
All Other Revenue	322,040	425,683	(103,643)
Total	\$39,946,505	\$38,820,576	\$1,125,929

General Fund revenues in fiscal year 2019 increased approximately 3% when compared with revenues in fiscal year 2018. The increase in intergovernmental state revenues can be attributed to increases in State school foundation monies. An increase in intergovernmental federal revenues was the result of Medicare reimbursements. Changes in the fair value of investments resulted in the increase in investment earnings.

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PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

Unaudited

	2019 Expenditures	2018 Expenditures	Increase (Decrease)
Current:			
Instruction	\$23,221,592	\$22,566,351	\$655,241
Supporting Services:			
Pupils	2,569,480	2,219,539	349,941
Instructional Staff	2,434,859	2,371,394	63,465
Board of Education	27,235	37,823	(10,588)
Administration	2,701,318	2,560,678	140,640
Fiscal Services	849,146	837,009	12,137
Operation and Maintenance of Plant	2,857,977	2,791,209	66,768
Pupil Transportation	1,529,616	1,457,130	72,486
Central	281,296	295,815	(14,519)
Operation of Non-Instructional Services	6,760	2,070	4,690
Extracurricular Activities	521,489	502,752	18,737
Debt Service:			
Principal Retirement	29,487	28,192	1,295
Interest and Fiscal Charges	2,349	3,644	(1,295)
Total	\$37,032,604	\$35,673,606	\$1,358,998

General Fund expenditures increased \$1,358,998 or approximately 4%. Increases in instruction, instructional staff, and administration can be attributed to increases in salaries and benefits. An increase in pupils was the result of the reclassification of costs for occupational therapy.

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 2019 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, 2019**

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019 the District had \$72,830,267 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, equipment and vehicles. Of this total, \$72,371,518 was related to governmental activities and \$458,749 to the business-type activities. The following tables show fiscal year 2019 and 2018 balances:

	Governmental Activities		Increase (Decrease)
	2019	2018	
Land	\$798,611	\$798,611	\$0
Construction in Progress	37,000	711,877	(674,877)
Land Improvements	7,143,658	6,940,781	202,877
Buildings and Improvements	80,726,426	76,340,470	4,385,956
Machinery and Equipment	3,390,760	3,019,029	371,731
Vehicles	2,867,306	2,685,448	181,858
Less: Accumulated Depreciation	(22,592,243)	(20,640,494)	(1,951,749)
Totals	\$72,371,518	\$69,855,722	\$2,515,796

Land improvements included parking lot paving, while additions to buildings and improvements included roof replacement at the high school, energy efficiency building upgrades, and building security upgrades. Machinery and equipment additions included computer equipment, music instruments, a mower, and a floor scrubber. Vehicle additions consisted of bus purchases.

	Business-Type Activities		Increase (Decrease)
	2019	2018	
Machinery and Equipment	\$873,671	\$763,330	\$110,341
Less: Accumulated Depreciation	(414,922)	(414,272)	(650)
Totals	\$458,749	\$349,058	\$109,691

Additions to business type capital assets included a dishwasher, convection ovens, a salad bar, and broadcast equipment for the TV station. 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, 2019**

Unaudited

Debt and Other Long Term Obligations

At June 30, 2019, the District had \$25.6 million in bonds outstanding, \$1,765,000 due within one year. In addition, the District had \$3.8 million in certificates of participation outstanding. The following table summarizes the District's long term obligations as of June 30, 2019 and 2018:

	2019	2018
Governmental Activities:		
General Obligation Bonds:		
2015 School Improvement Refunding	\$1,064,038	\$2,108,074
2012 School Facility Construction	24,515,951	25,258,853
Certificates of Participation	3,770,000	3,770,000
Capital Leases Payable	36,118	65,605
Compensated Absences	2,239,550	2,121,478
Total Governmental Activities	31,625,657	33,324,010
Business-Type Activities:		
Compensated Absences	76,059	71,097
Total Business-Type Activities	76,059	71,097
Totals	\$31,701,716	\$33,395,107

*Beginning in fiscal year 2019, pension and OPEB amounts are no longer reported in this table.

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, 2019, 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 11 years, and are on track to complete our 12th year.

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

***Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019***

Unaudited

We are in the first 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 into the next two year. 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, 2019

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets:			
Pooled Cash and Investments	\$ 26,358,358	\$ 832,523	\$ 27,190,881
Receivables:			
Taxes	16,008,400	0	16,008,400
Accounts	20,464	0	20,464
Intergovernmental	603,998	0	603,998
Interest	14,402	0	14,402
Internal Balance	(270,731)	270,731	0
Inventory of Supplies at Cost	0	63,370	63,370
Prepaid Items	38,790	0	38,790
Restricted Assets:			
Cash with Fiscal Agent	762	0	762
Investments	2,000,000	0	2,000,000
Net OPEB Asset	2,149,514	0	2,149,514
Non-Depreciable Capital Assets	835,611	0	835,611
Depreciable Capital Assets, Net	71,535,907	458,749	71,994,656
Total Assets	<u>119,295,475</u>	<u>1,625,373</u>	<u>120,920,848</u>
Deferred Outflows of Resources:			
Deferred Loss on Early Retirement of Debt	20,749	0	20,749
Pension	11,271,854	180,732	11,452,586
OPEB	676,351	33,625	709,976
Total Deferred Outflows of Resources	<u>11,968,954</u>	<u>214,357</u>	<u>12,183,311</u>
Liabilities:			
Accounts Payable	106,318	0	106,318
Accrued Wages and Benefits	2,666,943	103,849	2,770,792
Intergovernmental Payable	537,830	16,966	554,796
Matured Bonds and Interest Payable	762	0	762
Accrued Interest Payable	163,957	0	163,957
Long Term Liabilities:			
Due Within One Year	2,219,068	10,849	2,229,917
Due in More Than One Year:			
Net Pension Liability	36,549,651	795,833	37,345,484
Net OPEB Liability	3,494,184	389,641	3,883,825
Other Amounts Due in More Than One Year	29,406,589	65,210	29,471,799
Total Liabilities	<u>75,145,302</u>	<u>1,382,348</u>	<u>76,527,650</u>

PIQUA CITY SCHOOL DISTRICT

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	11,532,670	0	11,532,670
Pension	2,258,757	32,906	2,291,663
OPEB	3,618,874	77,756	3,696,630
Total Deferred Inflows of Resources	<u>17,410,301</u>	<u>110,662</u>	<u>17,520,963</u>
Net Position:			
Net Investment in Capital Assets	43,006,160	458,749	43,464,909
Restricted For:			
Capital Projects	24,849	0	24,849
Debt Service	3,780,823	0	3,780,823
Federal and State Programs	1,788,345	0	1,788,345
Permanent Fund:			
Expendable	8,846	0	8,846
Nonexpendable	50,919	0	50,919
Unrestricted (Deficit)	(9,951,116)	(112,029)	(10,063,145)
Total Net Position	<u>\$ 38,708,826</u>	<u>\$ 346,720</u>	<u>\$ 39,055,546</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Activities
For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction	\$ 22,854,305	\$ 912,195	\$ 5,339,960
Support Services:			
Pupils	2,438,201	289	44,581
Instructional Staff	2,392,598	0	45,279
Board of Education	27,235	0	0
Administration	2,498,617	0	0
Fiscal Services	901,620	0	0
Business	580	0	0
Operation and Maintenance of Plant	2,524,505	0	0
Pupil Transportation	1,773,964	42,001	79,879
Central	1,937,323	0	0
Operation of Non-Instructional Services	207,216	0	171,439
Extracurricular Activities	1,039,743	420,200	0
Interest and Fiscal Charges	1,177,519	0	221,330
Total Governmental Activities	<u>39,773,426</u>	<u>1,374,685</u>	<u>5,902,468</u>
Business-Type Activities:			
Food Service	1,556,983	399,553	1,192,522
TV Station	107,231	62,360	420
Total Business-Type Activities	<u>1,664,214</u>	<u>461,913</u>	<u>1,192,942</u>
Totals	<u>\$ 41,437,640</u>	<u>\$ 1,836,598</u>	<u>\$ 7,095,410</u>

General Revenues and Transfers

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (16,602,150)	\$ 0	\$ (16,602,150)
(2,393,331)	0	(2,393,331)
(2,347,319)	0	(2,347,319)
(27,235)	0	(27,235)
(2,498,617)	0	(2,498,617)
(901,620)	0	(901,620)
(580)	0	(580)
(2,524,505)	0	(2,524,505)
(1,652,084)	0	(1,652,084)
(1,937,323)	0	(1,937,323)
(35,777)	0	(35,777)
(619,543)	0	(619,543)
(956,189)	0	(956,189)
<u>(32,496,273)</u>	<u>0</u>	<u>(32,496,273)</u>
0	35,092	35,092
0	(44,451)	(44,451)
<u>0</u>	<u>(9,359)</u>	<u>(9,359)</u>
<u>\$ (32,496,273)</u>	<u>\$ (9,359)</u>	<u>\$ (32,505,632)</u>
9,886,732	0	9,886,732
168,621	0	168,621
2,282,618	0	2,282,618
948,581	0	948,581
6,720,246	0	6,720,246
18,284,577	0	18,284,577
857,439	0	857,439
408,151	0	408,151
(19,500)	19,500	0
<u>39,537,465</u>	<u>19,500</u>	<u>39,556,965</u>
7,041,192	10,141	7,051,333
<u>31,667,634</u>	<u>336,579</u>	<u>32,004,213</u>
<u>\$ 38,708,826</u>	<u>\$ 346,720</u>	<u>\$ 39,055,546</u>

PIQUA CITY SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2019**

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Pooled Cash and Investments	\$ 16,756,737	\$ 1,561,620	\$ 3,371,245	\$ 1,729,053	\$ 23,418,655
Receivables:					
Taxes	12,510,617	2,062,220	1,261,030	174,533	16,008,400
Accounts	19,219	0	0	1,245	20,464
Intergovernmental	93,456	0	0	510,542	603,998
Interest	14,402	0	0	0	14,402
Interfund Loans Receivable	156,890	0	0	0	156,890
Prepaid Items	38,790	0	0	0	38,790
Restricted Assets:					
Cash with Fiscal Agent	0	762	0	0	762
Investments	0	2,000,000	0	0	2,000,000
Total Assets	\$ 29,590,111	\$ 5,624,602	\$ 4,632,275	\$ 2,415,373	\$ 42,262,361
Liabilities:					
Accounts Payable	\$ 40,733	\$ 0	\$ 19,981	\$ 45,604	\$ 106,318
Accrued Wages and Benefits	2,470,709	0	0	196,234	2,666,943
Intergovernmental Payable	505,083	0	2,000	30,747	537,830
Matured Bonds and Interest Payable	0	762	0	0	762
Interfund Loans Payable	0	0	0	156,890	156,890
Compensated Absences Payable	71,943	0	0	0	71,943
Total Liabilities	3,088,468	762	21,981	429,475	3,540,686
Deferred Inflows of Resources:					
Unavailable Amounts	264,709	59,499	24,849	138,250	487,307
Property Tax Levy for Next Fiscal Year	8,605,686	1,679,060	1,101,686	146,238	11,532,670
Total Deferred Inflows of Resources	8,870,395	1,738,559	1,126,535	284,488	12,019,977
Fund Balance:					
Nonspendable	38,790	0	0	50,919	89,709
Restricted	0	3,885,281	0	1,658,941	5,544,222
Committed	0	0	3,483,759	0	3,483,759
Assigned	550,326	0	0	0	550,326
Unassigned	17,042,132	0	0	(8,450)	17,033,682
Total Fund Balance	17,631,248	3,885,281	3,483,759	1,701,410	26,701,698
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 29,590,111	\$ 5,624,602	\$ 4,632,275	\$ 2,415,373	\$ 42,262,361

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

**Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities
June 30, 2019**

Total Governmental Fund Balances		\$ 26,701,698
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		72,371,518
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		487,307
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	11,271,854	
Deferred Inflows - Pension	(2,258,757)	
Net Pension Liability	(36,549,651)	
Deferred Outflows - OPEB	676,351	
Deferred Inflows - OPEB	(3,618,874)	
Net OPEB Asset	2,149,514	
Net OPEB Liability	<u>(3,494,184)</u>	(31,823,747)
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.		2,668,972
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	(25,579,989)	
Certificates of Participation	(3,770,000)	
Deferred Loss on Early Retirement of Debt	20,749	
Capital Leases Payable	(36,118)	
Compensated Absences Payable	(2,167,607)	
Accrued Interest Payable	<u>(163,957)</u>	<u>(31,696,922)</u>
Net Position of Governmental Activities		<u>\$ 38,708,826</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2019

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local Sources:					
Taxes	\$ 16,635,298	\$ 2,291,624	\$ 951,776	\$ 169,186	\$ 20,047,884
Tuition	725,027	0	0	0	725,027
Transportation Fees	42,001	0	0	0	42,001
Investment Earnings	765,963	57,299	13,339	7,485	844,086
Extracurricular Activities	92,217	0	0	420,200	512,417
Class Materials and Fees	94,951	0	0	0	94,951
Intermediate Sources	0	0	0	29,142	29,142
Intergovernmental - State	20,545,648	401,670	130,134	184,096	21,261,548
Intergovernmental - Federal	723,360	221,330	0	1,943,196	2,887,886
All Other Revenue	322,040	0	4,062	82,049	408,151
Total Revenues	39,946,505	2,971,923	1,099,311	2,835,354	46,853,093
Expenditures:					
Current:					
Instruction	23,221,592	0	343,489	1,806,629	25,371,710
Supporting Services:					
Pupils	2,569,480	0	0	51,906	2,621,386
Instructional Staff	2,434,859	0	0	51,669	2,486,528
Board of Education	27,235	0	0	0	27,235
Administration	2,701,318	0	6,925	0	2,708,243
Fiscal Services	849,146	38,572	15,964	3,171	906,853
Operation and Maintenance of Plant	2,857,977	0	0	618	2,858,595
Pupil Transportation	1,529,616	0	440,578	8,908	1,979,102
Central	281,296	0	0	0	281,296
Operation of Non-Instructional Services	6,760	0	0	187,411	194,171
Extracurricular Activities	521,489	0	0	530,360	1,051,849
Capital Outlay	0	0	3,767,361	75,318	3,842,679
Debt Service:					
Principal Retirement	29,487	1,725,000	0	0	1,754,487
Interest and Fiscal Charges	2,349	1,218,819	0	0	1,221,168
Total Expenditures	37,032,604	2,982,391	4,574,317	2,715,990	47,305,302
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	2,913,901	(10,468)	(3,475,006)	119,364	(452,209)

PIQUA CITY SCHOOL DISTRICT

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	0	1,075	1,075
Transfers In	0	250,000	2,000,000	0	2,250,000
Transfers Out	(2,000,000)	0	(250,000)	0	(2,250,000)
Total Other Financing Sources (Uses)	<u>(2,000,000)</u>	<u>250,000</u>	<u>1,750,000</u>	<u>1,075</u>	<u>1,075</u>
Net Change in Fund Balance	913,901	239,532	(1,725,006)	120,439	(451,134)
Fund Balance at Beginning of Year	<u>16,717,347</u>	<u>3,645,749</u>	<u>5,208,765</u>	<u>1,580,971</u>	<u>27,152,832</u>
Fund Balance End of Year	<u>\$ 17,631,248</u>	<u>\$ 3,885,281</u>	<u>\$ 3,483,759</u>	<u>\$ 1,701,410</u>	<u>\$ 26,701,698</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

***Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2019***

Net Change in Fund Balances - Total Governmental Funds \$ (451,134)

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. 2,553,377

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. (37,581)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (32,617)

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

Pension	2,868,059	
OPEB	95,129	2,963,188

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	(4,313,090)	
OPEB	4,432,973	119,883

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,795,675

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 2,461

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. (129,049)

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. 256,989

Change in Net Position of Governmental Activities \$ 7,041,192

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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 16,524,613	\$ 16,397,899	\$ 16,397,899	\$ 0
Tuition	692,500	725,027	725,027	0
Transportation Fees	500,000	46,514	46,514	0
Investment Earnings	475,000	487,411	487,411	0
Class Material and Fees	118,400	94,951	94,951	0
Intergovernmental - State	20,644,853	20,545,648	20,545,648	0
Intergovernmental - Federal	700,000	696,749	696,749	0
All Other Revenues	218,840	254,814	254,814	0
Total Revenues	39,874,206	39,249,013	39,249,013	0
Expenditures:				
Current:				
Instructional Services:				
Regular	17,622,465	17,248,311	17,248,311	0
Special	4,982,507	5,516,647	5,516,647	0
Other	479,676	272,498	272,498	0
Support Services:				
Pupils	2,296,811	2,548,839	2,548,839	0
Instructional Staff	2,553,159	2,476,209	2,476,209	0
Board of Education	36,884	30,502	30,502	0
Administration	2,739,852	2,729,947	2,729,947	0
Fiscal Services	557,337	858,743	858,743	0
Operation and Maintenance of Plant	2,952,174	3,075,200	3,075,200	0
Pupil Transportation	1,546,883	1,567,721	1,567,721	0
Central	313,584	291,719	291,719	0
Operation of Non-Instructional Services	3,563	8,544	8,544	0
Extracurricular Activities	539,751	521,366	521,366	0
Total Expenditures	36,624,646	37,146,246	37,146,246	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,249,560	2,102,767	2,102,767	0

PIQUA CITY SCHOOL DISTRICT

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	0	86,359	86,359	0
Transfers Out	0	(2,086,359)	(2,086,359)	0
Advances In	0	157,612	157,612	0
Refund of Prior Year's Expenditures	121,740	152,291	152,291	0
Total Other Financing Sources (Uses):	121,740	(1,690,097)	(1,690,097)	0
 Net Change in Fund Balance	 3,371,300	 412,670	 412,670	 0
 Fund Balance at Beginning of Year	 15,503,293	 15,503,293	 15,503,293	 0
Prior Year Encumbrances	325,190	325,190	325,190	0
Fund Balance at End of Year	\$ 19,199,783	\$ 16,241,153	\$ 16,241,153	\$ 0

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Net Position Proprietary Funds June 30, 2019

	Business-Type Activities			Governmental Activities
	Major Food Service	Nonmajor TV Station	Total Enterprise Funds	Internal Service Fund
Assets:				
<i>Current Assets:</i>				
Pooled Cash and Investments	\$ 826,977	\$ 5,546	\$ 832,523	\$ 2,939,703
Inventory of Supplies at Cost	63,370	0	63,370	0
<i>Total Current Assets</i>	890,347	5,546	895,893	2,939,703
<i>Non Current Assets:</i>				
Capital Assets, Net	440,224	18,525	458,749	0
Total Assets	1,330,571	24,071	1,354,642	2,939,703
Deferred Outflows of Resources:				
Pension	139,576	41,156	180,732	0
OPEB	31,418	2,207	33,625	0
Total Deferred Outflows of Resources	170,994	43,363	214,357	0
Liabilities:				
<i>Current Liabilities:</i>				
Accrued Wages and Benefits	102,469	1,380	103,849	0
Intergovernmental Payable	16,417	549	16,966	0
Compensated Absences - Current	7,672	3,177	10,849	0
<i>Total Current Liabilities</i>	126,558	5,106	131,664	0
<i>Long Term Liabilities:</i>				
Compensated Absences Payable	65,210	0	65,210	0
Net Pension Liability	743,289	52,544	795,833	0
Net OPEB Liability	363,906	25,735	389,641	0
<i>Total Long Term Liabilities</i>	1,172,405	78,279	1,250,684	0
Total Liabilities	1,298,963	83,385	1,382,348	0
Deferred Inflows of Resources:				
Pension	30,833	2,073	32,906	0
OPEB	75,417	2,339	77,756	0
Total Deferred Inflows of Resources	106,250	4,412	110,662	0
Net Position:				
Investment in Capital Assets	440,224	18,525	458,749	0
Unrestricted	(343,872)	(38,888)	(382,760)	2,939,703
Total Net Position	\$ 96,352	\$ (20,363)	\$ 75,989	\$ 2,939,703
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			270,731	
Net Position of Business-type Activities			\$ 346,720	

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, 2019

	Business-Type Activities			Governmental Activities
	Major Food Service	Nonmajor TV Station	Total Enterprise Funds	Internal Service Fund
Operating Revenues:				
Sales	\$ 396,427	\$ 0	\$ 396,427	\$ 0
Charges for Services	0	62,360	62,360	0
Interfund Charges	0	0	0	280,369
Total Operating Revenues	<u>396,427</u>	<u>62,360</u>	<u>458,787</u>	<u>280,369</u>
Operating Expenses:				
Salaries and Wages	541,484	41,377	582,861	0
Fringe Benefits	368,136	28,130	396,266	2,315
Contractual Services	24,514	32,390	56,904	19,464
Supplies and Materials	604,778	4,359	609,137	339
Depreciation	31,948	975	32,923	0
Total Operating Expenses	<u>1,570,860</u>	<u>107,231</u>	<u>1,678,091</u>	<u>22,118</u>
Operating Income (Loss)	(1,174,433)	(44,871)	(1,219,304)	258,251
Nonoperating Revenues (Expenses):				
Operating Grants and Contributions	1,192,522	420	1,192,942	0
Investment Earnings	3,126	0	3,126	13,642
Loss on Disposal of Capital Assets	(1,027)	0	(1,027)	0
Total Nonoperating Revenues (Expenses)	<u>1,194,621</u>	<u>420</u>	<u>1,195,041</u>	<u>13,642</u>
Income (Loss) Before Contributions	20,188	(44,451)	(24,263)	271,893
Contributions:				
Capital Contributions	0	19,500	19,500	0
Total Contributions	<u>0</u>	<u>19,500</u>	<u>19,500</u>	<u>0</u>
Change in Net Position	20,188	(24,951)	(4,763)	271,893
Net Position Beginning of Year	76,164	4,588	80,752	2,667,810
Net Position End of Year	<u>\$ 96,352</u>	<u>\$ (20,363)</u>	<u>\$ 75,989</u>	<u>\$ 2,939,703</u>
Change in Net Position - Total Enterprise Funds			(4,763)	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			<u>14,904</u>	
Change in Net Position - Total Business-type Activities			<u>\$ 10,141</u>	

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, 2019

	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	\$440,074	\$62,360	\$502,434	\$0
Cash Received from Interfund Charges	0	0	0	280,369
Cash Payments for Goods and Services	(551,446)	(36,749)	(588,195)	(19,803)
Cash Payments to Employees for Services and Benefits	(901,643)	(52,361)	(954,004)	(2,315)
Net Cash Provided (Used) by Operating Activities	<u>(1,013,015)</u>	<u>(26,750)</u>	<u>(1,039,765)</u>	<u>258,251</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	1,077,091	420	1,077,511	0
Net Cash Provided by Noncapital Financing Activities	<u>1,077,091</u>	<u>420</u>	<u>1,077,511</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition of Equipment	(124,141)	0	(124,141)	0
Net Cash Used by Capital and Related Financing Activities	<u>(124,141)</u>	<u>0</u>	<u>(124,141)</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>				
Receipts of Interest	3,126	0	3,126	13,642
Net Cash Provided by Investing Activities	<u>3,126</u>	<u>0</u>	<u>3,126</u>	<u>13,642</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(56,939)	(26,330)	(83,269)	271,893
Cash and Cash Equivalents at Beginning of Year	883,916	31,876	915,792	2,667,810
Cash and Cash Equivalents at End of Year	<u>\$826,977</u>	<u>\$5,546</u>	<u>\$832,523</u>	<u>\$2,939,703</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	(\$1,174,433)	(\$44,871)	(\$1,219,304)	\$258,251
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	31,948	975	32,923	0
Nonoperating Revenue	43,647	0	43,647	0
Donated Commodities Used During the Year	71,784	0	71,784	0
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:				
Decrease in Inventory	6,062	0	6,062	0
Decrease in Deferred Outflows	68,162	8,303	76,465	0
Increase in Accrued Wages and Benefits	505	0	505	0
Increase (Decrease) in Intergovernmental Payables	(269)	83	(186)	0
Increase in Compensated Absences	1,785	3,177	4,962	0
Increase in Deferred Inflows	49,062	967	50,029	0
Increase (Decrease) in Net Pension Liability	(94,181)	1,922	(92,259)	0
Increase (Decrease) in Net OPEB Liability	(17,087)	2,694	(14,393)	0
Total Adjustments	<u>161,418</u>	<u>18,121</u>	<u>179,539</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>(\$1,013,015)</u>	<u>(\$26,750)</u>	<u>(\$1,039,765)</u>	<u>\$258,251</u>

Schedule of Noncash Investing, Capital and Financing Activities:
During fiscal year 2019, the TV Station Fund received \$19,500 of capital contributions from Governmental Activities.

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Net Position
Fiduciary Funds
June 30, 2019

	Private Purpose	
	Trust	
	Special Trust	
	Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 546,705	\$ 63,227
Investments with Fiscal Agent	310,476	0
Due from Others	0	450
Total Assets	<u>857,181</u>	<u>63,677</u>
Liabilities:		
Accrued Wages and Benefits	0	450
Due to Students	0	63,227
Total Liabilities	<u>0</u>	<u>63,677</u>
Net Position:		
Held in Trust	857,181	0
Total Net Position	<u>\$ 857,181</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2019

	Private Purpose Trust Special Trust Fund
Additions:	
Contributions:	
Sales	\$ 250
Private Donations	15,605
Total Contributions	<u>15,855</u>
Investment Earnings:	
Interest	46,332
Net Change in the Fair Value of Investments	<u>(49,185)</u>
Total Investment Earnings	<u>(2,853)</u>
Total Additions	<u>13,002</u>
Deductions:	
Administrative Expenses	16,849
Community Gifts, Awards and Scholarships	<u>49,333</u>
Total Deductions	<u>66,182</u>
Change in Net Position	(53,180)
Net Position at Beginning of Year	<u>910,361</u>
Net Position End of Year	<u>\$ 857,181</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 3,456 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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 Liability Self Insurance Fund accounts for the 10% risk premium applicable to the employee health and dental plans.

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

C. Basis of Presentation – Financial Statements

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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, 2019, and which are not intended to finance fiscal year 2019 operations, have been recorded as deferred inflows of resources. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end.

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

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PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

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

E. Budgetary Process

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

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

1. Tax Budget

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 2019.

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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)	\$913,901
Increase (Decrease):	
Accrued Revenues	
at June 30, 2019,	
received during FY 2020	(3,848,711)
Accrued Revenues	
at June 30, 2018,	
received during FY 2019	3,521,335
Accrued Expenditures	
at June 30, 2019,	
paid during FY 2020	3,088,468
Accrued Expenditures	
at June 30, 2018,	
paid during FY 2019	(2,889,255)
FY 2019 Prepays for FY 2020	(38,790)
FY 2018 Prepays for FY 2019	32,419
Encumbrances Outstanding	(301,305)
Perspective Difference:	
Activity of Funds Reclassified	
for GAAP Reporting Purposes	(65,392)
Budget Basis	\$412,670

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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 2019, 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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, 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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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 Certificates of Participation are being funded by a transfer from the Permanent Improvement Fund to the Bond Retirement Fund.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 \$5,653,782 in restricted net position, none is restricted by enabling legislation.

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 2019.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at June 30, 2019 of \$375 in the Auxilliary Services Fund, \$3,721 in the IDEA-B Fund, \$1,092 in the Title I Fund, and \$3,262 in the Title II-A Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2019, the District implemented GASB Statement No. 83, “*Certain Asset Retirement Obligations*” and GASB Statement No. 88, “*Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*”.

Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs.

The primary objective of Statement No. 88 is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The implementation of these GASB Statements had no impact on beginning of year fund balance/net position.

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PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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	\$38,790	\$0	\$0	\$0	\$38,790
Endowments	0	0	0	50,919	50,919
Total Nonspendable	<u>38,790</u>	<u>0</u>	<u>0</u>	<u>50,919</u>	<u>89,709</u>
Restricted:					
Endowments	0	0	0	8,846	8,846
Classroom Facilities Maintenance	0	0	0	1,251,256	1,251,256
Extracurricular Activities	0	0	0	350,832	350,832
Targeted Academic Assistance	0	0	0	48,007	48,007
Debt Service Payments	0	3,885,281	0	0	3,885,281
Total Restricted	<u>0</u>	<u>3,885,281</u>	<u>0</u>	<u>1,658,941</u>	<u>5,544,222</u>
Committed:					
Capital Improvements	0	0	3,483,759	0	3,483,759
Total Committed	<u>0</u>	<u>0</u>	<u>3,483,759</u>	<u>0</u>	<u>3,483,759</u>
Assigned:					
Public School Support	289,671	0	0	0	289,671
Services and Supplies	260,655	0	0	0	260,655
Total Assigned:	<u>550,326</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>550,326</u>
Unassigned (Deficit)	<u>17,042,132</u>	<u>0</u>	<u>0</u>	<u>(8,450)</u>	<u>17,033,682</u>
Total Fund Balances	<u>\$17,631,248</u>	<u>\$3,885,281</u>	<u>\$3,483,759</u>	<u>\$1,701,410</u>	<u>\$26,701,698</u>

PIQUA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019*

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	\$4,703,110
Depreciation Expense	<u>(2,149,733)</u>
	\$2,553,377

Governmental revenues not reported in the funds:

Decrease in Delinquent Tax Revenue	(\$41,086)
Increase in Grants Receivable	<u>8,469</u>
	(\$32,617)

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

Bond Principal Payment	\$1,725,000
Deferred Loss on Early Retirement of Debt	(20,750)
Bond Premium Amortization	61,938
Capital Lease Principal Retirement	<u>29,487</u>
	\$1,795,675

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	<u>(\$129,049)</u>
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PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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, 2019

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 \$9,508,701 and the bank balance was \$10,154,187. Federal depository insurance covered \$10,077,555 of the bank balance and \$76,632 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, 2019 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
STAR Ohio ⁴	\$167,151	AAAm ¹	NA	\$167,151	\$0	\$0
Money Market Fund ⁴	19,665	AAAm/Aaa ^{1,2}	NA	19,665	0	0
U.S. Treasuries	84,717	NA	Level 1	84,717	0	0
Corporate Bond Fund	50,702	AAA-BB ¹	Level 2	50,702	0	0
Corporate Equities Fund	226,715	NA	Level 2	226,715	0	0
REIT Fund	13,394	NA	Level 2	13,394	0	0
Marketable CD's	16,292,914	AAA ³	Level 2	12,921,873	3,119,144	251,897
FNMA	1,251,228	AA+/aa3 ^{1,2}	Level 2	0	1,251,228	0
FHLB	498,966	AA+/aa3 ^{1,2}	Level 2	0	498,966	0
FHLMC	1,997,898	AA+/aa3 ^{1,2}	Level 2	0	1,997,898	0
Total Investments	\$20,603,350			\$13,484,217	\$6,867,236	\$251,897

¹ Standard & Poor's

² Moody's Investor Service

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

⁴ Reported at amortized cost

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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, 79% are in Marketable CD's, 6% are FNMA, 2% are FHLB, 10% are FHLMC, 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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, 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 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2017, were levied after April 1, 2018 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 2019 were as follows:

	<u>2018 Second Half Collections</u>	<u>2019 First Half Collections</u>
Agricultural/Residential and Other Real Estate	\$382,380,920	\$384,567,020
Public Utility Personal	8,085,240	8,979,590
Total Assessed Value	<u>\$390,466,160</u>	<u>\$393,546,610</u>
Tax rate per \$1,000 of assessed valuation	\$50.38	\$50.05

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 41 individual agreements under the CRA program. These abatements reduced the District's property tax revenues by \$465,756 in calendar year 2018 (the latest information available).

PIQUA CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019***

NOTE 8 – INTERFUND TRANSACTIONS

On the Statement of Net Position, the Business-Type Activities reported an internal balance at June 30, 2019 of \$270,731 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, 2019:

	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
General Fund	\$156,890	\$0
Other Governmental Funds	0	156,890
Totals	<u>\$156,890</u>	<u>\$156,890</u>

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, 2019:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$2,000,000
Bond Retirement Fund	250,000	0
Permanent Improvement Fund	2,000,000	250,000
Total All Funds	<u>\$2,250,000</u>	<u>\$2,250,000</u>

During fiscal year 2019 the Permanent Improvement Fund transferred \$250,000 to the Bond Retirement Fund for debt retirement on HVAC improvement bonds. In addition, the General Fund transferred \$2,000,000 to the Permanent Improvement Fund to be used for school facility improvements.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2019:

Historical Cost:

Class	June 30, 2018	Additions	Deletions	June 30, 2019
Capital assets not being depreciated:				
Land	\$798,611	\$0	\$0	\$798,611
Construction in Progress	711,877	37,000	(711,877)	37,000
	<u>1,510,488</u>	<u>37,000</u>	<u>(711,877)</u>	<u>835,611</u>
Capital assets being depreciated:				
Land Improvements	6,940,781	202,877	0	7,143,658
Buildings and Improvement	76,340,470	4,385,956	0	80,726,426
Machinery and Equipment	3,019,029	371,731	0	3,390,760
Vehicles	2,685,448	417,423	(235,565)	2,867,306
Total Cost	<u>\$90,496,216</u>	<u>\$5,414,987</u>	<u>(\$947,442)</u>	<u>\$94,963,761</u>

Accumulated Depreciation:

Class	June 30, 2018	Additions	Deletions	June 30, 2019
Land Improvements	(\$3,997,082)	(\$237,698)	\$0	(\$4,234,780)
Buildings and Improvement	(13,285,037)	(1,455,497)	0	(14,740,534)
Machinery and Equipment	(1,487,532)	(303,742)	0	(1,791,274)
Vehicles	(1,870,843)	(152,796)	197,984	(1,825,655)
Total Depreciation	<u>(\$20,640,494)</u>	<u>(\$2,149,733) *</u>	<u>\$197,984</u>	<u>(\$22,592,243)</u>
Net Value:	<u>\$69,855,722</u>			<u>\$72,371,518</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$228,861
Support Services:	
Pupils	141
Administration	10,706
Fiscal	1,685
Business	580
Operation and Maintenance of Plant	48,682
Pupil Transportation	165,928
Central	1,642,157
Operation of Non-Instructional Services	16,248
Extracurricular Activities	34,745
Total Depreciation Expense	<u>\$2,149,733</u>

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2019:

Historical Cost:

Class	June 30, 2018	Additions	Deletions	June 30, 2019
Machinery and Equipment	\$763,330	\$143,641	(\$33,300)	\$873,671
Total Cost	<u>\$763,330</u>	<u>\$143,641</u>	<u>(\$33,300)</u>	<u>\$873,671</u>

Accumulated Depreciation:

Class	June 30, 2018	Additions	Deletions	June 30, 2019
Machinery and Equipment	(\$414,272)	(\$32,923)	\$32,273	(\$414,922)
Total Depreciation	<u>(\$414,272)</u>	<u>(\$32,923)</u>	<u>\$32,273</u>	<u>(\$414,922)</u>
<i>Net Value:</i>	<u>\$349,058</u>			<u>\$458,749</u>

NOTE 10 - RECEIVABLES

Receivables at June 30, 2019 consisted of taxes, accounts, interest, and intergovernmental receivables.

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PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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 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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5% was allocated to the Health Care Fund.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

The District's contractually required contribution to SERS was \$625,435 for fiscal year 2019.

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.

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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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, 2019, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2019 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 \$2,305,368 for fiscal year 2019. Of this amount \$378,609 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, 2018, 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, 2019**

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	\$7,932,908	\$29,412,576	\$37,345,484
Proportion of the Net Pension Liability -2019	0.1385132%	0.1337680%	
Proportion of the Net Pension Liability -2018	0.1317167%	0.1302409%	
Percentage Change	<u>0.0067965%</u>	<u>0.0035271%</u>	
Pension Expense	\$786,526	\$3,608,393	\$4,394,919

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$435,070	\$678,934	\$1,114,004
Change of assumptions	179,141	5,212,463	5,391,604
District contributions subsequent to the measurement date	625,435	2,305,368	2,930,803
Changes in proportionate share	278,170	1,738,005	2,016,175
Total Deferred Outflows of Resources	<u>\$1,517,816</u>	<u>\$9,934,770</u>	<u>\$11,452,586</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$192,082	\$192,082
Net difference between projected and actual earnings on pension plan investments	219,796	1,783,547	2,003,343
Changes in proportionate share	96,238	0	96,238
Total Deferred Inflows of Resources	<u>\$316,034</u>	<u>\$1,975,629</u>	<u>\$2,291,663</u>

\$2,930,803 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, 2020. 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:			
2020	\$707,242	\$3,263,883	\$3,971,125
2021	186,417	2,120,677	2,307,094
2022	(249,899)	519,451	269,552
2023	(67,413)	(250,238)	(317,651)
Total	<u>\$576,347</u>	<u>\$5,653,773</u>	<u>\$6,230,120</u>

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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, 2018, 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 2018, 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 for the five year period ended June 30, 2015.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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	\$11,174,098	\$7,932,908	\$5,215,386

State Teachers Retirement System (STRS)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017 are presented below:

	July 1, 2018	July 1, 2017
Inflation	2.50 percent	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	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	7.45 percent, net of investment expenses, including inflation
Discount Rate	7.45 percent	7.45 percent
Payroll Increases	3 percent	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017

For the July 1, 2017 and July 1, 2018, actuarial valuation, 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, 2017 and July 1, 2018, 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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

<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>	

* 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 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, 2018. The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. 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, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

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:

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
District's proportionate share of the net pension liability	\$42,953,198	\$29,412,576	\$17,952,280

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 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 2019, 0.5 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 2019, this amount was \$21,600. 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 2019, the District's surcharge obligation was \$82,791.

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 \$105,955 for fiscal year 2019. Of this amount, \$82,791 is reported as an intergovernmental payable.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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 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, 2019, 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, 2018, 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)	\$3,883,825	(\$2,149,514)	\$1,734,311
Proportion of the Net OPEB Liability (Asset) -2019	0.1399945%	0.1337680%	
Proportion of the Net OPEB Liability -2018	<u>0.1334029%</u>	<u>0.1302409%</u>	
Percentage Change	<u>0.0065916%</u>	<u>0.0035271%</u>	
OPEB Expense	\$219,906	(\$4,641,296)	(\$4,421,390)

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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, 2019, 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>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$63,397	\$251,068	\$314,465
Changes in proportionate share	163,866	125,690	289,556
District contributions subsequent to the measurement date	105,955	0	105,955
Total Deferred Outflows of Resources	<u>\$333,218</u>	<u>\$376,758</u>	<u>\$709,976</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$125,238	\$125,238
Changes of assumptions	348,932	2,928,884	3,277,816
Changes in proportionate share	42,181	0	42,181
Net difference between projected and actual earnings on OPEB plan investments	5,830	245,565	251,395
Total Deferred Inflows of Resources	<u>\$396,943</u>	<u>\$3,299,687</u>	<u>\$3,696,630</u>

\$105,955 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2020	(\$119,515)	(\$524,871)	(\$644,386)
2021	(88,512)	(524,871)	(613,383)
2022	9,660	(524,873)	(515,213)
2023	12,140	(469,101)	(456,961)
2024	11,738	(449,533)	(437,795)
Thereafter	4,809	(429,680)	(424,871)
Total	<u>(\$169,680)</u>	<u>(\$2,922,929)</u>	<u>(\$3,092,609)</u>

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 date of June 30, 2018 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	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.70 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare - Measurement Date	5.375 to 4.75 percent
Pre-Medicare - Measurement Date	7.25 to 4.75 percent
Medicare - Prior Measurement Date	5.50 to 5.00 percent
Pre-Medicare - Prior Measurement Date	7.50 to 5.00 percent

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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, 2018 was 3.70%. The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63%. 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 3.62%, as of June 30, 2018 (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 (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
School District's proportionate share of the net OPEB liability	\$4,712,717	\$3,883,825	\$3,227,499
	1% Decrease (6.25% Decreasing to 3.75%)	Current Trend Rate (7.25% Decreasing to 4.75%)	1% Increase (8.25% Decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$3,133,535	\$3,883,825	\$4,877,345

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

The total OPEB liability in the June 30, 2018 and 2017 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Cost-of-Living Adjustments (COLA)	0.0%, effective July 1, 2017	0.0%, effective July 1, 2017
Blended Discount Rate of Return	7.45%	4.13%
Health Care Cost Trends	(5.23)% to 8% initial, 4.0% ultimate	6% to 11% initial, 4.5% 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, 2018 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, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. Non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued January 1, 2020. However, in June 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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>	

* 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, 2018. The blended discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. 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, 2018. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017.

PIQUA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019*

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)	(\$1,842,336)	(\$2,149,514)	(\$2,407,685)
	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
School District's proportionate share of the net OPEB liability (asset)	(\$2,393,111)	(\$2,149,514)	(\$1,902,125)

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PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

NOTE 13 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in the long term debt of the District for the fiscal year ended June 30, 2019 is as follows:

		Balance 6/30/2018*	Additions	Deductions	Balance June 30, 2019	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
2015 School Improvement Refunding	2.0-4.0%	\$2,010,000	\$0	(\$995,000)	\$1,015,000	\$1,015,000
Bond Premium		98,074	0	(49,036)	49,038	0
Total 2015 School Improvement Refunding Bonds		2,108,074	0	(1,044,036)	1,064,038	1,015,000
2012 School Facility Construction	1.5-5.0%	24,975,000	0	(730,000)	24,245,000	750,000
Bond Premium		283,853	0	(12,902)	270,951	0
Total 2012 School Facility Construction Bonds		25,258,853	0	(742,902)	24,515,951	750,000
Total General Obligation Bonds		27,366,927	0	(1,786,938)	25,579,989	1,765,000
Certificates of Participation:						
Energy Conservation Improvement	6.75%	3,770,000	0	0	3,770,000	0
Capital Leases Payable		65,605	0	(29,487)	36,118	30,842
Compensated Absences		2,121,478	410,334	(292,262)	2,239,550	423,226
Total Governmental Activities		33,324,010	410,334	(2,108,687)	31,625,657	2,219,068
Business-Type Activities:						
Compensated Absences		71,097	9,751	(4,789)	76,059	10,849
Total Business-Type Activities		71,097	9,751	(4,789)	76,059	10,849
Total Long-Term Debt and Other Obligations		\$33,395,107	\$420,085	(\$2,113,476)	\$31,701,716	\$2,229,917

*Beginning in fiscal year 2019, pension and OPEB amounts are no longer reported in this table.

The District's overall debt margin was \$13,940,018 with an unvoted debt margin of \$393,547 at June 30, 2019.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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

Certificates of Participation – The certificates of participation represent a lease-financing agreement by which the District has financed school facility energy conservation 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, 2019, follows:

Years	General Obligation Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$1,765,000	\$941,144	\$2,706,144	\$0	\$254,476	\$254,476
2021	760,000	876,906	1,636,906	0	254,476	254,476
2022	790,000	852,819	1,642,819	0	254,476	254,476
2023	805,000	823,807	1,628,807	0	254,476	254,476
2024	850,000	782,432	1,632,432	0	254,476	254,476
2025-2029	4,785,000	3,390,185	8,175,185	3,770,000	763,428	4,533,428
2030-2034	5,630,000	2,509,872	8,139,872	0	0	0
2035-2039	6,765,000	1,319,500	8,084,500	0	0	0
2040-2043	3,110,000	125,800	3,235,800	0	0	0
Totals	<u>\$25,260,000</u>	<u>\$11,622,465</u>	<u>\$36,882,465</u>	<u>\$3,770,000</u>	<u>\$2,035,808</u>	<u>\$5,805,808</u>

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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

B. Defeased Debt

In April 2005, the District defeased \$8,390,000 of General Obligation Bonds for School Building Improvements, dated November 15, 1997, through the issuance of \$8,389,990 of General Obligation Bonds. The net proceeds of the 2005 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$975,000 at June 30, 2019, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

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 \$85,384 and the net book value is \$56,922, 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, 2019:

<u>Year Ending June 30,</u>	<u>Capital Lease</u>
2020	\$ 31,836
2021	<u>5,307</u>
Minimum Lease Payments	37,143
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(1,025)</u>
Present Value of minimum lease payments	<u><u>\$36,118</u></u>

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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. Settlement has not yet occurred for plan year 2019, but will not exceed 100% of what was collected during 2019. The district loss ratio was at 100% for 2018, with no additional premium paid above what was collected (the latest information available).

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PIQUA CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019***

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, 2019, the reserve activity (cash-basis) was as follows:

	<u>Capital Acquisition</u>
Set-aside Cash Balance as of June 30, 2018	\$0
Current Year Set-Aside Requirement	618,231
Current Year Offset Credits	(942,751)
Qualifying Disbursements	<u>(3,770,485)</u>
Total	<u><u>(\$4,095,005)</u></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.

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PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 \$71,630 for services provided during the fiscal year. Financial information can be obtained from David Varda, 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 2019 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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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 2019 the District paid \$685 to the SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Gary Greenberg, 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

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2019

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

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019**

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, 2019.

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, 2019.

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, 2019 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, 2019 the District had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	\$311,605
Permanent Improvement Fund	1,635,963
Other Governmental Funds	271,470
Total Governmental Funds	\$2,219,038

At June 30, 2019 the District had the following contractual commitments:

Project	Remaining Contractual Commitment	Expected Date of Completion
Elementary school front entrance improvements	\$127,738	August 2019
High school roof replacement	476,744	August 2019
Tomahawk trail path project	48,963	August 2019
High school HVAC, cameras, safety equipment	958,272	August 2019
	\$1,611,717	

PIQUA CITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

PIQUA CITY SCHOOL DISTRICT

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

State Teachers Retirement System

	2015	2016	2017
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

	2015	2016	2017
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

<u>2018</u>	<u>2019</u>
0.1302409%	0.1337680%
\$30,938,998	\$29,412,576
\$13,969,771	\$15,910,686
221.47%	184.86%
75.30%	77.30%

<u>2018</u>	<u>2019</u>
0.1317167%	0.1385132%
\$7,869,786	\$7,932,908
\$4,375,521	\$4,498,015
179.86%	176.36%
69.50%	71.36%

PIQUA CITY SCHOOL DISTRICT

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

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

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

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



PIQUA CITY SCHOOL DISTRICT

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

State Teachers Retirement System

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

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

School Employees Retirement System

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

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

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

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

<u>2017</u>	<u>2018</u>	<u>2019</u>
\$0	\$0	\$0
<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
0.00%	0.00%	0.00%

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2019

NET PENSION LIABILITY

SERS

Changes in benefit terms – For fiscal year 2019, there were no changes to benefit terms. For fiscal year 2018, the following were the most significant changes in benefit 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.

Changes in assumptions – For fiscal year 2019, there were no changes in assumptions. For fiscal year 2018, there were no changes in assumptions.

STRS

Changes in benefit terms – For fiscal year 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.

Changes in assumptions – For fiscal year 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:

- 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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2019

NET OPEB LIABILITY (ASSET)

SERS

Changes in benefit terms – For fiscal year 2019, there were no changes to benefit terms. For fiscal year 2018, there were no changes to benefit terms.

Changes in assumptions – 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 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.

STRS

Changes in benefit terms – 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.

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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2019

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

Changes in assumptions – 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

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.

PIQUA CITY SCHOOL DISTRICT

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

PIQUA CITY SCHOOL DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

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

Public School Support Fund

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

Other Grant Fund

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

District Managed Activity Fund

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

Auxiliary Services Fund

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

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.

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.

(Continued)

PIQUA CITY SCHOOL DISTRICT

Special Revenue Funds (Continued)

Title I 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.

Permanent Fund

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

Permanent Fund

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

PIQUA CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Pooled Cash and Investments	\$ 1,669,288	\$ 59,765	\$ 1,729,053
Receivables:			
Taxes	174,533	0	174,533
Accounts	1,245	0	1,245
Intergovernmental	510,542	0	510,542
Total Assets	\$ 2,355,608	\$ 59,765	\$ 2,415,373
Liabilities:			
Accounts Payable	\$ 45,604	\$ 0	\$ 45,604
Accrued Wages and Benefits	196,234	0	196,234
Intergovernmental Payable	30,747	0	30,747
Interfund Loans Payable	156,890	0	156,890
Total Liabilities	429,475	0	429,475
Deferred Inflows of Resources:			
Unavailable Amounts	138,250	0	138,250
Property Tax Levy for Next Fiscal Year	146,238	0	146,238
Total Deferred Inflows of Resources	284,488	0	284,488
Fund Balance:			
Nonspendable	0	50,919	50,919
Restricted	1,650,095	8,846	1,658,941
Unassigned	(8,450)	0	(8,450)
Total Fund Balance	1,641,645	59,765	1,701,410
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 2,355,608	\$ 59,765	\$ 2,415,373

PIQUA CITY SCHOOL DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
Local Sources:			
Taxes	\$ 169,186	\$ 0	\$ 169,186
Investment Earnings	7,196	289	7,485
Extracurricular Activities	420,200	0	420,200
Intermediate Sources	29,142	0	29,142
Intergovernmental - State	184,096	0	184,096
Intergovernmental - Federal	1,943,196	0	1,943,196
All Other Revenue	82,049	0	82,049
Total Revenues	<u>2,835,065</u>	<u>289</u>	<u>2,835,354</u>
Expenditures:			
Current:			
Instruction	1,806,629	0	1,806,629
Supporting Services:			
Pupils	49,806	2,100	51,906
Instructional Staff	51,669	0	51,669
Fiscal Services	3,171	0	3,171
Operation and Maintenance of Plant	618	0	618
Pupil Transportation	8,908	0	8,908
Operation of Non-Instructional Services	187,411	0	187,411
Extracurricular Activities	530,360	0	530,360
Capital Outlay	75,318	0	75,318
Total Expenditures	<u>2,713,890</u>	<u>2,100</u>	<u>2,715,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	121,175	(1,811)	119,364
Other Financing Sources (Uses):			
Sale of Capital Assets	1,075	0	1,075
Total Other Financing Sources (Uses)	<u>1,075</u>	<u>0</u>	<u>1,075</u>
Net Change in Fund Balance	122,250	(1,811)	120,439
Fund Balance at Beginning of Year	<u>1,519,395</u>	<u>61,576</u>	<u>1,580,971</u>
Fund Balance End of Year	<u>\$ 1,641,645</u>	<u>\$ 59,765</u>	<u>\$ 1,701,410</u>

PIQUA CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019**

	<u>Other Grant</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Miscellaneous State Grants</u>
Assets:				
Pooled Cash and Investments	\$ 45,990	\$ 349,750	\$ 6,957	\$ 2,213
Receivables:				
Taxes	0	0	0	0
Accounts	0	1,245	0	0
Intergovernmental	0	0	0	0
Total Assets	<u>\$ 45,990</u>	<u>\$ 350,995</u>	<u>\$ 6,957</u>	<u>\$ 2,213</u>
Liabilities:				
Accounts Payable	\$ 196	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	0	6,550	0
Intergovernmental Payable	0	163	782	0
Interfund Loans Payable	0	0	0	0
Total Liabilities	<u>196</u>	<u>163</u>	<u>7,332</u>	<u>0</u>
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	0
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance:				
Restricted	45,794	350,832	0	2,213
Unassigned	0	0	(375)	0
Total Fund Balance (Deficit)	<u>45,794</u>	<u>350,832</u>	<u>(375)</u>	<u>2,213</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 45,990</u>	<u>\$ 350,995</u>	<u>\$ 6,957</u>	<u>\$ 2,213</u>

PIQUA CITY SCHOOL DISTRICT

Miscellaneous Federal Grants	IDEA-B	Title I	Classroom Facilities Maintenance	Title II-A	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 1,264,378	\$ 0	\$ 1,669,288
0	0	0	174,533	0	174,533
0	0	0	0	0	1,245
14,999	262,686	200,601	0	32,256	510,542
<u>\$ 14,999</u>	<u>\$ 262,686</u>	<u>\$ 200,601</u>	<u>\$ 1,438,911</u>	<u>\$ 32,256</u>	<u>\$ 2,355,608</u>
\$ 0	\$ 8,408	\$ 0	\$ 37,000	\$ 0	\$ 45,604
0	86,959	84,700	0	18,025	196,234
1,505	13,488	12,080	0	2,729	30,747
0	74,901	67,225	0	14,764	156,890
<u>1,505</u>	<u>183,756</u>	<u>164,005</u>	<u>37,000</u>	<u>35,518</u>	<u>429,475</u>
13,494	82,651	37,688	4,417	0	138,250
0	0	0	146,238	0	146,238
<u>13,494</u>	<u>82,651</u>	<u>37,688</u>	<u>150,655</u>	<u>0</u>	<u>284,488</u>
0	0	0	1,251,256	0	1,650,095
0	(3,721)	(1,092)	0	(3,262)	(8,450)
<u>0</u>	<u>(3,721)</u>	<u>(1,092)</u>	<u>1,251,256</u>	<u>(3,262)</u>	<u>1,641,645</u>
<u>\$ 14,999</u>	<u>\$ 262,686</u>	<u>\$ 200,601</u>	<u>\$ 1,438,911</u>	<u>\$ 32,256</u>	<u>\$ 2,355,608</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, 2019**

	<u>Other Grant</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Miscellaneous State Grants</u>
Revenues:				
Local Sources:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Investment Earnings	0	1,539	143	0
Extracurricular Activities	20	420,180	0	0
Intermediate Sources	29,142	0	0	0
Intergovernmental - State	0	0	116,867	44,147
Intergovernmental - Federal	0	0	0	0
All Other Revenue	15,796	65,881	372	0
Total Revenues	<u>44,958</u>	<u>487,600</u>	<u>117,382</u>	<u>44,147</u>
Expenditures:				
Current:				
Instruction	73,694	345	0	0
Supporting Services:				
Pupils	208	7,796	0	41,802
Instructional Staff	0	0	0	0
Fiscal Services	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	8,745	0	0
Operation of Non-Instructional Services	0	0	134,442	0
Extracurricular Activities	0	530,360	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>73,902</u>	<u>547,246</u>	<u>134,442</u>	<u>41,802</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(28,944)	(59,646)	(17,060)	2,345
Other Financing Sources (Uses):				
Sale of Capital Assets	0	1,075	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,075</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(28,944)	(58,571)	(17,060)	2,345
Fund Balance (Deficit) at Beginning of Year	<u>74,738</u>	<u>409,403</u>	<u>16,685</u>	<u>(132)</u>
Fund Balance (Deficit) End of Year	<u>\$ 45,794</u>	<u>\$ 350,832</u>	<u>\$ (375)</u>	<u>\$ 2,213</u>

PIQUA CITY SCHOOL DISTRICT

Miscellaneous Federal Grants	IDEA-B	Title I	Classroom Facilities Maintenance	Title II-A	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 169,186	\$ 0	\$ 169,186
0	0	0	5,514	0	7,196
0	0	0	0	0	420,200
0	0	0	0	0	29,142
0	0	0	23,082	0	184,096
59,202	811,471	904,683	0	167,840	1,943,196
0	0	0	0	0	82,049
<u>59,202</u>	<u>811,471</u>	<u>904,683</u>	<u>197,782</u>	<u>167,840</u>	<u>2,835,065</u>
56,868	674,951	849,728	0	151,043	1,806,629
0	0	0	0	0	49,806
50	16,976	34,643	0	0	51,669
0	0	0	3,171	0	3,171
0	0	0	618	0	618
163	0	0	0	0	8,908
2,122	22,523	22,689	0	5,635	187,411
0	0	0	0	0	530,360
0	0	0	75,318	0	75,318
<u>59,203</u>	<u>714,450</u>	<u>907,060</u>	<u>79,107</u>	<u>156,678</u>	<u>2,713,890</u>
(1)	97,021	(2,377)	118,675	11,162	121,175
0	0	0	0	0	1,075
0	0	0	0	0	1,075
(1)	97,021	(2,377)	118,675	11,162	122,250
1	(100,742)	1,285	1,132,581	(14,424)	1,519,395
<u>\$ 0</u>	<u>\$ (3,721)</u>	<u>\$ (1,092)</u>	<u>\$ 1,251,256</u>	<u>\$ (3,262)</u>	<u>\$ 1,641,645</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, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 16,524,613	\$ 16,397,899	\$ 16,397,899	\$ 0
Tuition	692,500	725,027	725,027	0
Transportation Fees	500,000	46,514	46,514	0
Investment Earnings	475,000	487,411	487,411	0
Class Material and Fees	118,400	94,951	94,951	0
Intergovernmental - State	20,644,853	20,545,648	20,545,648	0
Intergovernmental - Federal	700,000	696,749	696,749	0
All Other Revenues	<u>218,840</u>	<u>254,814</u>	<u>254,814</u>	<u>0</u>
Total Revenues	<u>39,874,206</u>	<u>39,249,013</u>	<u>39,249,013</u>	<u>0</u>
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	10,622,260	10,155,825	10,155,825	0
Fringe Benefits	4,302,024	4,186,008	4,186,008	0
Purchased Services	1,772,964	2,175,831	2,175,831	0
Supplies and Materials	575,409	636,845	636,845	0
Other Expenditures	150,000	0	0	0
Capital Outlay	<u>199,808</u>	<u>93,802</u>	<u>93,802</u>	<u>0</u>
Total Regular	17,622,465	17,248,311	17,248,311	0
Special:				
Salaries and Wages	1,288,851	1,518,198	1,518,198	0
Fringe Benefits	513,737	627,211	627,211	0
Purchased Services	3,172,869	3,362,967	3,362,967	0
Supplies and Materials	2,050	2,690	2,690	0
Other Expenditures	0	1,036	1,036	0
Capital Outlay	<u>5,000</u>	<u>4,545</u>	<u>4,545</u>	<u>0</u>
Total Special	4,982,507	5,516,647	5,516,647	0
Other:				
Fringe Benefits	0	823	823	0
Purchased Services	<u>479,676</u>	<u>271,675</u>	<u>271,675</u>	<u>0</u>
Total Other	<u>479,676</u>	<u>272,498</u>	<u>272,498</u>	<u>0</u>
Total Instructional Services	<u>23,084,648</u>	<u>23,037,456</u>	<u>23,037,456</u>	<u>0</u>

(Continued)

PIQUA CITY SCHOOL DISTRICT

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Support Services:				
Pupils:				
Salaries and Wages	1,147,370	1,097,687	1,097,687	0
Fringe Benefits	615,377	564,795	564,795	0
Purchased Services	523,564	852,834	852,834	0
Supplies and Materials	10,500	28,770	28,770	0
Capital Outlay	0	4,753	4,753	0
Total Pupils	<u>2,296,811</u>	<u>2,548,839</u>	<u>2,548,839</u>	<u>0</u>
Instructional Staff:				
Salaries and Wages	1,546,173	1,494,125	1,494,125	0
Fringe Benefits	859,335	846,862	846,862	0
Purchased Services	102,460	91,908	91,908	0
Supplies and Materials	45,191	43,314	43,314	0
Total Instructional Staff	<u>2,553,159</u>	<u>2,476,209</u>	<u>2,476,209</u>	<u>0</u>
Board of Education:				
Salaries and Wages	8,816	8,125	8,125	0
Fringe Benefits	3,632	1,755	1,755	0
Purchased Services	24,436	20,622	20,622	0
Total Board of Education	<u>36,884</u>	<u>30,502</u>	<u>30,502</u>	<u>0</u>
Administration:				
Salaries and Wages	1,638,634	1,579,633	1,579,633	0
Fringe Benefits	757,701	742,990	742,990	0
Purchased Services	285,698	385,840	385,840	0
Supplies and Materials	17,771	17,540	17,540	0
Other Expenditures	21,048	2,884	2,884	0
Capital Outlay	19,000	1,060	1,060	0
Total Administration	<u>2,739,852</u>	<u>2,729,947</u>	<u>2,729,947</u>	<u>0</u>
Fiscal Services:				
Salaries and Wages	334,567	364,223	364,223	0
Fringe Benefits	167,500	175,084	175,084	0
Purchased Services	8,149	66,113	66,113	0
Supplies and Materials	158	2,077	2,077	0
Other Expenditures	46,000	251,246	251,246	0
Capital Outlay	963	0	0	0
Total Fiscal Services	<u>557,337</u>	<u>858,743</u>	<u>858,743</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, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operation and Maintenance of Plant:				
Salaries and Wages	1,068,163	973,229	973,229	0
Fringe Benefits	487,861	472,125	472,125	0
Purchased Services	1,246,912	1,353,919	1,353,919	0
Supplies and Materials	121,238	272,727	272,727	0
Capital Outlay	28,000	3,200	3,200	0
Total Operation and Maintenance of Plant	2,952,174	3,075,200	3,075,200	0
Pupil Transportation:				
Salaries and Wages	846,252	830,375	830,375	0
Fringe Benefits	370,530	402,276	402,276	0
Purchased Services	132,267	137,397	137,397	0
Supplies and Materials	191,949	188,495	188,495	0
Other Expenditures	385	385	385	0
Capital Outlay	5,500	8,793	8,793	0
Total Pupil Transportation	1,546,883	1,567,721	1,567,721	0
Central:				
Salaries and Wages	174,169	166,741	166,741	0
Fringe Benefits	96,426	96,410	96,410	0
Purchased Services	42,989	28,568	28,568	0
Total Central	313,584	291,719	291,719	0
Total Support Services	12,996,684	13,578,880	13,578,880	0
Operation of Non-Instructional Services:				
Fringe Benefits	3,337	3,829	3,829	0
Purchased Services	226	4,715	4,715	0
Total Operation of Non-Instructional Services	3,563	8,544	8,544	0
Extracurricular Activities:				
Salaries and Wages	459,439	440,939	440,939	0
Fringe Benefits	76,291	76,293	76,293	0
Purchased Services	4,021	4,134	4,134	0
Total Extracurricular Activities	539,751	521,366	521,366	0
Total Expenditures	36,624,646	37,146,246	37,146,246	0
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	3,249,560	2,102,767	2,102,767	0

(Continued)

PIQUA CITY SCHOOL DISTRICT

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	0	86,359	86,359	0
Transfers Out	0	(2,086,359)	(2,086,359)	0
Advances In	0	157,612	157,612	0
Refund of Prior Year's Expenditures	121,740	152,291	152,291	0
Total Other Financing Sources (Uses):	121,740	(1,690,097)	(1,690,097)	0
 Net Change in Fund Balance	 3,371,300	 412,670	 412,670	 0
 Fund Balance at Beginning of Year	 15,503,293	 15,503,293	 15,503,293	 0
Prior Year Encumbrances	325,190	325,190	325,190	0
Fund Balance at End of Year	\$ 19,199,783	\$ 16,241,153	\$ 16,241,153	\$ 0

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Fiscal Year Ended June 30, 2019***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 3,165,338	\$ 3,165,338	\$ 0
Total Expenditures and Other Financing Uses	<u>2,982,391</u>	<u>2,982,391</u>	<u>0</u>
Net Change in Fund Balance	182,947	182,947	0
Fund Balance at Beginning of Year	<u>3,384,078</u>	<u>3,384,078</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,567,025</u>	<u>\$ 3,567,025</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Projects Fund
For the Fiscal Year Ended June 30, 2019***

PERMANENT IMPROVEMENT FUND

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Total Revenues and Other Financing Sources	\$ 3,090,490	\$ 3,090,490	\$ 0
Total Expenditures and Other Financing Uses	<u>6,443,252</u>	<u>6,443,252</u>	<u>0</u>
Net Change in Fund Balance	(3,352,762)	(3,352,762)	0
Fund Balance at Beginning of Year	4,822,933	4,822,933	0
Prior Year Encumbrances	<u>265,111</u>	<u>265,111</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,735,282</u>	<u>\$ 1,735,282</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 186,364	\$ 186,364	\$ 0
Total Expenditures and Other Financing Uses	131,276	131,276	0
Net Change in Fund Balance	55,088	55,088	0
Fund Balance at Beginning of Year	211,393	211,393	0
Prior Year Encumbrances	12,972	12,972	0
Fund Balance at End of Year	<u>\$ 279,453</u>	<u>\$ 279,453</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

	OTHER GRANT FUND		
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 44,958	\$ 44,958	\$ 0
Total Expenditures and Other Financing Uses	<u>76,664</u>	<u>76,664</u>	<u>0</u>
Net Change in Fund Balance	(31,706)	(31,706)	0
Fund Balance at Beginning of Year	73,436	73,436	0
Prior Year Encumbrances	<u>2,836</u>	<u>2,836</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 44,566</u>	<u>\$ 44,566</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 500,877</u>	<u>\$ 500,877</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>559,691</u>	<u>559,691</u>	<u>0</u>
Net Change in Fund Balance	(58,814)	(58,814)	0
Fund Balance at Beginning of Year	352,883	352,883	0
Prior Year Encumbrances	46,268	46,268	0
Fund Balance at End of Year	<u>\$ 340,337</u>	<u>\$ 340,337</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 132,377	\$ 132,377	\$ 0
Total Expenditures and Other Financing Uses	<u>155,940</u>	<u>155,940</u>	<u>0</u>
Net Change in Fund Balance	(23,563)	(23,563)	0
Fund Balance at Beginning of Year	10,597	10,597	0
Prior Year Encumbrances	<u>12,966</u>	<u>12,966</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

MISCELLANEOUS STATE GRANTS FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 45,100	\$ 45,100	\$ 0
Total Expenditures and Other Financing Uses	45,100	45,100	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

MISCELLANEOUS FEDERAL GRANTS FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 73,056	\$ 58,056	\$ (15,000)
Total Expenditures and Other Financing Uses	<u>59,561</u>	<u>59,561</u>	<u>0</u>
Net Change in Fund Balance	13,495	(1,505)	(15,000)
Fund Balance at Beginning of Year	(16)	(16)	0
Prior Year Encumbrances	16	16	0
Fund Balance at End of Year	<u>\$ 13,495</u>	<u>\$ (1,505)</u>	<u>\$ (15,000)</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

	IDEA-B FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 1,034,201</u>	<u>\$ 744,951</u>	<u>\$ (289,250)</u>
Total Expenditures and Other Financing Uses	<u>837,347</u>	<u>837,347</u>	<u>0</u>
Net Change in Fund Balance	196,854	(92,396)	(289,250)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 196,854</u></u>	<u><u>\$ (92,396)</u></u>	<u><u>\$ (289,250)</u></u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

	TITLE I FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 1,129,521	\$ 917,073	\$ (212,448)
Total Expenditures and Other Financing Uses	<u>1,000,579</u>	<u>1,000,579</u>	<u>0</u>
Net Change in Fund Balance	128,942	(83,506)	(212,448)
Fund Balance at Beginning of Year	(4,944)	(4,944)	0
Prior Year Encumbrances	4,944	4,944	0
Fund Balance at End of Year	<u>\$ 128,942</u>	<u>\$ (83,506)</u>	<u>\$ (212,448)</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

CLASSROOM FACILITIES MAINTENANCE FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 196,172	\$ 196,172	\$ 0
Total Expenditures and Other Financing Uses	<u>255,289</u>	<u>255,289</u>	<u>0</u>
Net Change in Fund Balance	(59,117)	(59,117)	0
Fund Balance at Beginning of Year	1,093,638	1,093,638	0
Prior Year Encumbrances	16,675	16,675	0
Fund Balance at End of Year	<u>\$ 1,051,196</u>	<u>\$ 1,051,196</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2019***

	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	\$ 190,859	\$ 145,491	\$ (45,368)
Total Expenditures and Other Financing Uses	<u>160,255</u>	<u>160,255</u>	<u>0</u>
Net Change in Fund Balance	30,604	(14,764)	(45,368)
Fund Balance at Beginning of Year	(252)	(252)	0
Prior Year Encumbrances	252	252	0
Fund Balance at End of Year	<u>\$ 30,604</u>	<u>\$ (14,764)</u>	<u>\$ (45,368)</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Fiscal Year Ended June 30, 2019***

	PERMANENT FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	<u>\$ 389</u>	<u>\$ 389</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>5,200</u>	<u>5,200</u>	<u>0</u>
Net Change in Fund Balance	(4,811)	(4,811)	0
Fund Balance at Beginning of Year	59,526	59,526	0
Prior Year Encumbrances	<u>2,050</u>	<u>2,050</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 56,765</u>	<u>\$ 56,765</u>	<u>\$ 0</u>

PIQUA CITY SCHOOL DISTRICT

Fiduciary Funds

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

Agency Funds

Student Managed Activity Fund

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

Ohio High School Athletic Association (OHSAA) Tournament Fund

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

PIQUA CITY SCHOOL DISTRICT

**Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019**

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$53,354	\$68,491	(\$58,618)	\$63,227
Total Assets	<u>\$53,354</u>	<u>\$68,491</u>	<u>(\$58,618)</u>	<u>\$63,227</u>
Liabilities:				
Accounts Payable	\$1,065	\$0	(\$1,065)	\$0
Due to Students	52,289	68,491	(57,553)	63,227
Total Liabilities	<u>\$53,354</u>	<u>\$68,491</u>	<u>(\$58,618)</u>	<u>\$63,227</u>
<u>OHSAA Tournament Fund</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$184,681	(\$184,681)	\$0
Due from Others	2,975	450	(2,975)	450
Total Assets	<u>\$2,975</u>	<u>\$185,131</u>	<u>(\$187,656)</u>	<u>\$450</u>
Liabilities:				
Accrued Wages and Benefits	\$2,975	\$450	(\$2,975)	\$450
Due to Others	0	184,681	(184,681)	0
Total Liabilities	<u>\$2,975</u>	<u>\$185,131</u>	<u>(\$187,656)</u>	<u>\$450</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$53,354	\$253,172	(\$243,299)	\$63,227
Due from Others	2,975	450	(2,975)	450
Total Assets	<u>\$56,329</u>	<u>\$253,622</u>	<u>(\$246,274)</u>	<u>\$63,677</u>
Liabilities:				
Accounts Payable	\$1,065	\$0	(\$1,065)	\$0
Accrued Wages and Benefits	2,975	450	(2,975)	450
Due to Others	0	184,681	(184,681)	0
Due to Students	52,289	68,491	(57,553)	63,227
Total Liabilities	<u>\$56,329</u>	<u>\$253,622</u>	<u>(\$246,274)</u>	<u>\$63,677</u>

STATISTICAL SECTION



STATISTICAL TABLES

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Financial Trends	S 2– S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
Revenue Capacity	S 14 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source, the property tax.	
Debt Capacity	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Economic and Demographic Information	S 30 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 34 – S 47
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.	

Piqua City School District

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

	2010	2011	2012	2013
Governmental Activities:				
Net Investment in Capital Assets	\$18,168,187	\$18,928,936	\$19,340,046	\$21,394,368
Restricted for:				
Capital Projects	2,082,762	2,589,369	27,756,367	26,783,068
Debt Service	857,711	942,770	2,070,747	2,198,752
Federal and State Programs	580,141	912,316	328,593	581,067
Permanent Fund:				
Expendable	23,050	21,902	21,002	20,841
Nonexpendable	43,919	44,184	44,919	44,919
Unrestricted	7,370,622	7,867,316	8,964,093	9,149,244
Total Governmental Activities Net Position	<u>\$29,126,392</u>	<u>\$31,306,793</u>	<u>\$58,525,767</u>	<u>\$60,172,259</u>
Business-type Activities:				
Net Investment in Capital Assets	\$327,699	\$315,934	\$297,028	\$268,486
Unrestricted	801,579	1,081,342	1,271,588	1,271,971
Total Business-type Activities Net Position	<u>\$1,129,278</u>	<u>\$1,397,276</u>	<u>\$1,568,616</u>	<u>\$1,540,457</u>
Primary Government:				
Net Investment in Capital Assets	\$18,495,886	\$19,244,870	\$19,637,074	\$21,662,854
Restricted	3,587,583	4,510,541	30,221,628	29,628,647
Unrestricted	8,172,201	8,948,658	10,235,681	10,421,215
Total Primary Government Net Position	<u>\$30,255,670</u>	<u>\$32,704,069</u>	<u>\$60,094,383</u>	<u>\$61,712,716</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

*	*		*		
2014	2015	2016	2017	2018	2019
\$16,365,362	\$35,412,859	\$35,233,032	\$36,332,681	\$38,694,689	\$43,006,160
28,663,014	8,580,230	4,659,193	4,995,248	0	24,849
2,224,714	2,813,093	2,957,907	4,150,656	3,547,836	3,780,823
1,273,869	1,161,290	1,670,987	1,986,848	1,765,039	1,788,345
18,712	17,620	15,552	13,524	10,657	8,846
45,919	46,919	47,919	48,919	50,919	50,919
(28,068,377)	(25,013,950)	(21,576,352)	(33,855,602)	(12,401,506)	(9,951,116)
<u>\$20,523,213</u>	<u>\$23,018,061</u>	<u>\$23,008,238</u>	<u>\$13,672,274</u>	<u>\$31,667,634</u>	<u>\$38,708,826</u>
\$207,011	\$483,878	\$431,625	\$401,600	\$349,058	\$458,749
616,706	620,896	688,066	(19,148)	(12,479)	(112,029)
<u>\$823,717</u>	<u>\$1,104,774</u>	<u>\$1,119,691</u>	<u>\$382,452</u>	<u>\$336,579</u>	<u>\$346,720</u>
\$16,572,373	\$35,896,737	\$35,664,657	\$36,734,281	\$39,043,747	\$43,464,909
32,226,228	12,619,152	9,351,558	11,195,195	5,374,451	5,653,782
(27,451,671)	(24,393,054)	(20,888,286)	(33,874,750)	(12,413,985)	(10,063,145)
<u>\$21,346,930</u>	<u>\$24,122,835</u>	<u>\$24,127,929</u>	<u>\$14,054,726</u>	<u>\$32,004,213</u>	<u>\$39,055,546</u>

Piqua City School District

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

	2010	2011	2012	2013
Expenses				
Governmental Activities:				
Instruction	\$20,847,397	\$21,406,030	\$22,684,939	\$22,155,945
Support Services:				
Pupils	1,526,170	1,491,789	1,335,557	870,161
Instructional Staff	2,064,970	2,034,765	2,120,361	2,164,903
Board of Education	29,714	23,825	24,845	30,160
Administration	2,377,327	2,390,523	2,291,914	2,318,480
Fiscal Services	400,031	629,529	658,690	682,210
Business	26,713	2,338	6,432	261
Operation and Maintenance of Plant	2,883,562	3,018,583	2,775,724	2,912,605
Pupil Transportation	1,432,056	1,522,099	1,722,426	1,677,670
Central	314,184	269,213	302,710	228,016
Operation of Non-Instructional Services	148,034	301,869	257,682	189,833
Extracurricular Activities	845,301	915,886	875,739	919,219
Interest and Fiscal Charges	493,693	493,346	1,223,052	1,839,145
<i>Total Governmental Activities Expenses</i>	<u>33,389,152</u>	<u>34,499,795</u>	<u>36,280,071</u>	<u>35,988,608</u>
Business-type Activities:				
Food Service	1,762,234	1,677,921	1,774,101	1,809,390
TV Station	0	0	0	0
<i>Total Business-type Activities Expenses</i>	<u>1,762,234</u>	<u>1,677,921</u>	<u>1,774,101</u>	<u>1,809,390</u>
<i>Total Primary Government Expenses</i>	<u><u>\$35,151,386</u></u>	<u><u>\$36,177,716</u></u>	<u><u>\$38,054,172</u></u>	<u><u>\$37,797,998</u></u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$294,387	\$291,930	\$293,716	\$540,703
Support Services:				
Pupils	124	52	35	39
Pupil Transportation	49,100	49,763	51,565	45,884
Extracurricular Activities	425,665	425,579	344,182	379,305
Operating Grants and Contributions	4,265,347	4,526,847	3,452,569	2,825,291
Capital Grants and Contributions	0	0	25,793,854	0
<i>Total Governmental Activities</i>	<u>5,034,623</u>	<u>5,294,171</u>	<u>29,935,921</u>	<u>3,791,222</u>
<i>Program Revenues</i>	<u>5,034,623</u>	<u>5,294,171</u>	<u>29,935,921</u>	<u>3,791,222</u>

Piqua City School District

2014	2015	2016	2017	2018	2019
\$21,934,785	\$23,167,197	\$23,331,406	\$26,077,417	\$12,942,670	\$22,854,305
972,157	1,105,305	1,281,827	2,228,050	1,370,196	2,438,201
1,715,488	2,929,248	2,019,011	2,294,068	2,031,739	2,392,598
40,625	40,010	41,484	37,803	37,823	27,235
2,480,794	2,695,336	2,380,233	2,756,091	1,307,444	2,498,617
660,369	687,199	672,639	869,154	838,096	901,620
263	503	491	580	580	580
2,812,103	3,166,532	6,566,039	3,569,768	4,040,176	2,524,505
1,679,345	1,580,322	1,653,836	1,784,827	1,469,981	1,773,964
236,868	1,369,176	2,106,009	2,024,940	1,952,871	1,937,323
136,472	191,076	180,753	531,216	195,287	207,216
937,821	985,661	898,912	1,018,618	667,304	1,039,743
1,554,211	1,419,981	1,287,472	1,256,588	1,214,058	1,177,519
<u>35,161,301</u>	<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>
1,697,492	1,772,835	1,618,415	1,849,949	1,660,399	1,556,983
0	0	0	563	56,734	107,231
<u>1,697,492</u>	<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>\$36,858,793</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>
\$836,070	\$680,563	\$704,407	\$835,657	\$784,111	\$912,195
71	108	82	122	183	289
46,213	49,931	45,393	49,826	44,754	42,001
362,582	517,498	404,401	469,922	432,246	420,200
3,097,272	5,283,836	3,710,040	4,076,841	3,763,058	5,902,468
0	6,000	0	178,258	0	0
<u>4,342,208</u>	<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>

(Continued)

Piqua City School District

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

	2010	2011	2012	2013
Business-type Activities:				
Charges for Services				
Food Service	613,175	546,857	536,698	474,457
TV Station	0	0	0	0
Operating Grants and Contributions	1,074,209	1,399,062	1,408,743	1,306,774
<i>Total Business-type</i>				
<i>Activities Program Revenues</i>	1,687,384	1,945,919	1,945,441	1,781,231
<i>Total Primary Government</i>				
<i>Program Revenues</i>	6,722,007	7,240,090	31,881,362	5,572,453
Net (Expense)/Revenue				
Governmental Activities	(28,354,529)	(29,205,624)	(6,344,150)	(32,197,386)
Business-type Activities	(74,850)	267,998	171,340	(28,159)
<i>Total Primary Government</i>				
<i>Net (Expense)/Revenue</i>	(\$28,429,379)	(\$28,937,626)	(\$6,172,810)	(\$32,225,545)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$8,884,069	\$9,751,326	\$9,013,333	\$8,829,511
Facilities Maintenance	0	0	144,359	195,212
Debt Service	840,002	900,216	2,065,576	2,281,813
Capital Outlay	929,187	1,015,252	930,571	917,366
Income Taxes	4,494,674	4,724,090	4,922,054	5,390,586
Intergovernmental, Unrestricted	13,925,534	14,444,884	15,954,919	15,601,233
Investment Earnings	(134,954)	302,254	95,818	156,983
Miscellaneous	314,520	248,003	436,494	471,174
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	29,253,032	31,386,025	33,563,124	33,843,878
Business-type Activities:				
Miscellaneous	0	0	0	0
Transfers	0	0	0	0
<i>Total Business-type Activities</i>	0	0	0	0
<i>Total Primary Government</i>	\$29,253,032	\$31,386,025	\$33,563,124	\$33,843,878
Change in Net Position				
Governmental Activities	898,503	2,180,401	27,218,974	1,646,492
Business-type Activities	(74,850)	267,998	171,340	(28,159)
<i>Total Primary Government</i>				
<i>Change in Net Position</i>	\$823,653	\$2,448,399	\$27,390,314	\$1,618,333

Source: District Treasurer's Office

Piqua City School District

2014	2015	2016	2017	2018	2019
405,110	384,424	469,789	397,791	399,101	399,553
0	0	0	0	77,325	62,360
<u>1,262,409</u>	<u>1,237,888</u>	<u>1,163,543</u>	<u>1,136,358</u>	<u>1,194,834</u>	<u>1,192,942</u>
<u>1,667,519</u>	<u>1,622,312</u>	<u>1,633,332</u>	<u>1,534,149</u>	<u>1,671,260</u>	<u>1,654,855</u>
<u>6,009,727</u>	<u>8,160,248</u>	<u>6,497,655</u>	<u>7,144,775</u>	<u>6,695,612</u>	<u>8,932,008</u>
(30,819,093)	(32,799,610)	(37,555,789)	(38,838,494)	(23,043,873)	(32,496,273)
(29,973)	(150,523)	14,917	(316,363)	(45,873)	(9,359)
<u>(\$30,849,066)</u>	<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>
\$9,384,129	\$9,135,206	\$9,016,592	\$9,581,540	\$10,020,733	\$9,886,732
169,789	161,123	158,350	165,267	171,503	168,621
2,331,814	2,233,206	2,224,789	2,348,637	2,381,044	2,282,618
938,183	898,235	883,256	927,938	965,147	948,581
5,457,157	5,624,996	5,947,908	6,020,378	6,673,002	6,720,246
16,297,871	17,551,947	18,509,553	19,912,421	20,087,152	18,284,577
239,157	434,987	270,484	75,389	215,402	857,439
306,281	196,726	535,034	753,230	525,250	408,151
0	(431,580)	0	0	0	(19,500)
<u>35,124,381</u>	<u>35,804,846</u>	<u>37,545,966</u>	<u>39,784,800</u>	<u>41,039,233</u>	<u>39,537,465</u>
0	0	0	1,052	0	0
0	431,580	0	0	0	19,500
0	431,580	0	1,052	0	19,500
<u>\$35,124,381</u>	<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>
4,305,288	3,005,236	(9,823)	946,306	17,995,360	7,041,192
(29,973)	281,057	14,917	(315,311)	(45,873)	10,141
<u>\$4,275,315</u>	<u>\$3,286,293</u>	<u>\$5,094</u>	<u>\$630,995</u>	<u>\$17,949,487</u>	<u>\$7,051,333</u>

Piqua City School District

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

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

Source: District Treasurer's Office

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

* As restated due to GASB 54 implementation

Piqua City School District

2015	2016	2017	2018	2019
\$1,444	\$0	\$29,589	\$32,419	\$38,790
0	0	0	0	0
710,243	1,062,004	504,741	494,547	550,326
11,793,972	15,205,904	15,784,919	16,190,381	17,042,132
0	0	0	0	0
0	0	0	0	0
<u>12,505,659</u>	<u>16,267,908</u>	<u>16,319,249</u>	<u>16,717,347</u>	<u>17,631,248</u>
46,919	47,919	48,919	50,919	50,919
12,133,198	8,826,335	10,657,246	5,291,099	5,544,222
0	0	0	5,208,765	3,483,759
94,558	0	0	0	0
(85,760)	(438,556)	(258,884)	(115,298)	(8,450)
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>12,188,915</u>	<u>8,435,698</u>	<u>10,447,281</u>	<u>10,435,485</u>	<u>9,070,450</u>
<u>\$24,694,574</u>	<u>\$24,703,606</u>	<u>\$26,766,530</u>	<u>\$27,152,832</u>	<u>\$26,701,698</u>

Piqua City School District

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

	2010	2011	2012	2013
Revenues:				
Local Sources:				
Taxes	\$15,142,143	\$16,378,456	\$17,066,075	\$17,828,558
Tuition	3,625	3,980	2,980	258,696
Transportation Fees	49,100	49,763	51,565	45,884
Investment Earnings	(165,964)	281,495	70,250	145,746
Extracurricular Activities	588,007	588,873	516,971	538,415
Class Materials and Fees	128,420	124,656	117,947	122,897
Intermediate Sources	46,692	33,062	18,594	50,857
Intergovernmental - State	14,051,556	14,590,761	17,007,252	22,106,018
Intergovernmental - Federal	3,993,343	4,394,062	3,270,878	2,662,927
All Other Revenue	314,520	248,003	436,494	471,174
Total Revenues	34,151,442	36,693,111	38,559,006	44,231,172
Expenditures:				
Current:				
Instruction	19,869,739	21,059,021	21,694,021	21,616,288
Supporting Services:				
Pupils	1,474,825	1,498,317	1,331,123	934,030
Instructional Staff	1,999,864	2,004,830	2,084,488	2,130,850
Board of Education	29,714	23,825	24,845	30,160
Administration	2,258,046	2,404,543	2,293,806	2,269,621
Fiscal Services	393,654	625,762	654,313	678,113
Business	30,502	2,338	6,432	261
Operation and Maintenance of Plant	2,873,207	2,966,605	2,732,303	2,618,058
Pupil Transportation	1,638,063	1,368,692	1,563,661	1,535,300
Central	313,907	268,299	294,528	217,670
Operation of Non-Instructional Services	165,805	300,829	255,659	187,306
Extracurricular Activities	792,759	838,102	792,826	836,366
Capital Outlay	437,616	1,235,638	3,532,815	3,603,325
Debt Service:				
Principal Retirement	753,801	710,000	29,831,000	1,395,000
Interest and Fiscal Charges	313,420	292,868	954,701	1,676,566
Total Expenditures	33,344,922	35,599,669	68,046,521	39,728,914
Excess (Deficiency) of Revenues Over (Under) Expenditures	806,520	1,093,442	(29,487,515)	4,502,258

Piqua City School District

2014	2015	2016	2017	2018	2019
\$18,257,962	\$18,064,013	\$18,111,354	\$19,138,691	\$20,316,226	\$20,047,884
536,811	463,230	499,535	634,995	577,358	725,027
46,213	49,931	45,393	49,826	44,754	42,001
227,194	425,359	270,566	75,511	207,860	844,086
533,590	608,087	486,277	547,708	528,297	512,417
128,251	126,744	122,996	122,876	110,702	94,951
48,494	51,900	9,829	222,887	47,903	29,142
30,560,017	24,443,198	19,662,848	20,958,329	21,156,167	21,261,548
2,081,121	3,122,369	2,547,922	2,948,613	3,051,764	2,887,886
306,281	196,726	535,034	753,230	525,250	408,151
<u>52,725,934</u>	<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>
22,024,698	23,352,039	23,326,291	24,251,042	24,987,579	25,371,710
976,990	1,146,716	1,317,598	2,109,129	2,250,423	2,621,386
1,708,970	2,982,462	1,976,444	2,159,597	2,739,503	2,486,528
40,625	40,010	41,484	37,803	37,823	27,235
2,383,929	2,746,871	2,377,320	2,891,760	2,580,850	2,708,243
661,744	690,556	675,986	826,190	896,098	906,853
263	0	0	0	0	0
2,770,650	3,171,345	2,741,635	3,172,949	2,872,142	2,858,595
1,571,452	1,654,442	1,573,094	1,721,063	1,567,424	1,979,102
246,910	207,876	233,052	336,346	296,315	281,296
133,943	196,312	170,791	521,985	187,591	194,171
855,359	981,075	882,549	930,781	934,743	1,051,849
26,266,836	20,408,370	4,109,029	1,541,419	3,863,645	3,842,679
1,480,000	6,528,749	1,661,555	1,661,954	1,708,192	1,754,487
1,444,155	1,430,754	1,336,756	1,300,988	1,258,850	1,221,168
<u>62,566,524</u>	<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>
(9,840,590)	(17,986,020)	(131,830)	1,989,660	385,103	(452,209)

(Continued)

Piqua City School District

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

	2010	2011	2012	2013
Other Financing Sources (Uses):				
Sale of Capital Assets	0	2,292	0	0
Certificates of Participation Issued	0	3,770,000	0	0
General Obligation Notes Issued	0	0	29,086,000	0
General Obligation Bonds Issued	0	0	29,030,000	0
Premium on General Obligation Bonds Issued	0	0	361,265	0
Refunding Bonds Issued	0	0	0	0
Other Financing Sources - Capital Leases	0	0	0	0
Transfers In	0	0	300,079	302,982
Transfers Out	0	0	(300,079)	(302,982)
Total Other Financing Sources (Uses)	<u>0</u>	<u>3,772,292</u>	<u>58,477,265</u>	<u>0</u>
Net Change in Fund Balance	<u>\$806,520</u>	<u>\$4,865,734</u>	<u>\$28,989,750</u>	<u>\$4,502,258</u>
 Debt Service as a Percentage of Noncapital Expenditures	 3.28%	 2.97%	 47.75%	 8.45%

Source: District Treasurer's Office

Piqua City School District

2014	2015	2016	2017	2018	2019
1,000	6,987	0	73,264	1,199	1,075
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	245,182	0	0	0	0
0	4,865,000	0	0	0	0
0	0	142,306	0	0	0
0	703,046	418,032	4,127,223	3,868,457	2,250,000
0	(703,046)	(418,032)	(4,127,223)	(3,868,457)	(2,250,000)
<u>1,000</u>	<u>5,117,169</u>	<u>142,306</u>	<u>73,264</u>	<u>1,199</u>	<u>1,075</u>
<u>(\$9,839,590)</u>	<u>(\$12,868,851)</u>	<u>\$10,476</u>	<u>\$2,062,924</u>	<u>\$386,302</u>	<u>(\$451,134)</u>
8.24%	17.89%	7.12%	7.06%	6.81%	6.98%

Piqua City School District

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

Tax year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Real Property				
Assessed	\$413,598,800	\$400,859,150	\$396,188,850	\$397,123,530
Actual	1,181,710,857	1,145,311,857	1,131,968,143	1,134,638,657
Public Utility				
Assessed	4,709,220	4,912,550	5,109,850	5,745,070
Actual	13,454,914	14,035,857	14,599,571	16,414,486
Tangible Personal Property				
Assessed	641,520	305,640	0	0
Actual	6,415,200	6,112,800	0	0
Total				
Assessed	418,949,540	406,077,340	401,298,700	402,868,600
Actual	1,201,580,971	1,165,460,514	1,146,567,714	1,151,053,143
Assessed Value as a Percentage of Actual Value	34.87%	34.84%	35.00%	35.00%
Total Direct Tax Rate	44.87	44.95	49.87	49.88

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 2009 and forward.

Additionally, telephone and telecommunications property was reclassified to general business personal property and assessed at 10% for 2009, 5% for 2010 and 0% for 2011 and forward.

Piqua City School District

2013	2014	2015	2016	2017	2018
\$371,221,370	\$369,583,590	\$377,749,340	\$380,414,560	\$382,380,920	\$384,567,020
1,060,632,486	1,055,953,114	1,079,283,829	1,086,898,743	1,092,516,914	1,098,762,914
5,843,490	6,167,950	6,902,690	7,570,670	8,085,240	8,979,590
16,695,686	17,622,714	19,721,971	21,630,486	23,100,686	25,655,971
0	0	0	0	0	0
0	0	0	0	0	0
377,064,860	375,751,540	384,652,030	387,985,230	390,466,160	393,546,610
1,077,328,171	1,073,575,829	1,099,005,800	1,108,529,229	1,115,617,600	1,124,418,886
35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
50.45	50.46	50.52	50.41	50.38	50.05

Piqua City School District

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

	2009	2010	2011	2012	2013
Direct District Rates					
General Fund	39.72	39.80	39.80	39.80	40.22
Bond Retirement Fund	2.35	2.35	7.27	7.28	6.93
Permanent Improvement Fund	2.80	2.80	2.80	2.80	3.30
Total	44.87	44.95	49.87	49.88	50.45
Overlapping Rates					
City of Piqua	4.42	4.42	4.42	4.42	4.42
Joint Vocational School	5.36	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	2.30	4.80	4.80	4.80	4.80
Washington Township	5.10	5.10	5.10	5.10	5.10
Piqua Library	0.00	0.00	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

2014	2015	2016	2017	2018
40.23	40.16	40.16	40.38	40.17
6.93	7.06	6.95	6.70	6.58
3.30	3.30	3.30	3.30	3.30
<u>50.46</u>	<u>50.52</u>	<u>50.41</u>	<u>50.38</u>	<u>50.05</u>
4.47	4.49	4.56	4.50	4.48
5.32	5.32	5.26	5.22	4.90
8.81	8.81	8.82	9.22	9.22
0.50	0.50	0.50	0.50	0.50
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 2018		
		Assessed Value	Rank	Percent of Total Assessed Value
Vectren Energy	Natural Gas	\$4,095,080	1	1.04%
Harvey A Tolson Enterprises	Real Estate	3,516,520	2	0.89%
Dayton Power and Light Co.	Electricity	2,577,920	3	0.66%
Wal-Mart	Retail	2,537,500	4	0.64%
Miami Valley Realty	Real Estate	2,324,250	5	0.59%
Pioneer Rural Electric	Electricity	2,118,280	6	0.54%
Teeters Real Estate	Real Estate	2,069,550	7	0.53%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	1,967,950	8	0.50%
MVM Center LLC	Real Estate	1,869,260	9	0.47%
Hartzell Propeller Inc.	Aircraft Propeller Design	1,849,600	10	0.47%
Subtotal		24,925,910		6.33%
All Others		368,620,700		93.67%
Total		<u>\$393,546,610</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 2009		
		Assessed Value	Rank	Percent of Total Assessed Value
Midamco	Hospitality	\$9,672,770	1	2.31%
Harvey A Tolson Enterprises	Real Estate	3,724,630	2	0.89%
Wal-Mart	Retail	3,180,870	3	0.76%
Miami Valley Realty	Real Estate	2,324,010	4	0.56%
City of Piqua Downtown Redevelopment Project LP	Real Estate	2,191,110	5	0.52%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,161,150	6	0.52%
Med-Terra Inc.	Real Estate	2,142,380	7	0.51%
Home Depot Inc.	Retail	2,096,970	8	0.50%
Jackson Tube	Manufacturer - Steel Tubing	1,960,010	9	0.47%
Centro LLC	Digital Media and Technology	1,447,120	10	0.35%
Subtotal		30,901,020		7.39%
All Others		387,407,000		92.61%
Total		<u>\$418,308,020</u>		<u>100.00%</u>

Source: Miami County Auditor - Land and Buildings

Based on valuation of property in 2018 and 2009

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

Piqua City School District

*Property Tax Levies and Collections
Last Ten Years*

Collection Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Tax Levy	\$12,524,772	\$12,544,610	\$12,837,246	\$14,469,502
Collections within the Fiscal Year of the Levy				
Current Tax Collections	12,097,727	12,145,139	12,454,909	14,060,718
Percent of Levy Collected	96.59%	96.82%	97.02%	97.17%
Delinquent Tax Collections (1)	<u>458,414</u>	<u>482,501</u>	<u>432,918</u>	<u>422,679</u>
Total Tax Collections	12,556,141	12,627,640	12,887,827	14,483,397
Percent of Total Tax Collections To Tax Levy	100.25%	100.66%	100.39%	100.10%
Accumulated Outstanding Delinquent Taxes	1,214,881	1,231,409	1,172,973	1,140,871
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	9.70%	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
\$14,375,763	\$14,466,849	\$14,569,702	\$14,621,570	\$14,949,067	\$15,022,207
13,864,575	13,981,355	14,083,891	14,169,998	14,585,137	14,660,709
96.44%	96.64%	96.67%	96.91%	97.57%	97.59%
481,497	487,500	548,675	544,794	494,998	443,029
14,346,072	14,468,855	14,632,566	14,714,792	15,080,135	15,103,738
99.79%	100.01%	100.43%	100.64%	100.88%	100.54%
1,029,644	1,033,559	1,016,671	979,822	858,618	795,848
7.16%	7.14%	6.98%	6.70%	5.74%	5.30%

Piqua City School District

Ratios of Outstanding Debt by Type Last Ten Years

	2010	2011	*	2012	2013
Governmental Activities (1)					
Certificates of Participation	\$0	\$3,770,000		\$3,770,000	\$3,770,000
General Obligation Bonds Payable	8,262,560	7,672,565		36,751,472	35,454,737
Capital Leases	0	0		0	0
Total Primary Government	<u>\$8,262,560</u>	<u>\$11,442,565</u>		<u>\$40,521,472</u>	<u>\$39,224,737</u>
Population (2)					
Piqua City	20,551	20,522		20,592	20,619
Outstanding Debt Per Capita	\$402	\$558		\$1,968	\$1,902
Income (3) (a)					
Personal (in thousands)	\$717,661	\$718,824		\$784,493	\$836,492
Percentage of Personal Income	1.15%	1.59%		5.17%	4.69%

* 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

2014	2015	2016	2017	2018	2019
\$3,770,000	\$3,770,000	\$3,770,000	\$3,770,000	\$3,770,000	\$3,770,000
34,043,453	32,507,741	30,805,803	29,108,865	27,366,927	25,579,989
0	0	120,751	93,797	65,605	36,118
<u>\$37,813,453</u>	<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>
20,699	20,759	20,790	20,906	20,987	21,200
\$1,827	\$1,748	\$1,669	\$1,577	\$1,487	\$1,386
\$847,914	\$854,627	\$868,627	\$938,178	\$902,126	\$961,208
4.46%	4.24%	3.99%	3.51%	3.46%	3.06%

Piqua City School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2010	2011	2012*	2013
Population ⁽¹⁾	20,551	20,522	20,592	20,619
Estimated Actual Value	1,201,580,971	1,165,460,514	1,146,567,714	1,151,053,143
General Bonded Debt ⁽²⁾				
General Obligation Bonds	8,262,560	7,672,565	36,751,472	35,454,737
Resources Available to Pay Principal ⁽³⁾	857,711	942,770	2,070,747	2,198,752
Net General Bonded Debt	7,404,849	6,729,795	34,680,725	33,255,985
Ratio of Net Bonded Debt to Estimated Actual Value	0.62%	0.58%	3.02%	2.89%
Net Bonded Debt per Capita	360	328	1,684	1,613

* 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

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
20,699	20,759	20,790	20,906	20,987	21,200
1,077,328,171	1,073,575,829	1,099,005,800	1,108,529,229	1,115,617,600	1,124,418,886
34,043,453	32,507,741	30,805,803	29,108,865	27,366,927	25,579,989
2,224,714	2,813,093	2,957,907	4,150,656	3,547,836	3,780,823
31,818,739	29,694,648	27,847,896	24,958,209	23,819,091	21,799,166
2.95%	2.77%	2.53%	2.25%	2.14%	1.94%
1,537	1,430	1,339	1,194	1,135	1,028



Piqua City School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2019*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Piqua City School District (1)	Amount Applicable to Piqua City School District
Direct:			
Piqua City School District	\$29,386,107	100.00%	\$29,386,107
Overlapping:			
Miami County	12,983,563	16.88%	<u>2,191,625</u>
		Subtotal	<u>2,191,625</u>
		Total	<u><u>\$31,577,732</u></u>

Source: Ohio Municipal Advisory Council, June 2019

(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*

	*			
	2010	2011	2012	2013
Net Assessed Valuation	\$418,949,540	\$406,077,340	\$401,298,700	\$402,868,600
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	37,705,459	36,546,961	36,116,883	36,258,174
Applicable District Debt Outstanding	8,262,560	7,672,565	36,751,472	35,454,737
Less: Applicable Debt Service Fund Amounts (2)	<u>(844,123)</u>	<u>(924,162)</u>	<u>(2,186,831)</u>	<u>(2,297,573)</u>
Net Indebtedness Subject to Limitation	<u>7,418,437</u>	<u>6,748,403</u>	<u>34,564,641</u>	<u>33,157,164</u>
Overall Legal Debt Margin	<u>\$30,287,022</u>	<u>\$29,798,558</u>	<u>\$1,552,242</u>	<u>\$3,101,010</u>
Debt Margin as a Percentage of Debt Limit	80.33%	81.53%	4.30%	8.55%
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	418,950	406,077	401,299	402,869
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$418,950</u>	<u>\$406,077</u>	<u>\$401,299</u>	<u>\$402,869</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,770,546	3,654,696	3,611,688	3,625,817
Applicable District Debt Outstanding	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Energy Conservation Loans Legal Debt Margin	<u>\$3,770,546</u>	<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
\$377,064,860	\$375,751,540	\$384,652,030	\$387,985,230	\$390,466,160	\$393,546,610
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
34,043,453	32,507,741	30,805,803	28,665,000	26,985,000	25,260,000
(2,320,114)	(2,813,093)	(2,957,907)	(4,150,656)	(3,547,836)	(3,780,823)
31,723,339	29,694,648	27,847,896	24,514,344	23,437,164	21,479,177
\$2,212,498	\$4,122,991	\$6,770,787	\$10,404,327	\$11,704,790	\$13,940,018
6.52%	12.19%	19.56%	29.80%	33.31%	39.36%
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
377,065	375,752	384,652	387,985	390,466	393,547
0	0	0	0	0	0
\$377,065	\$375,752	\$384,652	\$387,985	\$390,466	\$393,547
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
0	0	0	0	0	0
\$3,393,584	\$3,381,764	\$3,461,868	\$3,491,867	\$3,514,195	\$3,541,919

Piqua City School District

Demographic and Economic Statistics Last Ten Years

Calendar Year	2009	2010	2011	2012	2013
Population ⁽¹⁾					
Piqua City	20,551	20,522	20,592	20,619	20,699
Miami County	102,526	102,479	102,846	103,125	103,421
Income ^{(2) (a)}					
Total Personal (in thousands)	717,661	718,824	784,493	836,492	847,914
Per Capita	34,921	35,027	38,097	40,569	40,964
Unemployment Rate ⁽³⁾					
Federal	9.3%	9.6%	8.9%	8.1%	7.2%
State	10.2%	10.1%	8.6%	7.2%	7.5%
Miami County	11.7%	10.5%	8.7%	7.0%	6.7%
Fiscal Year	2010	2011	2012	2013	2014
School Enrollment ⁽⁴⁾					
Grades PK - 3	1,154	1,166	1,238	1,232	1,093
Grades 4 - 6	831	793	792	787	876
Grades 7 - 8	568	579	562	551	525
Grades 9 - 12	1,139	1,100	1,116	1,135	1,110
Total	<u>3,692</u>	<u>3,638</u>	<u>3,708</u>	<u>3,705</u>	<u>3,604</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

2014	2015	2016	2017	2018
20,759	20,790	20,906	20,987	21,200
103,970	104,224	104,679	105,122	106,222
854,627	868,627	938,178	902,126	961,208
41,169	41,781	44,876	42,985	45,340
5.6%	5.0%	4.6%	3.9%	3.7%
5.2%	4.7%	4.9%	4.9%	4.0%
4.5%	3.9%	4.3%	4.4%	3.9%
2015	2016	2017	2018	2019
1,125	1,130	1,093	1,115	1,075
824	818	797	794	800
545	539	556	567	531
1,040	1,015	1,046	1,004	1,050
3,534	3,502	3,492	3,480	3,456



Piqua City School District

Principal Employers Current Year and Nine Years Ago

		2019	
Employer	Nature of Business	Number of Employees	Rank
Spalding & Evenflo Company Inc.	Manufacturer - Juvenile Furniture	606	1
Industry Products	Manufacturer - Auto Industry Seals	411	2
Piqua City Schools	Public School District	356	3
Nitto Denko Automotive Ohio	Manufacturer - Automotive Gaskets	354	4
Walmart Stores Inc.	Retail Store	337	5
Hartzell Propeller	Manufacturer - Aircraft Propellers	313	6
Piqua Steel Company	Riffing and Industrial Maintenance Servicer	304	7
Crane Pumps & Systems Inc.	Manufacturer - Industrial Water Pumps	298	8
United Parcel Services	Parcel delivery servicer	287	9
City of Piqua	Municipal Government	231	10
Total		3,497	
Total Employment within the District (1)		NA	

		2010	
Employer	Nature of Business	Number of Employees	Rank
Industry Products	Die Cutting, Silk Screening	351	1
Evenflo Company	Manufacturer - Juvenile Furniture	285	2
Hartzell Propeller	Manufacturer - Aircraft Propellers	268	3
Crane Pumps and Systems	Manufacturer - Industrial Pumps	240	4
Jackson Tube Service	Manufacturer - Steel Tubing	160	5
Miami Valley Steel	Manufacturer - Steel Products	135	6
Nitto Denko Automotive Ohio	Gaskets and Insulating Products	122	7
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	102	8
Hobart Brothers	Manufacturer - Welding Wire	94	9
Harmony Systems	Plastic Injection Molder	88	10
Total		1,845	
Total Employment within the District		10,186	

Sources: District Treasurer's Office

(1) Not Available

Piqua City School District

School District Employees by Type Last Ten Years

	2010	2011	2012	2013
Supervisory				
Instructional Administrators	4.00	4.00	4.00	4.00
Noninstructional Administrators	4.00	4.00	4.00	4.00
Consultants/Supervisors of Instruction	3.00	3.00	3.00	3.00
Principals	9.00	9.00	9.00	8.00
Assistant Principals	3.00	3.00	3.00	3.00
Instruction				
Classroom Teachers:				
Kindergarten Center	11.00	11.00	11.00	11.00
Primary: Grades 1-3	45.00	46.00	44.00	43.00
Intermediate: Grades 4-6	42.00	43.00	42.00	42.00
Junior High School	27.00	27.00	25.00	24.00
High School	44.00	44.00	42.00	42.00
Student Services				
Guidance Counselors	7.00	7.00	6.00	5.00
Psychologists	2.00	2.00	2.50	2.50
Speech and Hearing Specialists	2.00	2.00	2.00	0.00
Nurses	1.00	1.00	1.00	1.00
Physical Education	7.00	6.00	6.00	6.00
Fine Arts	15.00	15.00	13.00	12.00
Support Services				
Clerical/Secretaries	22.00	22.00	21.00	21.00
EMIS Coordinator	1.00	1.00	1.00	1.00
Food Service	34.00	31.00	29.00	25.00
Library Aides	10.00	10.00	8.00	8.00
Maintenance/Grounds	21.00	21.00	18.00	18.00
Parents as Teachers	3.00	3.00	3.00	2.00
Transportation	21.00	21.00	21.00	21.00
Tutors/Aides	19.00	18.00	15.00	11.00
Technology	4.00	3.00	3.00	3.00
<i>Total Employees</i>	<u>361.00</u>	<u>357.00</u>	<u>336.50</u>	<u>320.50</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

2014	2015	2016	2017	2018	2019
3.00	2.00	2.00	2.00	2.00	2.00
5.00	5.00	6.00	6.00	10.00	10.00
3.00	3.00	3.00	3.00	4.00	4.00
8.00	10.00	5.00	5.00	5.00	5.00
3.00	3.00	7.00	7.00	7.00	7.00
12.00	13.00	13.00	16.00	14.00	14.00
43.00	45.00	45.00	46.00	45.00	46.00
42.00	41.00	41.00	44.00	44.00	44.00
23.00	22.00	25.00	24.00	26.00	26.00
36.00	36.00	40.00	41.00	44.00	43.00
4.00	3.00	7.00	8.00	8.00	8.00
2.50	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
6.00	5.00	5.00	6.00	7.00	7.00
12.00	13.00	13.00	14.00	13.00	13.00
21.00	21.00	22.00	23.00	22.00	21.00
1.00	1.00	1.00	1.00	1.00	1.00
27.00	27.00	30.00	31.00	31.00	30.00
8.00	8.00	9.00	9.00	9.00	9.00
20.00	20.00	19.00	19.00	19.00	19.00
3.00	3.00	3.00	4.00	4.00	4.00
21.00	20.00	20.00	19.00	21.00	21.00
11.00	14.00	12.00	10.00	9.00	14.00
2.00	2.00	3.00	4.00	4.00	4.00
<u>317.50</u>	<u>321.00</u>	<u>335.00</u>	<u>346.00</u>	<u>353.00</u>	<u>356.00</u>

Piqua City School District

*Operating Indicators - Cost per Pupil
Last Ten Years*

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

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

Piqua City School District

2015	2016	2017	2018	2019
3,534	3,502	3,492	3,480	3,456
65,537,577	42,423,584	43,463,006	46,181,178	47,305,302
18,545	12,114	12,446	13,270	13,688
6.8%	(34.68%)	2.7%	6.6%	3.1%
39,337,546	42,420,112	44,449,120	28,068,225	39,773,426
11,131	12,113	12,729	8,066	11,509
14.1%	8.8%	5.1%	(36.64%)	42.7%
179	190	200	200	202

Piqua City School District

*Operating Indicators by Function
Last Ten Years*

	2010	2011	2012	2013
Governmental Activities				
Support Services				
Pupils				
Enrollment	3,692	3,638	3,708	3,705
Graduates	285	244	239	257
Percent of Students with Disabilities	14.59%	14.35%	16.50%	14.50%
Percent of Students with English as Second Language	0.4%	0.5%	0.0%	0.0%
Administration				
School Attendance Rate	95.0%	95.3%	95.0%	94.5%
Operation and Maintenance of Plant				
District Square Footage Maintained	608,145	608,145	608,145	608,145
Pupil Transportation				
Average Daily Students Transported	2,141	1,939	1,955	1,971
Average Miles Driven per Day	1,891	1,664	1,671	1,704
Average Miles per Bus	16,762	14,262	14,322	14,605
Number of Buses	21	21	21	21
Business-Type Activities				
Food Service				
Student Meals Served Daily	2,598	2,586	2,559	2,145
Free/Reduced Price Meals Daily	1,562	1,607	1,660	1,531
Percentage of Free/Reduced Price Meals Daily	60.12%	62.14%	64.87%	71.38%
Student Breakfasts Served Daily	1,187	1,170	1,183	1,089
Free/Reduced Price Breakfasts Daily	966	967	1,019	946
Percentage of Free/Reduced Price Breakfasts Daily	81.38%	82.65%	86.14%	86.87%

Source: District Treasurer's Office

Piqua City School District

2014	2015	2016	2017	2018	2019
3,604	3,534	3,502	3,492	3,480	3,456
251	272	249	239	226	257
17.28%	15.19%	20.50%	12.86%	12.20%	12.93%
0.2%	0.2%	0.2%	0.5%	0.1%	0.2%
94.9%	94.6%	94.7%	94.2%	93.9%	93.6%
608,145	603,812	546,992	546,992	546,992	546,992
1,834	2,180	2,259	1,850	1,947	1,836
1,505	1,576	1,663	1,490	1,637	1,810
12,900	12,895	12,240	12,771	14,031	15,514
21	22	22	21	21	21
1,934	1,895	1,893	1,904	1,985	1,948
1,437	1,353	1,363	1,323	1,304	1,269
74.30%	71.40%	72.00%	69.49%	65.69%	65.14%
989	856	802	764	890	879
875	735	700	658	729	698
88.47%	85.87%	87.28%	86.13%	81.91%	79.41%

Piqua City School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	2010	2011	2012	2013	2014
District Average Salary	54,891	55,761	55,346	53,947	53,151
County Average Salary	53,014	52,874	52,945	53,440	53,491
State Average Salary	56,995	57,904	58,119	57,966	57,635

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

*Operating Indicators - Teachers by Education
Last Ten Years*

Fiscal Year	2010	2011	2012	2013	2014
Bachelor's Degree	13	13	13	13	14
Bachelor + 15	5	1	3	7	3
Bachelor + 30	18	15	14	17	20
Masters Degree	97	102	99	92	90
Masters Degree + 10	46	48	41	37	35
Masters Degree + 30	22	23	22	22	18
Total	201	202	192	188	180

Source: District Treasurer's Office

Piqua City School District

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
54,812	56,696	58,210	60,856	63,341
54,026	54,566	54,279	55,361	57,790
55,242	57,154	58,690	60,433	62,353

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
17	21	26	26	27
7	7	3	2	1
13	12	16	18	21
85	91	83	83	74
35	42	54	51	61
22	17	18	20	18
179	190	200	200	202

Piqua City School District

*Capital Asset Statistics by Building
Last Ten Years*

	2010	2011	2012	2013
Secondary				
Piqua Senior High School				
Square Footage	185,375	185,375	185,375	185,375
Capacity (students)	1,200	1,200	1,200	1,200
Enrollment	1,139	1,100	1,116	1,133
Piqua Junior High School				
Square Footage	126,000	126,000	126,000	126,000
Capacity (students)	800	800	800	800
Enrollment	568	579	561	554
Intermediate				
Bennett Intermediate School				
Square Footage	48,739	48,739	48,739	48,739
Capacity (students)	800	800	800	800
Enrollment	293	292	332	345
Wilder Intermediate School				
Square Footage	47,651	47,651	47,651	47,651
Capacity (students)	800	800	800	800
Enrollment	299	281	260	265
Washington Intermediate School				
Square Footage	35,523	35,523	35,523	35,523
Capacity (students)	360	360	360	360
Enrollment	282	267	268	256
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
Primary				
Favorite Hill Primary School				
Square Footage	40,366	40,366	40,366	40,366
Capacity (students)	400	400	400	400
Enrollment	300	296	316	321
High Street Primary School				
Square Footage	20,816	20,816	20,816	20,816
Capacity (students)	360	360	360	360
Enrollment	271	272	291	288

Piqua City School District

2014	2015	2016	2017	2018	2019
185,375	186,244	186,244	186,244	186,244	186,244
1,200	1,200	1,200	1,200	1,200	1,200
1,110	1,040	1,015	1,046	1,004	1,050
126,000	113,159	113,159	113,159	113,159	113,159
800	800	800	800	800	800
525	548	539	557	567	531
48,739	N/A	N/A	N/A	N/A	N/A
800	N/A	N/A	N/A	N/A	N/A
301	N/A	N/A	N/A	N/A	N/A
47,651	N/A	N/A	N/A	N/A	N/A
800	N/A	N/A	N/A	N/A	N/A
282	N/A	N/A	N/A	N/A	N/A
35,523	N/A	N/A	N/A	N/A	N/A
360	N/A	N/A	N/A	N/A	N/A
293	N/A	N/A	N/A	N/A	N/A
N/A	105,579	105,579	105,579	105,579	105,579
N/A	859	859	859	859	859
N/A	822	818	797	794	800
40,366	N/A	N/A	N/A	N/A	N/A
400	N/A	N/A	N/A	N/A	N/A
298	N/A	N/A	N/A	N/A	N/A
20,816	N/A	N/A	N/A	N/A	N/A
360	N/A	N/A	N/A	N/A	N/A
245	N/A	N/A	N/A	N/A	N/A

(Continued)

Piqua City School District

Capital Asset Statistics by Building Last Ten Years

	2010	2011	2012	2013
Springcreek Primary School (Old)				
Square Footage	25,326	25,326	25,326	25,326
Capacity (students)	360	360	360	360
Enrollment	238	255	274	266
Springcreek Primary School (New)				
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
Nicklin Avenue Learning Center				
Square Footage	21,519	21,519	21,519	21,519
Capacity (students)	375	375	375	375
Enrollment	302	296	290	277
Washington Primary 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
All Other				
Central Administration Building				
Square Footage	13,830	13,830	13,830	13,830
Transportation Building				
Square Footage	16,000	16,000	16,000	16,000
Maintenance Building				
Square Footage	27,000	27,000	27,000	27,000

Source: District Treasurer's Office

Central Intermediate, Springcreek Primary, and Washington Primary were constructed in fiscal year 2015.

Piqua City School District

2014	2015	2016	2017	2018	2019
25,326	N/A	N/A	N/A	N/A	N/A
360	N/A	N/A	N/A	N/A	N/A
277	N/A	N/A	N/A	N/A	N/A
N/A	71,000	71,005	71,005	71,005	71,005
N/A	600	600	600	600	600
N/A	541	556	513	554	503
21,519	N/A	N/A	N/A	N/A	N/A
375	N/A	N/A	N/A	N/A	N/A
273	N/A	N/A	N/A	N/A	N/A
N/A	71,000	71,005	71,005	71,005	71,005
N/A	600	600	600	600	600
N/A	583	574	579	561	572
13,830	13,830	13,830	13,830	9,138	9,138
16,000	16,000	16,000	16,000	16,000	16,000
27,000	27,000	27,000	27,000	27,000	27,000

Piqua City School District

*Educational and Operating Statistics
Last Ten Years*

	2010	2011	2012	2013	2014
Cost per Student (ODE)					
Piqua (1)	9,377	9,905	9,613	9,475	9,554
Ohio (Average) (1)	10,253	10,571	10,697	10,149	10,357
Attendance Rate					
Piqua	95.00%	95.30%	95.00%	94.50%	94.90%
Ohio (Average) (1)	94.30%	94.50%	94.50%	94.20%	94.30%
Graduation Rate					
Piqua	93.10%	93.80%	92.60%	88.50%	88.50%
Ohio (Average) (1)	83.00%	84.30%	81.30%	82.20%	82.20%

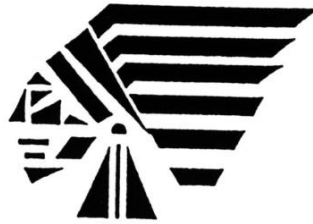
Source:

District's Student Records and Ohio Department of Education

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

Piqua City School District

2015	2016	2017	2018	2019
10,928	9,553	9,968	9,776	10,032
9,904	9,837	9,149	9,356	9,724
94.60%	94.70%	94.20%	93.90%	93.60%
94.10%	94.10%	93.90%	93.70%	N/A
90.40%	85.90%	87.50%	90.70%	90.80%
83.00%	83.00%	83.50%	84.10%	N/A



OHIO AUDITOR OF STATE KEITH FABER



PIQUA CITY SCHOOL DISTRICT

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 7, 2020**