

Piqua City School District

Miami County

Single Audit

July 1, 2006 through June 30, 2007

Fiscal Year Audited Under GAGAS: 2007

BALESTRA, HARR & SCHERER CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com



Mary Taylor, CPA

Auditor of State

Board of Education
Piqua City School District
719 East Ash Street
Piqua, Ohio 45356-2411

We have reviewed the *Independent Auditor's Report* of the Piqua City School District, Miami County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2006 through June 30, 2007. 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 "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 2, 2008

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Piqua City School District
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Piqua City School District
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2007

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture						
<i>Passed through the Ohio Department of Education</i>						
Nutrition Cluster:						
School Breakfast Program	05-PU	10.553	\$ 190,881	\$ -	\$ 190,881	\$ -
National School Lunch Program	LL-P1	10.555	490,951	-	490,951	-
Total Nutrition Cluster			681,832	-	681,832	-
Food Donation	N/A	10.550	-	144,830	-	144,830
Total U.S. Department of Agriculture			681,832	144,830	681,832	144,830
U.S. Department of Education						
<i>Passed through the Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	C1-S1	84.010	1,180,108	-	886,469	-
Special Education Grants to States	6B-SF	84.027	1,091,066	-	983,145	-
Safe and Drug-Free Schools and Communities State Grants	DR-S1	84.186	1,918	-	3,898	-
State Grants for Innovative Programs	C2-S1	84.298	3,117	-	7,849	-
Education Technology State Grants	TJ-S1	84.318	3,395	-	10,827	-
Improving Teacher Quality State Grants	TR-S1	84.367	286,717	-	198,889	-
Total U.S. Department of Education			2,566,321	-	2,091,077	-
U.S. Department of Health and Human Services						
<i>Passed through the Ohio Department of Job and Family Services</i>						
Medical Assistance Program	N/A	93.778	6,646	-	-	-
Total U.S. Department of Health and Human Services			6,646	-	-	-
Total Federal Assistance			\$ 3,254,799	\$ 144,830	\$ 2,772,909	\$ 144,830

N/A - pass through entity number not available.

See accompanying notes to the schedule of federal awards expenditures.

Piqua City School District
Notes to the Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2007

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS

Federal funds received from the National School Lunch and Breakfast Programs were commingled with state subsidy and local revenue from the sale of meals. It was assumed that federal dollars were expended first.

NOTE C – FOOD DONATION

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

NOTE D – MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-federal funds (matching funds) to support the Federally-funded programs. The expenditures of non-federal matching funds are not included on the Schedule.

NOTE E – MEDICAL ASSISTANCE PROGRAM

As of July 1, 2005, the Community Alternative Funding System (CAFS) program (CFDA #93.778) no longer exists as a funding stream. All remittances subsequent to this date reflect settlements of past years. In fiscal year 2007, the District received \$6,646 in settlements related to expenditures made in prior years.

BALESTRA, HARR & SCHERER, CPAs, INC.
528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Piqua City School District (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 14, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Members of the Board
Piqua City School District

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

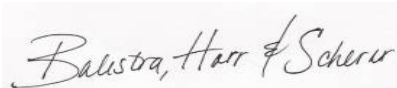
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Compliance and Other Matters

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

We noted certain matters which we reported to management of the District in a separate letter dated December 14, 2007.

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



Balestra, Harr & Scherer, CPAs, Inc.

December 14, 2007

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Piketon, Ohio 45661

Telephone (740) 289-4131

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Ohio Society of Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Piqua City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Internal Control Over Compliance (Continued)

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 14, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Balestra, Harr & Scherer, CPAs, Inc.

December 14, 2007

PIQUA CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

1. SUMMARY OF AUDITOR' S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant internal control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Program' s Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Title I Grants to Local Educational Agencies, CFDA # 84.010 Nutrition Cluster, CFDA # 10.553 & 10.555
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

PIQUA CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
 (CONTINUED)

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

Finding Number	None
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3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	

PIQUA CITY SCHOOL DISTRICT

Miami County, Ohio

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2007**

Prepared by:
Jeffrey W. Price
Treasurer

PIQUA CITY SCHOOL DISTRICT

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PIQUA CITY SCHOOL DISTRICT

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



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

fax (937) 778-4518

December 14, 2007

Board of Education Members and Citizens of the Piqua City School District:

As the Superintendent and Treasurer of the Piqua City School District (the District), we are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2007 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

The District provides a full range of education programs and services to 3,766 students. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels, a broad range of co-curricular and extracurricular activities, and special education services. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a special revenue fund. The non-public school operations have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2007

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

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

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

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

CURRICULUM DEVELOPMENT -- The Piqua City School District provides a comprehensive K-12 academic program based upon meeting the needs and challenging the skills of Piqua students. Piqua's curriculum includes a wide range of electives in college preparatory, liberal arts and vocational programs. The curriculum is based upon the Ohio Academic Content Standards and national standards. Faculty at each level is supported by a curriculum department with efforts to continuously improve teaching and learning.

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

STAFF DEVELOPMENT -- Locally provided staff development is an extremely important part of professional renewal in Piqua Schools. The In-service Committee assesses staff needs and plans after school sessions, in-service days and summer sessions for certified staff. The emphasis on these activities is to provide professional staff the skills to improve student achievement. Follow-up training and coaching is provided throughout the school year. Effectiveness of all staff development is measured by the change in teacher's instructional practices and, ultimately, by its impact on student achievement.

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

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal

For the Fiscal Year Ended June 30, 2007

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

Special programs provided for students who need additional support include an elementary guidance program, elementary and secondary intervention school, a high school night school program, Junior Naval ROTC, and Jobs for Ohio Graduates. As of June 2007, over one hundred students have graduated from Piqua High School due to the availability of the night school program.

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES -- Piqua City Schools recognizes its responsibility to provide appropriate programming for its most capable students. The gifted program offers a continuum of services for students determined eligible by criteria established by Ohio's Department of Education. All identified students have a Written Education Plan that is updated yearly. Services may include whole class instruction, small group investigations, academies, independent studies, and gifted tutorials. The program provides enrolled students enrichment, opportunities for advanced thinking skills development and independent research.

Piqua High School offers advanced placement courses in Art, Biology, Calculus, Chemistry, Economics, English Literature and Composition, Government, and Physics. During the 2006-07 school year more than 120 students were enrolled in these college level courses.

SPECIAL EDUCATION -- In 2006-07 there were 712 students on Individualized Education Programs for special education services. The district takes pride in serving these students in-district with a variety of programming structured to provide a continuum of services that allow intervention specialists to be resources to the students and staff.

ECONOMIC CONDITIONS AND OUTLOOK

During calendar year 2001 the county's six-year reappraisal of property valuations was completed. In accordance with millage rollback provisions of HB920, the District has assessed millage at the 20 mill-floor, the lowest millage permitted by Ohio Revised Code. As a result of this, the District is able to benefit financially from increased assessed valuations. The benefits of any growth were realized by the district during the second half of the 2001-02 school year and were fully realized during the 2002-03 school year. A Triennial update was performed during 2004 by the Miami County Auditor's office. This took effect during calendar year 2005.

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

A 1/2% School District Income Tax was approved by the voters of Piqua in 1990. This tax generates over \$1,800,000 annually for general operations of the District. In Fiscal Year 1995, the district began to feel growth in the income tax revenues and has experienced average increases of 4.9% until 2001-02. The overall decline in the economy impacted the District's income tax collections and a decrease of 7% was realized in Fiscal Year 2002, a 2% decrease in Fiscal Year 2003, and another 2% decrease in Fiscal Year 2004.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2007

However, in Fiscal Year 2005, the district realized a slight recovery of a 2.3% increase from the prior year. For Fiscal Year 2006, the District realized a 10.7% increase from the 2005 collections and a 2.66% increase in Fiscal Year 2007 collections over the Fiscal Year 2006 collections.

The District is currently in the second year of a taxpayer approved 1.8 mill five year Permanent Improvements Levy which allows the District to spend approximately \$800,000 annually on repairs, renovations and capital equipment expenditures to maintain the District's facilities. Revenue generated through this levy takes financial strain off the General Fund by making the expenditures for capital repairs through the Permanent Improvement Fund.

RECENT SIGNIFICANT ACCOMPLISHMENTS

During the 2006-07 school year the District instructional team continued data analysis based on short-cycle-assessments in all academic content areas, combined with staff development to increase the effectiveness of instructional delivery. Technology supported interventions including, Yearly Progress Pro and Study Island, were incorporated to strengthen student skills in content areas determined below grade level performance through data. Immersion of special education students into the general curriculum as part of No Child Left Behind continued with focus on the Ohio Academic State Standards. These efforts combined with previous best practices and a hard working instructional staff allowed the District to meet AYP and earn an "Effective" rating from the state for the second consecutive year.

In order to continue the progress in student achievement, the following initiatives have been implemented:

- Advanced paced 6th grade Math course at each intermediate school
- Alignment of 7th grade Math pathways for the 6th graders participating in the advanced paced math
- District-wide transition to Progressbook
- SSEM software for IEP and MFE documents
- Standards-based report cards grades K-6
- Gifted academies for content areas
- Expanded opportunities and options for gifted
- SmartBoards for instructional delivery
- "Idiscovery" an inquiry-based learning partnership with Miami University.

Development of long range plans in all phases of district operation continued as a Strategic Planning Committee met regularly to develop the District's ten year plan. A twenty-five member Steering Committee made up of members of the larger planning team, reviewed, refined and prioritized dozens of recommendations and prepared them for review by the entire community. Recommendations are in place for the areas of Curriculum/Instruction, Staff Relations, City/School Relations, Finance and Facilities. This community review was scheduled for late 2005, but was held up by the lack of Board action on the plan. The Board officially took affirmative action on the plan as a whole at its July 2006 meeting.

The District's Board of Education and Administration are very concerned about long-term financial planning for Piqua City Schools. They have in the past and will continue in the future to update their long range plan with students, parents, community and businesses as they look 5, 10 and 20 years down the road.

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2007

The District's facilities continue to be upgraded and modernized. Revenue from the Capital Improvement Levy were used for new roofs, new windows, floor coverings, plumbing, heat plants and many other improvements. Voters first approved this levy in 1994 as a 3.5 mill levy.

MAJOR INITIATIVES FOR THE FUTURE

The District continues to improve student performance on state proficiency/achievement tests. While scores continued to rise during 2006-2007, the District reached the Effective Rating in both the Performance Index as well as the Performance Indicators. The District also achieved the task of meeting AYP (Average Yearly Progress) for 2006-2007. Administrators and staff members have their sights set on another banner year for 2007-2008. The goal for 2007-2008 is to not only continue its Effective Rating, but to garner the Excellent Rating.

In order to continue the progress in student achievement, the following initiatives have been implemented:

- Advanced paced 6th grade Math course at each intermediate school
- Alignment of 7th grade Math pathways for the 6th graders participating in the advanced paced math
- District-wide transition to Progressbook
- SSEM software for IEP and MFE documents
- Standards-based report cards grades K-6
- Gifted academies for content areas
- Expanded opportunities and options for gifted
- SmartBoards for instructional delivery
- "Idiscovery" an inquiry-based learning partnership with Miami University.

ACCOUNTING INFORMATION

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

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

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

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2007

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

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

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

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

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

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.

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

PIQUA CITY SCHOOL DISTRICT

Letter of Transmittal For the Fiscal Year Ended June 30, 2007

Investments are made with the primary objectives of:

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

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

RISK MANAGEMENT -- The District is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The District is also covered under the State Workers' Compensation Fund. The District makes every effort to monitor insurance costs and related risk of accident to ensure proper fiscal management in this area. Detailed information regarding the risk management activities of the District can be found in footnote 15 of the basic financial statements included within the financial section of this report.

OTHER INFORMATION

INDEPENDENT AUDIT -- State statutes require an annual audit. Balestra, Harr and Scherer, Certified Public Accountants Incorporated conducted the audit for the fiscal year ended June 30, 2007. The auditor's unqualified opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The District has received a Certificate of Achievement for the last ten consecutive years (fiscal years ended 1997-2006). We believe this current Comprehensive Annual Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA.

PIQUA CITY SCHOOL DISTRICT

*Letter of Transmittal
For the Fiscal Year Ended June 30, 2007*

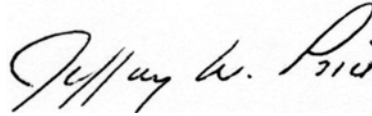
ACKNOWLEDGMENTS -- The preparation of the Comprehensive Annual Financial Report was made possible by the diligence of the Treasurer's staff under the coordination of Sarah Deavours, Assistant to the Treasurer. We are also grateful for the services of Donald J. Schonhardt & Associates, Inc. for their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

In closing, without the patience and support of the Treasurer's Office Staff, the Administrative Team and the Board of Education, preparation of this report would not have been possible.

Respectfully submitted,



Richard A. Hanes, Superintendent



Jeffrey W. Price, Treasurer

PIQUA CITY SCHOOL DISTRICT

Members of the Board of Education, Superintendent of Schools and Treasurer For the Fiscal Year Ended June, 30, 2007

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 2006 Board	Began Service as A Board Member	Present Term Expires
Lori S. Webster, President	September 2002	December 31, 2007
Marjorie Zimpher, Vice President	January 2004	December 31, 2007
Mimi Crawford	January 2006	December 31, 2009
Andy Hite	January 2006	December 31, 2009
Bob Luby	January 2006	December 31, 2009

December 2007 Board	Began Service as A Board Member	Present Term Expires
Marjorie Zimpher, President	January 2004	December 31, 2007
Mimi Crawford, Vice President	January 2006	December 31, 2009
Andy Hite	January 2006	December 31, 2009
Bob Luby	January 2006	December 31, 2009
Lori S. Webster	September 2002	December 31, 2007

Superintendent of Schools

The Superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The Superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the District. The Board appointed Dr. Karen Mantia, Superintendent of the Piqua City School District effective August 2, 2006. Her term of office expired on April 15, 2007.

The Board has since hired Mr. Richard A. Hanes as the next Superintendent to lead Piqua City Schools. His term of office expires on July 31, 2010.

Treasurer

The Treasurer serves as the fiscal officer of the District and, with the Board President, executes all conveyances made by the Board of Education. The Treasurer, Jeffrey Price has held the position since August, 2004. His term expires at the organizational meeting in January, 2010.

PIQUA CITY SCHOOL DISTRICT

Management Team Members and Treasurer's Office Staff For the Fiscal Year Ended June, 30, 2007

Management Team Members

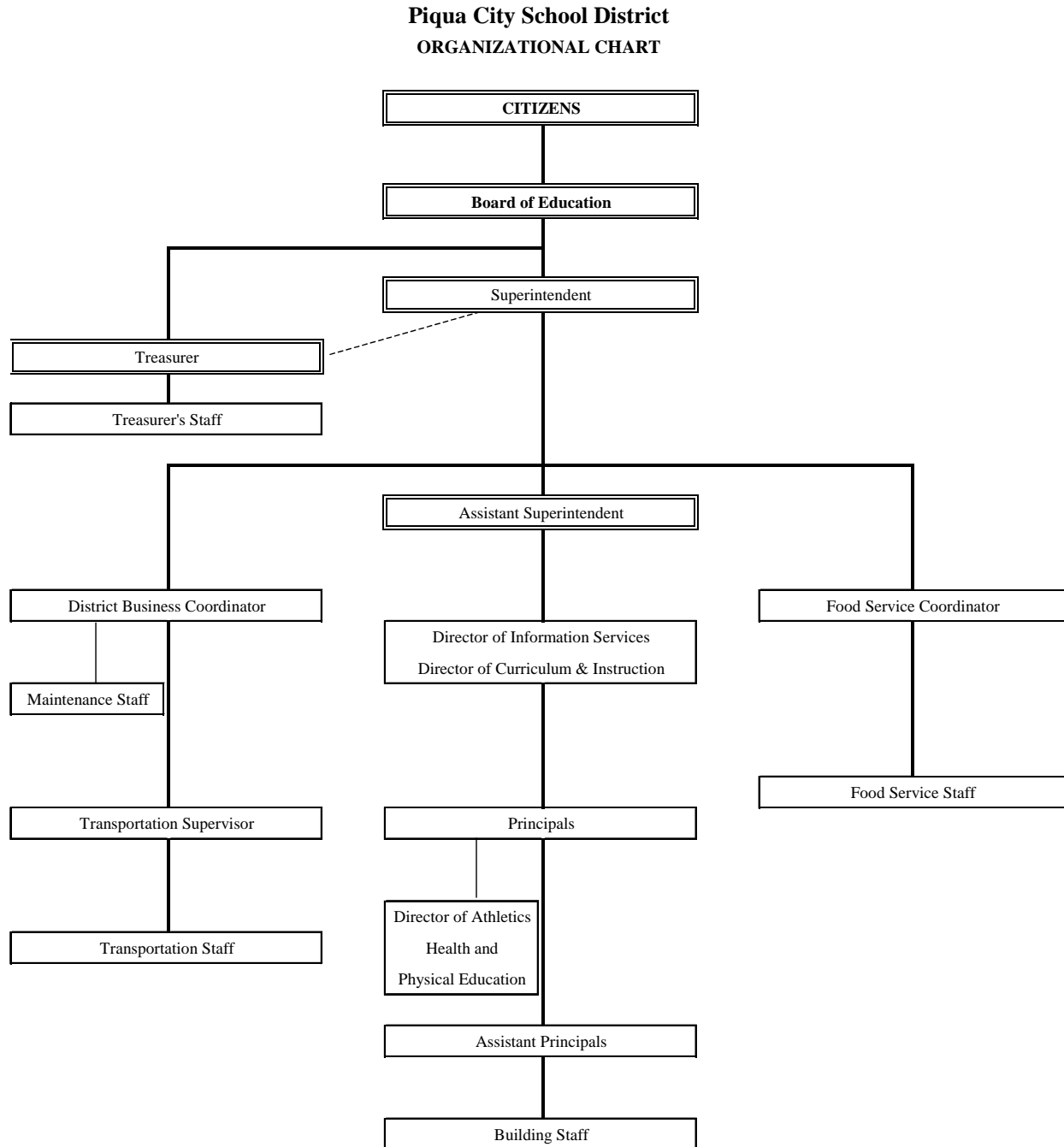
Richard A. Hanes	Superintendent of Schools
Jeffrey W. Price	Treasurer
Dr. Wendy Halar	Assistant Superintendent
Nonda Harvey	Coordinator of Community/School Relations
Jean Hill	EMIS Coordinator
Tim Reed	District Business Coordinator
Dave Palmer	Athletic Director
Jane Rudd	Food Service Coordinator
Neil Long, Judy Kaster	Director of Curriculum and Instruction
Jim Conley	District Technology Coordinator
Krista Foley	Director of Student Services
Thomas Roeser, Ph.D.	School Psychologist
Daryl Boyd	School Psychologist
James Daniel	Transportation Supervisor
Katherine V. Davisson	Principal, Piqua High School
Darrell Hite	Assistant Principal, Piqua High School
Tony Lyons	Assistant Principal, Piqua High School
Ed McCord	Principal, Piqua Junior High School
Jeff Clark	Assistant Principal, Piqua Junior High School
Dwayne Thompson	Principal, Favorite Hill Primary School
Rick E. Fry	Principal, High Street Primary School
Teresa Anderson	Principal, Nicklin Learning Center
Stephanie Klingshirn	Principal, Springcreek Primary School
Rebecca Holthaus	Principal, Washington Intermediate School
Bradley Hall	Principal, Bennett Intermediate School
Curt Montgomery	Principal, Wilder Intermediate School

Treasurer's Office Staff

Sarah Deavours	Assistant to the Treasurer
Jeannie Ervin	Budgetary/Financial Clerk
Karen Magoteaux	Budgetary/Financial Clerk
Cathy Hood	Payroll Clerk

PIQUA CITY SCHOOL DISTRICT

School District Organizational Chart For the Fiscal Year Ended June, 30, 2007



NOTE: Please see reverse side for individual positions.

PIQUA CITY SCHOOL DISTRICT

***Job Description Listing
For the Fiscal Year Ended June, 30, 2007***

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

PIQUA CITY SCHOOL DISTRICT

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

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Piqua City Schools
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director



BALESTRA, HARR & SCHERER CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Piqua City School District (the District), Miami County, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

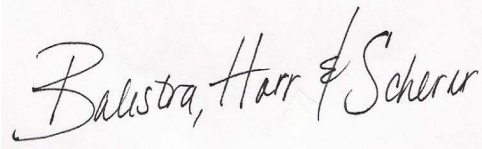
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2007, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, such as the introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.

December 14, 2007

PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2007*

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, 2007. 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 2007 are as follows:

- ❑ In total, net assets increased \$480,138. Net assets of governmental activities increased \$600,242, which represents a 2.6% increase from 2006. Net assets of business-type activities decreased \$120,104 from 2006.
- ❑ General revenues accounted for \$29,060,289 in revenue or 85% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,193,650 or 15% of total revenues of \$34,253,939.
- ❑ The District had \$32,089,607 in expenses related to governmental activities; only \$3,629,560 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$29,060,289 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$26,787,038 in revenues and \$27,116,583 in expenditures. The general fund's fund balance decreased from a balance of \$1,457,850 to an ending balance of \$1,191,559.
- ❑ Net assets for the enterprise fund decreased \$132,733. This decrease is mostly attributable to decreases in operating grants received.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2007*

Unaudited

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

PIQUA CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2007*

Unaudited

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net assets for 2007 compared to 2006:

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$24,004,159	\$22,490,897	\$997,632	\$1,100,419	\$25,001,791	\$23,591,316
Capital assets, Net	27,216,772	27,442,639	366,053	343,706	27,582,825	27,786,345
Total assets	51,220,931	49,933,536	1,363,685	1,444,125	52,584,616	51,377,661
Long-term debt outstanding	12,387,105	12,948,390	71,750	67,455	12,458,855	13,015,845
Other liabilities	15,114,910	13,866,472	181,019	145,650	15,295,929	14,012,122
Total liabilities	27,502,015	26,814,862	252,769	213,105	27,754,784	27,027,967
Net assets						
Invested in capital assets, net of related debt	18,301,335	18,034,488	366,053	343,706	18,667,388	18,378,194
Restricted	2,224,980	1,948,346	0	0	2,224,980	1,948,346
Unrestricted	3,192,601	3,135,840	744,863	887,314	3,937,464	4,023,154
Total net assets	\$23,718,916	\$23,118,674	\$1,110,916	\$1,231,020	\$24,829,832	\$24,349,694

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PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2007**

Unaudited

Changes in Net Assets – The following table shows the net assets for the fiscal year 2007 compared to 2006:

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues:						
Charges for Services	\$713,801	\$654,244	\$702,248	\$681,810	\$1,416,049	\$1,336,054
Operating Grants	2,888,699	2,722,204	861,842	937,353	3,750,541	3,659,557
Capital Grants	27,060	0	0	0	27,060	0
Total Program Revenues	<u>3,629,560</u>	<u>3,376,448</u>	<u>1,564,090</u>	<u>1,619,163</u>	<u>5,193,650</u>	<u>4,995,611</u>
General Revenues:						
Property Taxes	12,152,358	12,880,373	0	0	12,152,358	12,880,373
Income Taxes	2,253,023	2,063,347	0	0	2,253,023	2,063,347
Intergovernmental, Unrestricted	13,915,936	13,308,075	0	0	13,915,936	13,308,075
Other	738,972	665,413	0	0	738,972	665,413
Total General Revenues	<u>29,060,289</u>	<u>28,917,208</u>	<u>0</u>	<u>0</u>	<u>29,060,289</u>	<u>28,917,208</u>
Total Revenues	<u>32,689,849</u>	<u>32,293,656</u>	<u>1,564,090</u>	<u>1,619,163</u>	<u>34,253,939</u>	<u>33,912,819</u>
Program Expenses						
Instruction	19,061,767	18,811,951	0	0	19,061,767	18,811,951
Support Services:						
Pupils	1,505,043	1,445,687	0	0	1,505,043	1,445,687
Instructional Staff	2,061,205	2,041,532	0	0	2,061,205	2,041,532
Board of Education	23,042	19,669	0	0	23,042	19,669
Administration	2,454,192	2,266,873	0	0	2,454,192	2,266,873
Fiscal Services	390,832	407,123	0	0	390,832	407,123
Business	101,989	100,937	0	0	101,989	100,937
Operation and Maintenance of Plant	3,065,299	2,866,955	0	0	3,065,299	2,866,955
Pupil Transportation	1,545,489	1,378,564	0	0	1,545,489	1,378,564
Central	162,793	160,049	0	0	162,793	160,049
Operation of Non-Instructional Services	375,228	298,992	0	0	375,228	298,992
Extracurricular Activities	861,632	671,020	0	0	861,632	671,020
Interest and Fiscal Charges	481,096	473,938	0	0	481,096	473,938
Food Service	0	0	1,684,194	1,617,780	1,684,194	1,617,780
Total Expenses	<u>32,089,607</u>	<u>30,943,290</u>	<u>1,684,194</u>	<u>1,617,780</u>	<u>33,773,801</u>	<u>32,561,070</u>
Change in Net Assets	600,242	1,350,366	(120,104)	1,383	480,138	1,351,749
Beginning Net Assets - Restated	<u>23,118,674</u>	<u>21,768,308</u>	<u>1,231,020</u>	<u>1,229,637</u>	<u>24,349,694</u>	<u>22,997,945</u>
Ending Net Assets	<u>\$23,718,916</u>	<u>\$23,118,674</u>	<u>\$1,110,916</u>	<u>\$1,231,020</u>	<u>\$24,829,832</u>	<u>\$24,349,694</u>

Governmental Activities

Net assets of the District's governmental activities increased \$600,242. Property taxes decreased due to the phase out of the tangible personal property tax. Reimbursements from the State related to the personal property tax phase out resulted in the increase in unrestricted governmental revenues. Increases in operating grants can be attributed to Title I and Title VI-B grants.

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

PIQUA CITY SCHOOL DISTRICT

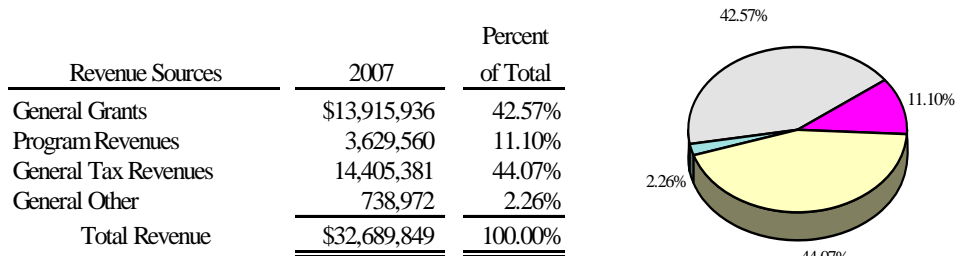
**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2007**

Unaudited

inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. However, the assessed millage cannot be reduced below 20 mills, according to state statutes. The District's assessed millage has already been reduced to the 20 mill floor. Consequently, the District will receive some increased revenues as property values increase with reappraisals.

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

Property taxes and income taxes made up 37% and 7% respectively of revenues for governmental activities for Piqua City Schools in fiscal year 2007. The District's reliance upon tax revenues is demonstrated by the following graph indicating 44% of total revenues from general tax revenues:



Business-Type Activities

Net assets of the business-type activities decreased \$120,104 or 10%, which can mostly be attributed to decreases in operating grants. These programs had revenues of \$1,564,090 and expenses of \$1,684,194 for fiscal year 2007. Business-type activities receive no support from tax revenues and remain self-supporting.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$3,593,869, which is above last year's total of \$3,558,363. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2007 and 2006.

	Fund Balance June 30, 2007	Fund Balance June 30, 2006	Increase (Decrease)
General	\$1,191,559	\$1,457,850	(\$266,291)
Bond Retirement	718,046	565,738	152,308
Permanent Improvement	797,814	915,810	(117,996)
Other Governmental	886,450	618,965	267,485
Total	<u>\$3,593,869</u>	<u>\$3,558,363</u>	<u>\$35,506</u>

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
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Permanent Improvement Fund – The Permanent Improvement Fund reported a decrease in fund balance of \$117,996. This decrease can be attributed to increases in capital outlays for building improvements.

Bond Retirement Fund – The Bond Retirement Fund increased \$152,308 or approximately 27%, which can be attributed to decreases in debt service requirements.

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

	2007 Revenues	2006 Revenues	Increase (Decrease)
Taxes	\$12,339,408	\$12,911,377	(\$571,969)
Tuition	3,196	49,074	(45,878)
Transportation Fees	54,717	54,948	(231)
Investment Earnings	189,325	100,382	88,943
Class Materials and Fees	149,604	156,283	(6,679)
Intergovernmental - State	13,747,909	12,994,691	753,218
Intergovernmental - Federal	115,698	167,906	(52,208)
All Other Revenue	187,181	235,621	(48,440)
Total	\$26,787,038	\$26,670,282	\$116,756

General Fund revenues in 2007 increased less than 1% when compared to revenues in fiscal year 2006. Property taxes decreased due to a phase out of the tangible personal property tax. Reimbursements from the State related to the personal property tax phase out resulted in the increase in state grant revenues.

	2007 Expenditures	2006 Expenditures	Increase (Decrease)
Instruction	\$16,091,628	\$15,753,044	\$338,584
Supporting Services:			
Pupils	1,392,158	1,406,504	(14,346)
Instructional Staff	1,908,726	1,985,651	(76,925)
Board of Education	23,042	19,669	3,373
Administration	2,348,426	2,254,257	94,169
Fiscal Services	375,270	443,065	(67,795)
Business	100,888	105,655	(4,767)
Operation & Maintenance of Plant	2,948,950	2,945,416	3,534
Pupil Transportation	1,326,053	1,300,500	25,553
Central	161,425	159,645	1,780
Extracurricular Activities	304,694	286,256	18,438
Principal Retirement	109,456	101,401	8,055
Interest and Fiscal Charges	25,867	34,029	(8,162)
Total	\$27,116,583	\$26,795,092	\$321,491

Expenditures increased \$321,491 or about 1% over the prior year. Textbook purchases as well as special education costs contributed to the increase in instruction.

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
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Unaudited

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 2007 the District amended its General Fund budget several times, none significant.

For the General Fund, final budget revenue of \$26.9 million was higher than original budget estimates of \$25.9 million due to increases in taxes and state grant monies. Actual receipts were not significantly different from the final budget. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2007 the School District had \$27,582,825 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, equipment and vehicles. Of this total, \$27,216,772 was related to governmental activities and \$366,053 to the business-type activities. The following table shows fiscal year 2007 and 2006 balances:

	Governmental Activities		Increase (Decrease)
	2007	2006	
	Land	\$323,722	\$323,722
Construction in Progress	90,727	90,727	0
Land Improvements	2,195,566	2,007,392	188,174
Buildings and Improvements	31,338,447	31,191,780	146,667
Machinery and Equipment	5,228,713	5,407,077	(178,364)
Vehicles	2,030,268	1,924,159	106,109
Less: Accumulated Depreciation	(13,990,671)	(13,502,218)	(488,453)
Totals	\$27,216,772	\$27,442,639	(\$225,867)

	Business-Type Activities		Increase (Decrease)
	2007	2006	
	Machinery and Equipment	\$907,440	\$875,955
Less: Accumulated Depreciation	(541,387)	(532,249)	(9,138)
Totals	\$366,053	\$343,706	\$22,347

The increase in land improvements can be attributed to the purchase of a District owned sewage treatment system while the disposal of computers contributed to the decrease in machinery and equipment in governmental activities. Additional information on the District's capital assets can be found in Note 10.

PIQUA CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2007**

Unaudited

Debt

At June 30, 2007, the School District had \$9.7 million in bonds outstanding, \$275,142 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2006:

	2007	Restated 2006
Governmental Activities:		
General Obligation Bond:		
School Improvement	\$1,395,650	\$1,868,846
School Improvement Refunding	8,323,878	8,352,552
Capital Leases Payable	280,711	390,167
Compensated Absences	2,386,866	2,336,825
Total Governmental Activities	12,387,105	12,948,390
Business-Type Activities:		
Compensated Absences	71,750	67,455
Totals	\$12,458,855	\$13,015,845

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, 2007, the School District's overall legal debt margin was below the legal limit. Additional information on the District's long-term debt can be found in Note 13.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Like most public school districts in Ohio, the Piqua City School District relies on its property and income taxes and state aide to provide the funds necessary to maintain its educational programs. In recent years residential growth in Piqua has been moderate, the economy of the community has been impacted by the closure of several key industries and the school district income tax has been effected by a stagnate economy. As a result, the school district has been forced to reduce costs and generate additional income. As the District headed into the 2003-2004 school year, costs were reduced by a major staff reduction resulting in savings of 1.4 million dollars. Additional income was generated by passage, on the third attempt in May of 2003, of a five year 4.87 mill emergency-operating levy. The Board of Education's willingness to confront difficult decisions regarding the instructional programs and staffing coupled with the community's willingness to provide additional funding has resulted in the stabilization of the district's financial condition. The District decided to place an additional operating levy before its constituents in order to continue the current financial condition. This levy took place on November 6, 2007 and failed. The District will place another levy on the March 4, 2008 ballot.

A challenge facing the District is the future of state funding. On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including a change in the school districts that are used as the basis for determining the base cost support amount and fully funding parity aid no later than the beginning of fiscal year 2004. In November 2001, the Court granted the state's motion for reconsideration but also ordered the parties to participate in a settlement conference with a court appointed mediator.

PIQUA CITY SCHOOL DISTRICT

***Management's Discussion and Analysis
For the Fiscal Year Ended June, 30, 2007***

Unaudited

On March 21, 2002, the mediator issues his final report indicating that the conference was unable to produce a settlement. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." As of the date of these financial statements, the District is unable to determine what effect, if any, the decision and the reconsideration will have on its future state funding and on its financial operations.

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

REQUESTS FOR INFORMATION

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



PIQUA CITY SCHOOL DISTRICT

Statement of Net Assets *June 30, 2007*

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 7,438,835	\$ 589,908	\$ 8,028,743
Investments	2,752,380	0	2,752,380
Receivables:			
Taxes	13,552,534	0	13,552,534
Accounts	27,349	95	27,444
Intergovernmental	495,619	0	495,619
Interest	5,646	0	5,646
Internal Balance	(387,466)	387,466	0
Inventory of Supplies at Cost	16,482	20,163	36,645
Restricted Assets:			
Cash with Fiscal Agent	762	0	762
Unamortized Bond Issuance Cost	102,018	0	102,018
Non-Depreciable Capital Assets	414,449	0	414,449
Depreciable Capital Assets, Net	26,802,323	366,053	27,168,376
Total Assets	51,220,931	1,363,685	52,584,616
Liabilities:			
Accounts Payable	251,310	0	251,310
Accrued Wages and Benefits	2,672,948	112,450	2,785,398
Intergovernmental Payable	806,810	68,569	875,379
Matured Bonds and Interest Payable	762	0	762
Unearned Revenue	11,356,203	0	11,356,203
Accrued Interest Payable	26,877	0	26,877
Long Term Liabilities:			
Due Within One Year	656,586	0	656,586
Due in More Than One Year	11,730,519	71,750	11,802,269
Total Liabilities	27,502,015	252,769	27,754,784
Net Assets:			
Invested in Capital Assets, Net of Related Debt	18,301,335	366,053	18,667,388
Restricted For:			
Capital Projects	937,024	0	937,024
Debt Service	730,481	0	730,481
Other Purposes	490,122	0	490,122
Permanent Fund:			
Expendable	31,044	0	31,044
Nonexpendable	36,309	0	36,309
Unrestricted	3,192,601	744,863	3,937,464
Total Net Assets	\$ 23,718,916	\$ 1,110,916	\$ 24,829,832

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Activities For the Fiscal Year Ended June 30, 2007

	Program Revenues			
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:				
Instruction	\$ 19,061,767	\$ 224,647	\$ 2,205,776	\$ 27,060
Support Services:				
Pupils	1,505,043	1,525	104,986	0
Instructional Staff	2,061,205	0	183,495	0
Board of Education	23,042	0	0	0
Administration	2,454,192	0	9,041	0
Fiscal Services	390,832	0	0	0
Business	101,989	0	0	0
Operation and Maintenance of Plant	3,065,299	0	0	0
Pupil Transportation	1,545,489	54,717	37,037	0
Central	162,793	0	12,565	0
Operation of Non-Instructional Services	375,228	0	335,799	0
Extracurricular Activities	861,632	432,912	0	0
Interest and Fiscal Charges	481,096	0	0	0
Total Governmental Activities	32,089,607	713,801	2,888,699	27,060
Business-Type Activities:				
Food Service	1,684,194	702,248	861,842	0
Total Business-Type Activities	1,684,194	702,248	861,842	0
Totals	\$ 33,773,801	\$ 1,416,049	\$ 3,750,541	\$ 27,060

General Revenues

Taxes:

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

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated

Net Assets End of Year

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (16,604,284)	\$ 0	\$ (16,604,284)
(1,398,532)	0	(1,398,532)
(1,877,710)	0	(1,877,710)
(23,042)	0	(23,042)
(2,445,151)	0	(2,445,151)
(390,832)	0	(390,832)
(101,989)	0	(101,989)
(3,065,299)	0	(3,065,299)
(1,453,735)	0	(1,453,735)
(150,228)	0	(150,228)
(39,429)	0	(39,429)
(428,720)	0	(428,720)
(481,096)	0	(481,096)
<u>(28,460,047)</u>	<u>0</u>	<u>(28,460,047)</u>
<u>0</u>	<u>(120,104)</u>	<u>(120,104)</u>
<u>0</u>	<u>(120,104)</u>	<u>(120,104)</u>
<u>(28,460,047)</u>	<u>(120,104)</u>	<u>(28,580,151)</u>
10,065,680	0	10,065,680
1,060,120	0	1,060,120
1,026,558	0	1,026,558
2,253,023	0	2,253,023
13,915,936	0	13,915,936
451,410	0	451,410
287,562	0	287,562
<u>29,060,289</u>	<u>0</u>	<u>29,060,289</u>
600,242	(120,104)	480,138
<u>23,118,674</u>	<u>1,231,020</u>	<u>24,349,694</u>
<u>\$ 23,718,916</u>	<u>\$ 1,110,916</u>	<u>\$ 24,829,832</u>

PIQUA CITY SCHOOL DISTRICT

Balance Sheet Governmental Funds June 30, 2007

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 438,983	\$ 601,678	\$ 789,521	\$ 867,904	\$ 2,698,086
Investments	2,752,380	0	0	0	2,752,380
Receivables:					
Taxes	11,430,465	1,042,164	1,079,905	0	13,552,534
Accounts	26,949	0	0	400	27,349
Intergovernmental	0	0	0	495,619	495,619
Interest	5,646	0	0	0	5,646
Interfunds Loan Receivable	1,981	0	0	0	1,981
Inventory of Supplies at Cost	16,482	0	0	0	16,482
Restricted Assets:					
Cash with Fiscal Agent	0	762	0	0	762
Total Assets	\$ 14,672,886	\$ 1,644,604	\$ 1,869,426	\$ 1,363,923	\$ 19,550,839
Liabilities:					
Accounts Payable	\$ 190,634	\$ 0	\$ 43,820	\$ 16,856	\$ 251,310
Accrued Wages and Benefits	2,475,854	0	0	197,094	2,672,948
Intergovernmental Payable	769,558	0	0	37,252	806,810
Matured Bonds and Interest Payable	0	762	0	0	762
Interfund Loans Payable	0	0	0	1,981	1,981
Deferred Revenue - Taxes	9,969,198	925,796	1,027,792	0	11,922,786
Deferred Revenue	0	0	0	224,290	224,290
Compensated Absences Payable	76,083	0	0	0	76,083
Total Liabilities	13,481,327	926,558	1,071,612	477,473	15,956,970
Fund Balance:					
Reserved for Encumbrances	1,511,430	0	318,188	116,471	1,946,089
Reserved for Supplies Inventory	16,482	0	0	0	16,482
Reserved for Debt Service	0	606,187	0	0	606,187
Reserved for Property Taxes	418,325	111,859	47,486	0	577,670
Reserved for Endowments	0	0	0	67,353	67,353
Unreserved, Undesignated in:					
General Fund (Deficit)	(754,678)	0	0	0	(754,678)
Special Revenue Funds	0	0	0	604,671	604,671
Capital Projects Funds	0	0	432,140	97,955	530,095
Total Fund Balance	1,191,559	718,046	797,814	886,450	3,593,869
Total Liabilities and Fund Balance	\$ 14,672,886	\$ 1,644,604	\$ 1,869,426	\$ 1,363,923	\$ 19,550,839

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
June 30, 2007***

Total Governmental Fund Balances	\$ 3,593,869
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	27,216,772
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	790,873
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	4,353,283
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	(9,144,013)
Deferred Loss on Early Retirement of Debt	509,287
Unamortized Bond Issuance Cost	102,018
Interest Accretion on Capital Appreciation Bonds	(1,084,802)
Capital Leases Payable	(280,711)
Compensated Absences Payable	(2,310,783)
Accrued Interest Payable	(26,877)
	<u>(12,235,881)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$ 23,718,916</u></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, 2007

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local Sources:					
Taxes	\$ 12,339,408	\$ 1,056,873	\$ 1,023,236	\$ 0	\$ 14,419,517
Tuition	3,196	0	0	0	3,196
Transportation Fees	54,717	0	0	0	54,717
Investment Earnings	189,325	13,671	21,166	15,725	239,887
Extracurricular Activities	0	0	0	504,759	504,759
Class Materials and Fees	149,604	0	0	0	149,604
Intermediate Sources	0	0	0	10,710	10,710
Intergovernmental - State	13,747,909	96,032	98,322	482,003	14,424,266
Intergovernmental - Federal	115,698	0	0	2,407,395	2,523,093
All Other Revenue	187,181	0	5,500	94,881	287,562
Total Revenue	26,787,038	1,166,576	1,148,224	3,515,473	32,617,311
Expenditures:					
Current:					
Instruction	16,091,628	0	402,688	2,076,405	18,570,721
Supporting Services:					
Pupils	1,392,158	0	0	104,727	1,496,885
Instructional Staff	1,908,726	0	0	158,824	2,067,550
Board of Education	23,042	0	0	0	23,042
Administration	2,348,426	0	42,938	24,899	2,416,263
Fiscal Services	375,270	0	0	0	375,270
Business	100,888	0	0	0	100,888
Operation and Maintenance of Plant	2,948,950	0	32,568	735	2,982,253
Pupil Transportation	1,326,053	0	126,771	10,585	1,463,409
Central	161,425	0	0	31	161,456
Operation of Non-Instructional Services	0	0	0	371,664	371,664
Extracurricular Activities	304,694	0	0	502,668	807,362
Capital Outlay	0	0	661,255	450	661,705
Debt Service:					
Principal Retirement	109,456	690,000	0	0	799,456
Interest and Fiscal Charges	25,867	324,268	0	0	350,135
Total Expenditures	27,116,583	1,014,268	1,266,220	3,250,988	32,648,059
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(329,545)	152,308	(117,996)	264,485	(30,748)
Other Financing Sources (Uses):					
Sale of Capital Assets	4,560	0	0	3,000	7,560
Transfers In	42,212	0	0	0	42,212
Total Other Financing Sources (Uses)	46,772	0	0	3,000	49,772
Net Change in Fund Balance	(282,773)	152,308	(117,996)	267,485	19,024
Fund Balance at Beginning of Year	1,457,850	565,738	915,810	618,965	3,558,363
Increase in Inventory Reserve	16,482	0	0	0	16,482
Fund Balance End of Year	\$ 1,191,559	\$ 718,046	\$ 797,814	\$ 886,450	\$ 3,593,869

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, 2007***

Net Change in Fund Balances - Total Governmental Funds \$ 19,024

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 depreciation exceeded capital outlays in the current period. (187,104)

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. (38,763)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (140,510)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 602,824

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 65,671

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. (183,268)

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. 462,368

Change in Net Assets of Governmental Activities \$ 600,242

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, 2007***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Local Sources:				
Taxes	\$ 12,139,477	\$ 12,584,256	\$ 12,584,256	\$ 0
Tuition	7,264	7,530	7,530	0
Transportation Fees	54,043	56,023	56,056	33
Investment Earnings	122,733	127,230	134,457	7,227
Class Material and Fees	144,524	149,819	149,702	(117)
Intergovernmental - State	13,262,000	13,747,909	13,747,909	0
Intergovernmental - Federal	90,655	93,976	115,698	21,722
All Other Revenues	122,904	127,407	127,601	194
Total Revenues	<u>25,943,600</u>	<u>26,894,150</u>	<u>26,923,209</u>	<u>29,059</u>
Expenditures:				
Current:				
Instructional Services:				
Regular	13,823,413	13,824,058	13,678,233	145,825
Special	2,818,478	2,818,478	3,479,163	(660,685)
Other	119,225	119,225	80,836	38,389
Support Services:				
Pupils	1,476,655	1,479,190	1,404,864	74,326
Instructional Staff	1,935,010	1,934,660	1,926,998	7,662
Board of Education	22,750	22,750	38,631	(15,881)
Administration	2,445,201	2,444,900	2,574,534	(129,634)
Fiscal Services	594,025	594,025	392,223	201,802
Business	107,650	107,650	104,337	3,313
Operation and Maintenance of Plant	3,194,399	3,194,398	3,640,853	(446,455)
Pupil Transportation	1,367,833	1,367,833	1,354,803	13,030
Central	162,306	162,307	161,920	387
Extracurricular Activities	320,143	320,142	307,001	13,141
Capital Outlay	500	500	0	500
Total Expenditures	<u>28,387,588</u>	<u>28,390,116</u>	<u>29,144,396</u>	<u>(754,280)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,443,988)	(1,495,966)	(2,221,187)	(725,221)
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	4,560	4,560	4,560	0
Transfers In	42,000	42,000	42,212	212
Advances Out	0	(1,981)	(1,981)	0
Refund of Prior Year's Expenditures	141,931	141,931	141,931	0
Total Other Financing Sources (Uses):	<u>528,270</u>	<u>186,510</u>	<u>186,722</u>	<u>212</u>
Net Change in Fund Balance	(1,915,718)	(1,309,456)	(2,034,465)	(725,009)
Fund Balance at Beginning of Year	3,072,104	3,072,104	3,072,104	0
Prior Year Encumbrances	455,430	455,430	455,430	0
Fund Balance at End of Year	<u>\$ 1,611,816</u>	<u>\$ 2,218,078</u>	<u>\$ 1,493,069</u>	<u>\$ (725,009)</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Net Assets
Proprietary Funds
June 30, 2007

	Business-Type Activities	Governmental Activities -
	Enterprise Fund - Food Service	Internal Service Funds
Assets:		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 589,908	\$ 4,740,749
Receivables:		
Accounts	95	0
Inventory of Supplies at Cost	20,163	0
<i>Total Current Assets</i>	610,166	4,740,749
<i>Non Current Assets:</i>		
Capital Assets, Net	366,053	0
Total Assets	976,219	4,740,749
Liabilities:		
<i>Current Liabilities:</i>		
Accrued Wages and Benefits	112,450	0
Intergovernmental Payable	68,569	0
<i>Total Current Liabilities</i>	181,019	0
<i>Long Term Liabilities:</i>		
Compensated Absences Payable	71,750	0
Total Liabilities	252,769	0
Net Assets:		
Invested in Capital Assets, Net of Related Debt	366,053	0
Unrestricted	357,397	4,740,749
Total Net Assets	\$ 723,450	\$ 4,740,749
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	387,466	
Net Assets of Business-type Activities	\$ 1,110,916	

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2007**

	Business-Type Activities <u>Enterprise Fund - Food Service</u>	Governmental Activities - <u>Internal Service Funds</u>
Operating Revenues:		
Sales	\$ 687,697	\$ 0
Interfund Charges	0	304,161
All Other Revenue	365	0
Total Operating Revenues	<u>688,062</u>	<u>304,161</u>
Operating Expenses:		
Salaries and Wages	630,398	0
Fringe Benefits	300,217	0
Contractual Services	35,766	0
Supplies and Materials	699,889	0
Depreciation	28,857	0
Total Operating Expenses	<u>1,695,127</u>	<u>0</u>
Operating Income (Loss)	(1,007,065)	304,161
Nonoperating Revenue (Expenses):		
Operating Grants	861,842	0
Investment Earnings	14,186	213,048
Loss on Disposal of Capital Assets	(1,696)	0
Total Nonoperating Revenues (Expenses)	<u>874,332</u>	<u>213,048</u>
Income (Loss) Before Transfers	(132,733)	517,209
Transfers:		
Transfers Out	0	(42,212)
Change in Net Assets	(132,733)	474,997
Net Assets Beginning of Year	856,183	4,265,752
Net Assets End of Year	<u>\$ 723,450</u>	<u>\$ 4,740,749</u>
Change in Net Assets - Total Enterprise Funds	<u>(132,733)</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	12,629	
Change in Net Assets - Total Business-type Activities	<u>\$ (120,104)</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, 2007

	Business-Type Activities	Governmental Activities
	Enterprise Funds Food Service	Internal Service
<u>Cash Flows from Operating Activities:</u>		
Cash Received from Customers	\$687,967	\$0
Cash Received from Interfund Charges	0	304,161
Cash Payments for Goods and Services	(592,351)	0
Cash Payments to Employees for Services and Benefits	(890,360)	0
Net Cash Provided (Used) by Operating Activities	(794,744)	304,161
<u>Cash Flows from Noncapital Financing Activities:</u>		
Operating Grants Received	717,012	0
Transfers Out	0	(42,212)
Net Cash Provided (Used) by Noncapital Financing Activities	717,012	(42,212)
<u>Cash Flows from Capital and Related Financing Activities:</u>		
Acquisition of Equipment	(52,900)	0
Net Cash Used by Capital and Related Financing Activities	(52,900)	0
<u>Cash Flows from Investing Activities:</u>		
Receipts of Interest	14,186	213,048
Net Cash Provided by Investing Activities	14,186	213,048
Net Increase (Decrease) in Cash and Cash Equivalents	(116,446)	474,997
Cash and Cash Equivalents at Beginning of Year	706,354	4,265,752
Cash and Cash Equivalents at End of Year	\$589,908	\$4,740,749
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided (Used) by Operating Activities:</u>		
Operating Income (Loss)	(\$1,007,065)	\$304,161
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	28,857	0
Donated Commodities Used During the Year	144,830	0
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(95)	0
Increase in Inventory	(935)	0
Decrease in Accounts Payable	(591)	0
Increase in Accrued Wages and Benefits	32,299	0
Increase in Intergovernmental Payables	3,661	0
Increase in Compensated Absences	4,295	0
Total Adjustments	212,321	0
Net Cash Provided (Used) by Operating Activities	(\$794,744)	\$304,161

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Net Assets
Fiduciary Funds
June 30, 2007

	Private Purpose Trust	
	Special Trust Fund	Agency
Assets:		
Cash and Cash Equivalents	\$ 302,689	\$ 32,817
Investments	358,884	0
Total Assets	<u>661,573</u>	<u>32,817</u>
Liabilities:		
Accounts Payable	1,239	0
Due to Students	0	32,817
Total Liabilities	<u>1,239</u>	<u>32,817</u>
Net Assets:		
Unrestricted	660,334	0
Total Net Assets	<u>\$ 660,334</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

PIQUA CITY SCHOOL DISTRICT

Statement of Changes in Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2007

	Private Purpose Trust Special Trust Fund
Additions:	
Contributions:	
Sales	\$ 1,449
Private Donations	26,941
Total Contributions	<u>28,390</u>
Investment Earnings:	
Interest	27,354
Net Increase in the Fair Value of Investments	25,447
Total Investment Earnings	<u>52,801</u>
Total Additions	<u>81,191</u>
Deductions:	
Administrative Expenses	3,746
Community Gifts, Awards and Scholarships	24,863
Total Deductions	<u>28,609</u>
Change in Net Assets	52,582
Net Assets at Beginning of Year	<u>607,752</u>
Net Assets End of Year	<u>\$ 660,334</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, 2007

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 176 noncertified and approximately 234 certified teaching personnel and administrative employees providing education to 3,766 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing board and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on the District. There were no potential component units that met the criteria imposed by GASB Statement No. 14 to be included in the District's reporting entity. The District is a member of the Metropolitan Dayton Educational Cooperative Association, the Southwestern Ohio Educational Purchasing Council, the Southwestern Ohio Instructional Technology Association and the Upper Valley Joint Vocational School. 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 Flesh Public Library was determined to be a related organization, see Note 18. Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

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

B. Basis of Presentation - Fund Accounting

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

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

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

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost-reimbursement basis. The Liability Self Insurance Fund accounts for the 10% risk premium applicable to the employee health and dental plans.

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

C. Basis of Presentation – Financial Statements

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

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

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

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

D. Basis of Accounting

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

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

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Current property taxes measurable at June 30, 2007, and which are not intended to finance fiscal year 2007 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2007 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

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

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The District has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

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

1. Tax Budget

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

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 2007.

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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

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

5. Basis of Budgeting

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

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PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Basis of Budgeting (Continued)

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

<u>Net Change in Fund Balance</u>	
	<u>General Fund</u>
GAAP Basis (as reported)	(\$282,773)
Increase (Decrease):	
Accrued Revenues at June 30, 2007, received during FY 2008	(1,461,118)
Accrued Revenues at June 30, 2006, received during FY 2007	1,739,220
Accrued Expenditures at June 30, 2007, paid during FY 2008	3,419,574
Accrued Expenditures at June 30, 2006, paid during FY 2007	(3,808,904)
FY 2006 Prepays for FY 2007	16,505
Encumbrances Outstanding	<u>(1,656,969)</u>
Budget Basis	<u><u>(\$2,034,465)</u></u>

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and investments with original maturities of less than three months.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

G. Investments

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

H. Inventory

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

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

I. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

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

Contributed capital assets are recorded at fair market value at the date received. The District does not possess any infrastructure. Estimated historical costs for governmental activities capital asset values were initially determined in 1993 by utilizing the services of Industrial Appraisal Company or by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

All capital assets are depreciated, excluding land 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
Building Improvements	25 - 75
Machinery, Equipment, Vehicles, Furniture and Fixtures	5 - 25

J. Long-Term Obligations

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

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation benefits are accrued as a liability when an employee's right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year up to a maximum of 270 days. Upon retirement, employees will receive twenty-five percent of the accumulated sick leave up to a maximum of 67.5 days. The employees are also eligible to receive payment for "earned days", one additional day of pay for each fiscal year the employee has perfect attendance. The payment for these "earned days" are in addition to the maximum of 67.5 days. Employees who retire at the end of the year in which they reach a total of thirty years with the state retirement system will receive a bonus equal to 23% of their base salary. The aforementioned severance is added to the bonus and paid over three years. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account. Compensated absences are expensed in the proprietary funds when earned and the related liability is reported within the fund.

L. Net Assets

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

Of the District's \$2,224,980 in restricted net assets, none is restricted by enabling legislation.

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Pensions

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

N. Interfund Activity

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

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

O. Restricted Assets

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

P. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for debt service, endowments, supplies, property taxes, and encumbered amounts which have not been accrued at year end. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriation under State statute.

Q. Estimates

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service and interfund charges for the internal service funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during fiscal year 2007.

NOTE 2 – RESTATEMENT OF NET ASSETS

Certain adjustments were necessary to the beginning net asset balance of the Governmental Activities to correct errors in accounting for the accretion of interest on the District's capital appreciation bonds. As a result of the restatement, the District's net assets for Governmental Activities at June 30, 2006 decreased \$1,203,414 to a restated amount of \$23,118,674.

NOTE 3 - ACCOUNTABILITY

Fund Deficits - The fund deficits at June 30, 2007 of \$335 in the Ohio Reads Fund and \$1,168 in the Poverty Based Assistance 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.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 4 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

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

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

Capital Outlay	\$752,063
Depreciation Expense	<u>(939,167)</u>
	(\$187,104)

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

Loss on Disposal of Capital Asset	(\$31,203)
Proceeds Received	<u>(7,560)</u>
	(\$38,763)

Governmental revenues not reported in the funds:

Decrease in Delinquent Tax Revenue	(\$14,136)
Decrease in Grants Receivable	<u>(\$126,374)</u>
	(\$140,510)

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

Bond Principal Payment	\$690,000
Capital Lease Payment	109,456
Deferred Loss on Early Retirement of Debt	(42,440)
Deferred Bond Issuance Cost	(8,502)
Bond Premium Amortization	50,943
Interest Accretion on Capital Appreciation Bonds	<u>(196,633)</u>
	\$602,824

Expenses not requiring the use of current financial resources:

Increase in Compensated Absences Payable	(\$199,750)
Increase in Supplies Inventory	<u>16,482</u>
	(\$183,268)

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007**

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

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. The District's policy is to deposit funds with banking institutions which collateralize public monies in accordance with the Ohio Revised Code.

At year end the carrying amount of the District's deposits was \$8,650,011 and the bank balance was \$9,213,706. Federal depository insurance covered \$122,436 of the bank balance and \$9,091,270 was collateralized by the financial institutions public entity deposit pools in the manner described above.

B. Investments

The District's investments at June 30, 2007 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
Common Stocks	\$358,884	N/A	\$358,884	\$0	\$0
FNMA	372,878	AAA ^{1,2}	149,565	223,313	0
FHLB	1,595,442	AAA ^{1,2}	197,574	1,397,868 ^a	0
FHLMC	499,060	AAA ^{1,2}	0	499,060 ^b	0
Total Investments	<u>\$2,826,264</u>		<u>\$706,023</u>	<u>\$2,120,241</u>	<u>\$0</u>

PIQUA CITY SCHOOL DISTRICT

***Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007***

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

B. Investments (Continued)

¹ Standard & Poor's

² Moody's Investor Service

^a Call Option – January/July, 2007-2008 February/August 2007-2008

^b Call Option – January/July, 2007-2009

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, 13.2% are FNMA, 56.4% are FHLB, 17.7% are FHLMC and 12.7% is common stock.

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

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	Cash and Cash Equivalents	Investments
Per Financial Statements	\$8,365,011	\$3,111,264
Certificates of Deposit (with maturities of more than 3 months)	285,000	(285,000)
Per GASB Statement No. 3	\$8,650,011	\$2,826,264

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 6 - TAXES

A. Property Tax

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2007 were levied after April 1, 2006 on assessed values as of January 1, 2006, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 2001. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25 percent of its true value. As part of a phase out of the personal property tax, the assessment percentage for personal property was reduced to 12.5 percent in 2007. The rate will be reduced to 6.25 percent for 2008 and finally to zero in 2009. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually, the first payment is due April 30; with the remainder payable by September 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Piqua City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2007, upon which the 2006 levies were based, were as follows:

	2006 Second Half <u>Collections</u>	2007 First Half <u>Collections</u>
Agricultural/Residential and Other Real Estate	\$367,838,530	\$374,683,270
Public Utility Personal	6,919,730	6,323,530
Tangible Personal Property	<u>65,430,770</u>	<u>53,859,240</u>
Total Assessed Value	<u>\$440,189,030</u>	<u>\$434,866,040</u>
Tax rate per \$1,000 of assessed valuation	\$45.05	\$45.25

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007**

NOTE 6 – TAXES (Continued)

B. Income Tax

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

NOTE 7 – INTERFUND TRANSACTIONS

On the Statement of Net Assets, the Business-Type Activities reported an internal balance at June 30, 2007 of \$387,466 which is offset in the Governmental Activities by the same amount.

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES

Following is a summary of interfund receivables/payables for all funds at June 30, 2007:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$1,981	\$0
Other Governmental Funds	0	1,981
Totals	\$1,981	\$1,981

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

NOTE 9 – TRANSFERS

Following is a summary of transfers in and out for all funds for fiscal year 2007:

Fund	Transfers In	Transfers Out
General Fund	\$42,212	\$0
Internal Service Fund	0	42,212
Total All Funds	\$42,212	\$42,212

Funds in excess of required insurance premiums in the Internal Service Fund were returned to the General Fund in accordance with Ohio Revised Code.

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007**

NOTE 10 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2007:

Historical Cost:

Class	June 30, 2006	Additions	Deletions	June 30, 2007
Capital assets not being depreciated:				
Land	\$323,722	\$0	\$0	\$323,722
Construction in Progress	90,727	0	0	90,727
	<u>414,449</u>	<u>0</u>	<u>0</u>	<u>414,449</u>
Capital assets being depreciated:				
Land Improvements	2,007,392	188,174	0	2,195,566
Buildings and Improvements	31,191,780	146,667	0	31,338,447
Machinery and Equipment	5,407,077	262,672	(441,036)	5,228,713
Vehicles	1,924,159	154,550	(48,441)	2,030,268
Total Cost	<u>\$40,944,857</u>	<u>\$752,063</u>	<u>(\$489,477)</u>	<u>\$41,207,443</u>

Accumulated Depreciation:

Class	June 30, 2006	Additions	Deletions	June 30, 2007
Land Improvements	(\$200,796)	(\$39,135)	\$0	(\$239,931)
Buildings and Improvements	(8,400,539)	(467,414)	0	(8,867,953)
Machinery and Equipment	(3,713,871)	(316,297)	414,957	(3,615,211)
Vehicles	(1,187,012)	(116,321)	35,757	(1,267,576)
Total Depreciation	<u>(\$13,502,218)</u>	<u>(\$939,167) *</u>	<u>\$450,714</u>	<u>(\$13,990,671)</u>
Net Value:	<u>\$27,442,639</u>			<u>\$27,216,772</u>

* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$667,080
Support Services:	
Pupils	351
Instructional Staff	2,145
Administration	75,086
Fiscal Services	20
Operations & Maintenance of Plant	39,065
Pupil Transportation	98,871
Auxiliary Services	2,279
Extracurricular Activities	54,270
Total Depreciation Expense	<u>\$939,167</u>

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 10 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2007:

Historical Cost:

<u>Class</u>	<u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2007</u>
Machinery and Equipment	\$875,955	\$52,900	(\$21,415)	\$907,440
Total Cost	<u>\$875,955</u>	<u>\$52,900</u>	<u>(\$21,415)</u>	<u>\$907,440</u>

Accumulated Depreciation:

<u>Class</u>	<u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2007</u>
Machinery and Equipment	(\$532,249)	(\$28,857)	\$19,719	(\$541,387)
Total Depreciation	<u>(\$532,249)</u>	<u>(\$28,857)</u>	<u>\$19,719</u>	<u>(\$541,387)</u>
<i>Net Value:</i>	<u>\$343,706</u>	<u>\$24,043</u>	<u>(\$1,696)</u>	<u>\$366,053</u>

NOTE 11 - RECEIVABLES

Receivables at June 30, 2007 consisted of taxes, accounts, intergovernmental, interest and interfund loans receivable.

NOTE 12- DEFINED BENEFIT PENSION PLANS

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

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

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

The SERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The SERS of Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for the SERS of Ohio. Interested parties may obtain a copy by making a written request to SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 12- DEFINED BENEFIT PENSION PLANS (Continued)

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

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 10% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 2006, (latest information available) 10.68% was allocated to fund the pension benefit and 3.32% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 2007, 2006, and 2005 were \$688,896, \$620,208, and \$589,008, respectively, which were equal to the required contributions for each year.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status. The portion of the 2006 employer contribution rate (latest information available) that was used to fund health care for the year 2006 was 3.32%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2007, the minimum pay has been established as \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund. The amount contributed to fund health care benefits, including the surcharge amounted to \$230,723.

Health care benefits are financed on a pay-as-you-go basis. Net health care costs for the year ended June 30, 2006 were \$158,751,207. The target level for the health care reserve is 150% of the projected claims less premium contributions for the next fiscal year. As of June 30, 2006, the value of the health care fund was \$295.6 million, which is about 221% of next year's projected net health care costs. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual net claim costs. The number of participants eligible to receive benefits is 59,492.

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

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 12- DEFINED BENEFIT PENSION PLANS (Continued)

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

The STRS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and survivor benefits based on eligible service credit to plan members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. The STRS of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the STRS of Ohio. Interested parties may obtain a copy by making a written request to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, or by calling (614) 227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 10%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. At June 30, 2006, (latest information available) 13% was allocated to fund the pension benefit and 1% to fund health care. The District's contributions to the STRS of Ohio for the years ending June 30, 2007, 2006, and 2005 were \$1,930,416 \$1,805,064, and \$1,744,080, respectively, which were equal to the required contributions for each year.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 12- DEFINED BENEFIT PENSION PLANS (Continued)

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

STRS provides postemployment health care benefits to retirees who participated in the DB or Combined Plans and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care cost will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, health care benefits are not guaranteed.

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to the Health Care Stabilization Fund. For the fiscal year ended June 30, 2007 the board allocated employer contributions are equal to 1% of covered payroll to the Health Care Stabilization Fund, which amounted to \$137,887 for the District. The balance of the Health Care Stabilization Fund was \$3.5 billion at June 30, 2006. For the fiscal year ended June 30, 2006, the net health care costs paid by STRS were \$282,743,000. There were 119,184 eligible benefit recipients.

NOTE 13 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in the bonds, compensated absences, and capital leases of the District for the year ended June 30, 2007 is as follows:

		Restated Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
School Improvement	4.75-12.5%	\$665,432	\$0	(\$197,721)	\$467,711	\$175,142
School Improvement Refunding	3.00-4.2%	8,164,990	0	(100,000)	8,064,990	100,000
Bond Premium		662,255	0	(50,943)	611,312	0
Deferred Loss on Early Retirement		(551,727)	42,440	0	(509,287)	0
		8,940,950	42,440	(348,664)	8,634,726	275,142
Interest Accretion		1,280,448	196,633	(392,279)	1,084,802	0
Total General Obligation Bonds:		10,221,398	239,073	(740,943)	9,719,528	275,142
Capital Leases Payable		390,167	0	(109,456)	280,711	117,636
Compensated Absences		2,336,825	2,386,866	(2,336,825)	2,386,866	263,808
Total Governmental Activities		12,948,390	2,625,939	(3,187,224)	12,387,105	656,586
Business-Type Activities:						
Compensated Absences		67,455	71,750	(67,455)	71,750	0
Total Long-Term Debt and Other Obligations		\$13,015,845	\$2,697,689	(\$3,254,679)	\$12,458,855	\$656,586

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

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

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements including principal and interest payments as of June 30, 2007, follows:

Years	General Obligation Bonds		
	Principal	Interest	Total
2008	\$275,142	\$735,626	\$1,010,768
2009	270,141	751,864	1,022,005
2010	262,429	765,375	1,027,804
2011	710,000	292,868	1,002,868
2012	745,000	260,683	1,005,683
2013-2017	2,989,989	2,062,599	5,052,588
2018-2021	3,280,000	253,390	3,533,390
Totals	<u>\$8,532,701</u>	<u>\$5,122,405</u>	<u>\$13,655,106</u>

B. Defeased Debt

In April 2005, the District defeased \$8,390,000 of General Obligation Bonds for School Building Improvements, dated November 15, 1997, through the issuance of \$8,389,990 of General Obligation Bonds. The net proceeds of the 2005 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States Government and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$8,390,000 at June 30, 2007, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 14 - CAPITAL LEASE COMMITMENTS

The District is obligated under several leases accounted for as capital leases. The cost of the leased assets (Machinery and Equipment - copiers) is accounted for in the Governmental Activities Capital Assets and the related liability in the Governmental Activities Other Long-Term Obligations. The original cost of the assets under capital lease was \$538,893.

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2007:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2008	\$134,953
2009	132,119
2010	<u>40,977</u>
Minimum Lease Payments	308,049
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(27,338)</u>
Present value of minimum lease payments	<u><u>\$280,711</u></u>

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

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

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

PIQUA CITY SCHOOL DISTRICT

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007**

NOTE 15 - RISK MANAGEMENT (Continued)

Workers' compensation claims are covered through the District's participation in the State of Ohio's program. The District pays the State Workers' Compensation System a premium based upon a rate per \$100 of payroll. The rate is determined based on accident history and administrative costs.

The District established the Self Insurance Fund during fiscal year 1997 to account for the proceeds of the contingent premium program administered by Anthem Blue Cross and Blue Shield. The program allows the District to limit the risk of loss to a pre-determined level while benefiting from cash flow advantages and sharing in gains for positive claims experience. Under the contingent premium program, the District remits to Anthem a reduced insurance premium, 90% of the normal fully insured premium, during the twelve month rating period. The District deposits the difference between the contingent premium and the risk premium, 110% of the normal fully insured premium, into the Self Insurance Fund. The risk premium is the maximum liability rate established at the beginning of the contract year. Incurred claims and administrative expenses are calculated at the end of every twelve month period. If the total expenses for the year are equal to or below the amount paid in the contingent premium, no additional payment is due. If total expenses exceed the contingent premium, the District must pay the excess, but only up to the risk premium. Settlement has not yet occurred for fiscal year end 2007, but the maximum amount of additional premium that may be levied against the District is \$657,484.

NOTE 16 – STATUTORY RESERVES

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

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

	Textbook Reserve	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2006	\$204,865	\$0
Current Year Set-Aside Requirement	531,621	531,621
Current Year Offset Credits	0	(1,062,495)
Qualifying Disbursements	(899,324)	(555,283)
Total	<u>(\$162,838)</u>	<u>(\$1,086,157)</u>
Set-aside Cash Balance		
Carried Forward to FY 2008	<u>(\$162,838)</u>	<u>\$0</u>

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 16 – STATUTORY RESERVES (Continued)

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

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

A. Metropolitan Dayton Educational Cooperative Association

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

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

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

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

A. Metropolitan Dayton Educational Cooperative Association (Continued)

For this reason, the Montgomery Education Service Center serves as the fiscal agent for the MDECA and performs certain functions that might otherwise be performed by the MDECA Board of Directors in order to ensure receipt of funds from the Ohio Educational Computer Network. Essentially, these functions are to apply for and maintain the Data Acquisition Site permit for the central data processing equipment and to hold legal title to the central data processing equipment. During fiscal year 2007, the Piqua City School District paid \$133,769 to MDECA. The MDECA's office is located in Dayton, Ohio, 225 Linwood Drive, 45405.

B. Southwestern Ohio Educational Purchasing Council

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

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 2007, the Piqua City School District paid \$1,831 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Cooperative, Robert Brown, Director, 1831 Harshman Road, Dayton, Ohio 45424.

C. Southwestern Ohio Instructional Technology Association

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

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

PIQUA CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2007

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. Southwestern Ohio Instructional Technology Association (Continued)

All member districts are obligated to pay fees, charges or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. During fiscal year 2007, the Piqua City School District paid \$5,227 to the SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, Director, 150 East Sixth Street, Franklin, Ohio 45005.

D. Upper Valley Joint Vocational School

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

NOTE 18 – RELATED ORGANIZATION

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

NOTE 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, 2007.

PIQUA CITY SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 19 – CONTINGENCIES (Continued)

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, 2007.

PIQUA CITY SCHOOL DISTRICT

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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



PIQUA CITY SCHOOL DISTRICT

Nonmajor Governmental Funds

Special Revenue Funds

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

Public School Support Fund

To account for specific local revenue sources, other than taxes that are restricted to expenditures for specified purposes, curricular and extracurricular, approved by board resolutions.

Other Grant Fund

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

District Managed Activity Fund

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

Auxiliary Services Fund

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

Management Information System Fund

To account for costs related to hardware and software development or other costs associated with the requirements of the management information system.

SchoolNet Professional Development Fund

To account for funds from a State grant to provide professional development for staff in technology. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

OhioReads Fund

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

(Continued)

PIQUA CITY SCHOOL DISTRICT

Special Revenue Funds

School Conflict Management Grant Fund

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

IDEA-B Fund

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

Title I Fund

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

Title V Fund

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

Title IV-A Fund

To account for grant funds to be used for drug abuse prevention, early intervention, rehabilitation referral and education.

Poverty Based Assistance Fund

To account for disadvantaged pupil aid.

2004 One Net Fund

To account for grant monies to help implement internet technologies into the teaching and learning process (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Title II-A Fund

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

Miscellaneous Federal Grant Fund

To account for federal revenues which support class reduction in grades 1-3 through employment of teachers in fiscal year 2004.

(Continued)

PIQUA CITY SCHOOL DISTRICT

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

Replacement Fund

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

SchoolNet Plus Fund

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

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, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 702,596	\$ 97,955	\$ 67,353	\$ 867,904
Receivables:				
Accounts	400	0	0	400
Intergovernmental	495,619	0	0	495,619
Total Assets	\$ 1,198,615	\$ 97,955	\$ 67,353	\$ 1,363,923
Liabilities:				
Accounts Payable	\$ 16,856	\$ 0	\$ 0	\$ 16,856
Accrued Wages and Benefits	197,094	0	0	197,094
Intergovernmental Payable	37,252	0	0	37,252
Interfund Loans Payable	1,981	0	0	1,981
Deferred Revenue	224,290	0	0	224,290
Total Liabilities	477,473	0	0	477,473
Fund Balance:				
Reserved for Encumbrances	116,471	0	0	116,471
Reserved for Endowments	0	0	67,353	67,353
Unreserved, Undesignated in:				
Special Revenue Funds	604,671	0	0	604,671
Capital Projects Funds	0	97,955	0	97,955
Total Fund Balance	721,142	97,955	67,353	886,450
Total Liabilities and Fund Balance	\$ 1,198,615	\$ 97,955	\$ 67,353	\$ 1,363,923

PIQUA CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Local Sources:				
Investment Earnings	\$ 12,069	\$ 2,131	\$ 1,525	\$ 15,725
Extracurricular Activities	504,759	0	0	504,759
Intermediate Sources	10,710	0	0	10,710
Intergovernmental - State	454,943	27,060	0	482,003
Intergovernmental - Federal	2,407,395	0	0	2,407,395
All Other Revenue	91,978	0	2,903	94,881
Total Revenue	3,481,854	29,191	4,428	3,515,473
Expenditures:				
Current:				
Instruction	2,022,375	54,030	0	2,076,405
Supporting Services:				
Pupils	102,527	0	2,200	104,727
Instructional Staff	158,441	0	383	158,824
Administration	24,899	0	0	24,899
Operation and Maintenance of Plant	735	0	0	735
Pupil Transportation	10,585	0	0	10,585
Central	31	0	0	31
Operation of Non-Instructional Services	371,664	0	0	371,664
Extracurricular Activities	502,668	0	0	502,668
Capital Outlay	450	0	0	450
Total Expenditures	3,194,375	54,030	2,583	3,250,988
Excess (Deficiency) of Revenues Over (Under) Expenditures	287,479	(24,839)	1,845	264,485
Other Financing Sources (Uses):				
Sale of Capital Assets	3,000	0	0	3,000
Total Other Financing Sources (Uses)	3,000	0	0	3,000
Net Change in Fund Balance	290,479	(24,839)	1,845	267,485
Fund Balance at Beginning of Year	430,663	122,794	65,508	618,965
Fund Balance End of Year	\$ 721,142	\$ 97,955	\$ 67,353	\$ 886,450

PIQUA CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007**

	<u>Public School Support</u>	<u>Other Grant</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>	<u>Management Information System</u>
Assets:					
Cash and Cash Equivalents	\$ 82,837	\$ 11,212	\$ 308,374	\$ 36,137	\$ 84,944
Receivables:					
Accounts	0	0	400	0	0
Intergovernmental	0	0	0	0	0
Total Assets	<u>\$ 82,837</u>	<u>\$ 11,212</u>	<u>\$ 308,774</u>	<u>\$ 36,137</u>	<u>\$ 84,944</u>
Liabilities:					
Accounts Payable	\$ 461	\$ 2,074	\$ 3,890	\$ 5,541	\$ 0
Accrued Wages and Benefits	0	0	0	15,049	0
Intergovernmental Payable	0	0	0	2,037	0
Interfund Loans Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	<u>461</u>	<u>2,074</u>	<u>3,890</u>	<u>22,627</u>	<u>0</u>
Fund Balance:					
Reserved for Encumbrances	5,351	3,000	22,538	30,510	0
Unreserved, Undesignated in:					
Special Revenue Funds (Deficit)	<u>77,025</u>	<u>6,138</u>	<u>282,346</u>	<u>(17,000)</u>	<u>84,944</u>
Total Fund Balance (Deficit)	<u>82,376</u>	<u>9,138</u>	<u>304,884</u>	<u>13,510</u>	<u>84,944</u>
Total Liabilities and Fund Balance	<u>\$ 82,837</u>	<u>\$ 11,212</u>	<u>\$ 308,774</u>	<u>\$ 36,137</u>	<u>\$ 84,944</u>

PIQUA CITY SCHOOL DISTRICT

OhioReads	School Conflict Management Grant	IDEA-B	Title I	Title V	Title IV-A
\$ 3,433	\$ 11,231	\$ 30,642	\$ 101,336	\$ 950	\$ 0
0	0	0	0	0	0
0	0	165,424	207,493	2,806	29,824
<u>\$ 3,433</u>	<u>\$ 11,231</u>	<u>\$ 196,066</u>	<u>\$ 308,829</u>	<u>\$ 3,756</u>	<u>\$ 29,824</u>
\$ 0	\$ 0	\$ 4,792	\$ 0	\$ 98	\$ 0
2,536	0	35,584	120,783	0	0
1,232	0	7,011	22,113	4	0
0	0	0	0	0	1,981
0	0	51,908	100,677	2,806	24,670
<u>3,768</u>	<u>0</u>	<u>99,295</u>	<u>243,573</u>	<u>2,908</u>	<u>26,651</u>
0	0	4,177	18,901	0	10,421
(335)	11,231	92,594	46,355	848	(7,248)
(335)	11,231	96,771	65,256	848	3,173
<u>\$ 3,433</u>	<u>\$ 11,231</u>	<u>\$ 196,066</u>	<u>\$ 308,829</u>	<u>\$ 3,756</u>	<u>\$ 29,824</u>

(Continued)

PIQUA CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007**

	<u>Poverty Based Assistance</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:				
Cash and Cash Equivalents	\$ 0	\$ 28,923	\$ 2,577	\$ 702,596
Receivables:				
Accounts	0	0	0	400
Intergovernmental	0	70,173	19,899	495,619
Total Assets	<u>\$ 0</u>	<u>\$ 99,096</u>	<u>\$ 22,476</u>	<u>\$ 1,198,615</u>
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 16,856
Accrued Wages and Benefits	0	23,142	0	197,094
Intergovernmental Payable	1,168	3,677	10	37,252
Interfund Loans Payable	0	0	0	1,981
Deferred Revenue	0	39,665	4,564	224,290
Total Liabilities	<u>1,168</u>	<u>66,484</u>	<u>4,574</u>	<u>477,473</u>
Fund Balance:				
Reserved for Encumbrances	0	7,245	14,328	116,471
Unreserved, Undesignated in:				
Special Revenue Funds (Deficit)	(1,168)	25,367	3,574	604,671
Total Fund Balance (Deficit)	<u>(1,168)</u>	<u>32,612</u>	<u>17,902</u>	<u>721,142</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 99,096</u>	<u>\$ 22,476</u>	<u>\$ 1,198,615</u>



PIQUA CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Special Revenue Funds For the Fiscal Year Ended June 30, 2007

	Public School Support	Other Grant	District Managed Activity	Auxiliary Services	Management Information System
Revenues:					
Local Sources:					
Investment Earnings	\$ 2,344	\$ 0	\$ 8,138	\$ 1,587	\$ 0
Extracurricular Activities	71,847	0	432,912	0	0
Intermediate Sources	0	10,710	0	0	0
Intergovernmental - State	0	0	0	203,432	12,565
Intergovernmental - Federal	0	0	0	0	0
All Other Revenue	30,134	382	61,462	0	0
Total Revenue	104,325	11,092	502,512	205,019	12,565
Expenditures:					
Current:					
Instruction	90,177	4,716	0	0	0
Supporting Services:					
Pupils	0	1,409	6,627	0	0
Instructional Staff	2,847	0	0	0	0
Administration	14,231	0	0	0	0
Operation and Maintenance of Plant	0	0	735	0	0
Pupil Transportation	7,325	300	2,960	0	0
Central	0	0	0	0	31
Operation of Non-Instructional Services	0	1,370	0	242,415	0
Extracurricular Activities	0	3,217	499,451	0	0
Capital Outlay	0	0	450	0	0
Total Expenditures	114,580	11,012	510,223	242,415	31
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,255)	80	(7,711)	(37,396)	12,534
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	3,000	0	0
Total Other Financing Sources (Uses)	0	0	3,000	0	0
Net Change in Fund Balance	(10,255)	80	(4,711)	(37,396)	12,534
Fund Balance (Deficit) at Beginning of Year	92,631	9,058	309,595	50,906	72,410
Fund Balance (Deficit) End of Year	\$ 82,376	\$ 9,138	\$ 304,884	\$ 13,510	\$ 84,944

PIQUA CITY SCHOOL DISTRICT

SchoolNet Professional Development	OhioReads	School Conflict Management Grant	IDEA-B	Title I	Title V	Title IV-A
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,300	80,561	11,242	0	0	0	0
0	0	0	1,105,425	1,020,161	8,799	7,071
0	0	0	0	0	0	0
<u>3,300</u>	<u>80,561</u>	<u>11,242</u>	<u>1,105,425</u>	<u>1,020,161</u>	<u>8,799</u>	<u>7,071</u>
0	19,686	607	889,491	707,021	1,119	3,898
0	0	0	0	93,317	0	0
0	43,574	107	2,273	79,886	0	0
4,927	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	19,436	0	98,434	9,041	463	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>4,927</u>	<u>82,696</u>	<u>714</u>	<u>990,198</u>	<u>889,265</u>	<u>1,582</u>	<u>3,898</u>
(1,627)	(2,135)	10,528	115,227	130,896	7,217	3,173
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(1,627)	(2,135)	10,528	115,227	130,896	7,217	3,173
<u>1,627</u>	<u>1,800</u>	<u>703</u>	<u>(18,456)</u>	<u>(65,640)</u>	<u>(6,369)</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ (335)</u>	<u>\$ 11,231</u>	<u>\$ 96,771</u>	<u>\$ 65,256</u>	<u>\$ 848</u>	<u>\$ 3,173</u>

(Continued)

PIQUA CITY SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Special Revenue Funds For the Fiscal Year Ended June 30, 2007

	Poverty Based Assistance	2004 One Net	Title II-A	Miscellaneous Federal Grant	Total Nonmajor Special Revenue Funds
Revenues:					
Local Sources:					
Investment Earnings	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,069
Extracurricular Activities	0	0	0	0	504,759
Intermediate Sources	0	0	0	0	10,710
Intergovernmental - State	116,843	27,000	0	0	454,943
Intergovernmental - Federal	0	0	247,209	18,730	2,407,395
All Other Revenue	0	0	0	0	91,978
Total Revenue	116,843	27,000	247,209	18,730	3,481,854
Expenditures:					
Current:					
Instruction	116,683	21,259	167,718	0	2,022,375
Supporting Services:					
Pupils	0	0	0	1,174	102,527
Instructional Staff	0	0	25,083	4,671	158,441
Administration	0	5,741	0	0	24,899
Operation and Maintenance of Plant	0	0	0	0	735
Pupil Transportation	0	0	0	0	10,585
Central	0	0	0	0	31
Operation of Non-Instructional Services	0	0	0	505	371,664
Extracurricular Activities	0	0	0	0	502,668
Capital Outlay	0	0	0	0	450
Total Expenditures	116,683	27,000	192,801	6,350	3,194,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	160	0	54,408	12,380	287,479
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	0	0	3,000
Total Other Financing Sources (Uses)	0	0	0	0	3,000
Net Change in Fund Balance	160	0	54,408	12,380	290,479
Fund Balance (Deficit) at Beginning of Year	(1,328)	0	(21,796)	5,522	430,663
Fund Balance (Deficit) End of Year	\$ (1,168)	\$ 0	\$ 32,612	\$ 17,902	\$ 721,142



PIQUA CITY SCHOOL DISTRICT

**Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2007**

	<u>Replacement</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 92,375	\$ 5,580	\$ 97,955
Total Assets	<u>\$ 92,375</u>	<u>\$ 5,580</u>	<u>\$ 97,955</u>
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balance:			
Unreserved, Undesignated in:			
Capital Projects Funds	<u>92,375</u>	<u>5,580</u>	<u>97,955</u>
Total Fund Balance	<u>92,375</u>	<u>5,580</u>	<u>97,955</u>
Total Liabilities and Funds Balance	<u>\$ 92,375</u>	<u>\$ 5,580</u>	<u>\$ 97,955</u>

PIQUA CITY SCHOOL DISTRICT

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2007***

	<u>Replacement</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
Local Sources:			
Investment Earnings	\$ 2,131	\$ 0	\$ 2,131
Intergovernmental - State	0	27,060	27,060
Total Revenue	<u>2,131</u>	<u>27,060</u>	<u>29,191</u>
Expenditures:			
Current:			
Instruction	0	54,030	54,030
Total Expenditures	<u>0</u>	<u>54,030</u>	<u>54,030</u>
Net Change in Fund Balance	2,131	(26,970)	(24,839)
Fund Balance at Beginning of Year	<u>90,244</u>	<u>32,550</u>	<u>122,794</u>
Fund Balance End of Year	<u>\$ 92,375</u>	<u>\$ 5,580</u>	<u>\$ 97,955</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Debt Service Fund
For the Fiscal Year Ended June 30, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,147,112</u>	<u>\$ 1,138,495</u>	<u>\$ (8,617)</u>
Total Expenditures and Other Financing Uses	<u>1,014,268</u>	<u>1,014,268</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	132,844	124,227	(8,617)
Fund Balance at Beginning of Year	<u>477,451</u>	<u>477,451</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 610,295</u></u>	<u><u>\$ 601,678</u></u>	<u><u>\$ (8,617)</u></u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Capital Projects Funds
For the Fiscal Year Ended June 30, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 1,195,162</u>	<u>\$ 1,184,427</u>	<u>\$ (10,735)</u>
Total Expenditures and Other Financing Uses	<u>1,588,899</u>	<u>1,588,850</u>	<u>49</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(393,737)	(404,423)	(10,686)
Fund Balance at Beginning of Year	480,876	480,876	0
Prior Year Encumbrances	<u>351,993</u>	<u>351,993</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 439,132</u></u>	<u><u>\$ 428,446</u></u>	<u><u>\$ (10,686)</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 107,611</u>	<u>\$ 104,769</u>	<u>\$ (2,842)</u>
Total Expenditures and Other Financing Uses	<u>201,761</u>	<u>121,894</u>	<u>79,867</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(94,150)	(17,125)	77,025
Fund Balance at Beginning of Year	88,700	88,700	0
Prior Year Encumbrances	5,450	5,450	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 77,025</u>	<u>\$ 77,025</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, 2007***

	OTHER GRANT FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 12,592	\$ 11,092	\$ (1,500)
Total Expenditures and Other Financing Uses	14,522	14,222	300
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,930)	(3,130)	(1,200)
Fund Balance at Beginning of Year	8,842	8,842	0
Prior Year Encumbrances	426	426	0
Fund Balance at End of Year	\$ 7,338	\$ 6,138	\$ (1,200)

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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 512,383	\$ 511,618	\$ (765)
 Total Expenditures and Other Financing Uses	 694,139	 547,871	 146,268
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (181,756)	 (36,253)	 145,503
 Fund Balance at Beginning of Year	 294,113	 294,113	 0
Prior Year Encumbrances	26,276	26,276	0
Fund Balance at End of Year	<u>\$ 138,633</u>	<u>\$ 284,136</u>	<u>\$ 145,503</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 205,323</u>	<u>\$ 205,488</u>	<u>\$ 165</u>
Total Expenditures and Other Financing Uses	<u>270,652</u>	<u>270,731</u>	<u>(79)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(65,329)	(65,243)	86
Fund Balance at Beginning of Year	5,151	5,151	0
Prior Year Encumbrances	<u>60,178</u>	<u>60,178</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 86</u></u>	<u><u>\$ 86</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, 2007***

MANAGEMENT INFORMATION SYSTEM FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 11,625	\$ 12,565	\$ 940
Total Expenditures and Other Financing Uses	0	31	(31)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	11,625	12,534	909
Fund Balance at Beginning of Year	72,410	72,410	0
Fund Balance at End of Year	\$ 84,035	\$ 84,944	\$ 909

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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 3,300</u>	<u>\$ 3,300</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>6,093</u>	<u>6,093</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,793)	(2,793)	0
Fund Balance at Beginning of Year	<u>2,793</u>	<u>2,793</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007***

	OHIOREADS FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 82,857	\$ 80,561	\$ (2,296)
 Total Expenditures and Other Financing Uses	 88,149	 82,420	 5,729
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (5,292)	 (1,859)	 3,433
 Fund Balance at Beginning of Year	 (8,219)	 (8,219)	 0
Prior Year Encumbrances	13,511	13,511	0
Fund Balance at End of Year	\$ 0	\$ 3,433	\$ 3,433

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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 39,307	\$ 11,242	\$ (28,065)
 Total Expenditures and Other Financing Uses	 39,306	 714	 38,592
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 1	 10,528	 10,527
 Fund Balance at Beginning of Year	 703	 703	 0
Fund Balance at End of Year	<u>\$ 704</u>	<u>\$ 11,231</u>	<u>\$ 10,527</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, 2007***

	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>\$ 1,255,589</u>	<u>\$ 1,091,065</u>	<u>\$ (164,524)</u>
Total Expenditures and Other Financing Uses	<u>1,165,709</u>	<u>992,114</u>	<u>173,595</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	89,880	98,951	9,071
Fund Balance at Beginning of Year	(107,826)	(107,826)	0
Prior Year Encumbrances	<u>30,548</u>	<u>30,548</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 12,602</u></u>	<u><u>\$ 21,673</u></u>	<u><u>\$ 9,071</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, 2007***

	TITLE I FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 1,387,601	\$ 1,180,108	\$ (207,493)
 Total Expenditures and Other Financing Uses	 1,067,593	 905,371	 162,222
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 320,008	 274,737	 (45,271)
 Fund Balance at Beginning of Year	 (196,974)	 (196,974)	 0
Prior Year Encumbrances	4,672	4,672	0
Fund Balance at End of Year	\$ 127,706	\$ 82,435	\$ (45,271)

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, 2007***

	TITLE V FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 17,879	\$ 15,073	\$ (2,806)
 Total Expenditures and Other Financing Uses	 11,604	 7,949	 3,655
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 6,275	 7,124	 849
 Fund Balance at Beginning of Year	 (6,274)	 (6,274)	 0
Fund Balance at End of Year	\$ 1	\$ 850	\$ 849

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, 2007***

	TITLE IV-A FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 36,767	\$ 8,923	\$ (27,844)
Total Expenditures and Other Financing Uses	<u>31,742</u>	<u>14,319</u>	<u>17,423</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,025	(5,396)	(10,421)
Fund Balance at Beginning of Year	(5,025)	(5,025)	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (10,421)</u>	<u>\$ (10,421)</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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	<u>\$ 116,843</u>	<u>\$ 116,843</u>	<u>\$ 0</u>
Total Expenditures and Other Financing Uses	<u>116,843</u>	<u>116,843</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007***

	2004 ONE NET FUND		Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u> </u>
Total Revenues and Other Financing Sources	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ 0</u>
 Total Expenditures and Other Financing Uses	 <u>27,000</u>	 <u>27,000</u>	 <u>0</u>
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 0	 0	 0
 Fund Balance at Beginning of Year	 <u>0</u>	 <u>0</u>	 <u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007***

	TITLE II-A FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 356,890	\$ 286,716	\$ (70,174)
 Total Expenditures and Other Financing Uses	 271,124	 206,135	 64,989
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 85,766	 80,581	 (5,185)
 Fund Balance at Beginning of Year	 (68,200)	 (68,200)	 0
Prior Year Encumbrances	9,297	9,297	0
Fund Balance at End of Year	\$ 26,863	\$ 21,678	\$ (5,185)

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, 2007***

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	\$ 23,832	\$ 7,812	\$ (16,020)
 Total Expenditures and Other Financing Uses	 25,205	 25,154	 51
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (1,373)	 (17,342)	 (15,969)
 Fund Balance at Beginning of Year	 4,789	 4,789	 0
Prior Year Encumbrances	802	802	0
Fund Balance at End of Year	<u>\$ 4,218</u>	<u>\$ (11,751)</u>	<u>\$ (15,969)</u>

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2007***

	REPLACEMENT FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 1,937	\$ 2,131	\$ 194
Total Expenditures and Other Financing Uses	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,937	2,131	194
Fund Balance at Beginning of Year	90,244	90,244	0
Fund Balance at End of Year	\$ 92,181	\$ 92,375	\$ 194

PIQUA CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2007***

SCHOOLNET PLUS FUND			Variance with Final Budget Positive (Negative)
	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Total Revenues and Other Financing Sources	\$ 27,060	\$ 27,060	\$ 0
 Total Expenditures and Other Financing Uses	 59,610	 54,030	 5,580
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (32,550)	 (26,970)	 5,580
 Fund Balance at Beginning of Year	 32,550	 32,550	 0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 5,580</u>	<u>\$ 5,580</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, 2007***

	PERMANENT FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Total Revenues and Other Financing Sources	\$ 5,823	\$ 4,428	\$ (1,395)
 Total Expenditures and Other Financing Uses	 30,620	 4,396	 26,224
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	 (24,797)	 32	 24,829
 Fund Balance at Beginning of Year	 63,458	 63,458	 0
Prior Year Encumbrances	2,050	2,050	0
Fund Balance at End of Year	\$ 40,711	\$ 65,540	\$ 24,829



PIQUA CITY SCHOOL DISTRICT

Fiduciary Fund

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

Agency Fund

Student Managed Activity Fund

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

PIQUA CITY SCHOOL DISTRICT

***Statement Of Changes In Assets And Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2007***

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$37,009	\$60,268	(\$64,460)	\$32,817
Total Assets	<u>\$37,009</u>	<u>\$60,268</u>	<u>(\$64,460)</u>	<u>\$32,817</u>
Liabilities:				
Due to Students	\$37,009	\$60,268	(\$64,460)	\$32,817
Total Liabilities	<u>\$37,009</u>	<u>\$60,268</u>	<u>(\$64,460)</u>	<u>\$32,817</u>

PIQUA CITY SCHOOL DISTRICT

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

PIQUA CITY SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2007***

Capital Assets

Land	\$323,722
Construction in Progress	90,727
Land Improvements	2,195,566
Buildings and Improvements	31,338,447
Machinery and Equipment	5,228,713
Vehicles	2,030,268
	<hr/>
Total Capital Assets	<u><u>\$41,207,443</u></u>

Investment in Capital Assets from:

Acquisitions Prior to 1996	\$3,224,831
General Fund	28,239,669
Special Revenue Fund	492,415
Capital Project Funds	5,480,566
Fiduciary Funds	20,872
Capital Leases	538,890
Donations	3,210,200
	<hr/>
Total Investment in Capital Assets	<u><u>\$41,207,443</u></u>

PIQUA CITY SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2007***

Function and Activity	Land	Construction in Progress	Land Improvements	Buildings and Improvements
Instructional Services	\$0	\$24,998	\$0	\$3,524
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal Services	0	0	0	0
Operation and Maintenance of Plant	0	0	0	29,210
Pupil Transportation	0	0	0	55,789
Auxiliary Services	0	0	0	0
Extracurricular Activities	0	0	1,530,691	1,602,330
Facility Acquisition and Improvement	<u>323,722</u>	<u>65,729</u>	<u>664,875</u>	<u>29,647,594</u>
Total Capital Assets	<u><u>\$323,722</u></u>	<u><u>\$90,727</u></u>	<u><u>\$2,195,566</u></u>	<u><u>\$31,338,447</u></u>

PIQUA CITY SCHOOL DISTRICT

<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Total</u>
\$3,067,288	\$0	\$3,095,810
13,726	0	13,726
121,638	0	121,638
659,950	0	659,950
1,195	0	1,195
315,337	229,561	574,108
106,140	1,782,907	1,944,836
36,113	0	36,113
463,230	0	3,596,251
444,096	17,800	31,163,816
<u>\$5,228,713</u>	<u>\$2,030,268</u>	<u>\$41,207,443</u>

PIQUA CITY SCHOOL DISTRICT

***Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Fiscal Year Ended June 30, 2007***

Function and Activity	June 30, 2006	Additions	Deletions	June 30, 2007
Instructional Services	\$3,406,339	\$116,245	(\$426,774)	\$3,095,810
Support Services:				
Pupils	13,726	0	0	13,726
Instructional Staff	112,069	9,569	0	121,638
Administration	651,485	14,810	(6,345)	659,950
Fiscal Services	1,195	0	0	1,195
Operation and Maintenance of Plant	533,853	44,486	(4,231)	574,108
Pupil Transportation	1,853,913	140,550	(49,627)	1,944,836
Auxiliary Services	36,113	0	0	36,113
Extracurricular Activities	3,598,751	0	(2,500)	3,596,251
Facility Acquisition and Improvement	30,737,413	426,403	0	31,163,816
Total Capital Assets	<u>\$40,944,857</u>	<u>\$752,063</u>	<u>(\$489,477)</u>	<u>\$41,207,443</u>

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 23
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 24 – S 31
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 32 – S 34
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 35 – S 47
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources Note:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

Piqua City School District

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

	2001	2002	2003
Governmental Activities:			
Invested in Capital Assets, Net of Related Debt	\$13,670,807	\$16,466,243	\$16,509,571
Restricted for:			
Capital Projects	695,274	1,477,057	1,637,564
Debt Service	312,135	352,802	482,876
Other Purposes	775,957	806,691	0
Permanent Fund:			
Expendable	0	0	0
Nonexpendable	0	0	0
Unrestricted (Deficit)	(886,168)	(96,861)	(399,114)
Total Governmental Activities Net Assets	<u>\$14,568,005</u>	<u>\$19,005,932</u>	<u>\$18,230,897</u>
Business-type Activities:			
Invested in Capital Assets, Net of Related Debt	\$437,108	\$410,407	\$388,091
Unrestricted (Deficit)	518,235	767,568	790,300
Total Business-type Activities Net Assets	<u>\$955,343</u>	<u>\$1,177,975</u>	<u>\$1,178,391</u>
Primary Government:			
Invested in Capital Assets, Net of Related Debt	\$14,107,915	\$16,876,650	\$16,897,662
Restricted	1,783,366	2,636,550	2,120,440
Unrestricted (Deficit)	(367,933)	670,707	391,186
Total Primary Government Net Assets	<u>\$15,523,348</u>	<u>\$20,183,907</u>	<u>\$19,409,288</u>

* As Restated

Source: District Treasurer's Office

Piqua City School District

*

2004	2005	2006	2007
\$16,731,185	\$17,469,998	\$18,034,488	\$18,301,335
1,966,516	1,336,198	1,076,537	937,024
380,838	577,311	509,255	730,481
114,806	288,660	362,554	490,122
0	0	0	31,044
0	0	0	36,309
990,003	3,299,555	3,135,840	3,192,601
<u>\$20,183,348</u>	<u>\$22,971,722</u>	<u>\$23,118,674</u>	<u>\$23,718,916</u>
\$372,947	\$360,100	\$343,706	\$366,053
823,085	869,537	887,314	744,863
<u>\$1,196,032</u>	<u>\$1,229,637</u>	<u>\$1,231,020</u>	<u>\$1,110,916</u>
\$17,104,132	\$17,830,098	\$18,378,194	\$18,667,388
2,462,160	2,202,169	1,948,346	2,224,980
1,813,088	4,169,092	4,023,154	3,937,464
<u>\$21,379,380</u>	<u>\$24,201,359</u>	<u>\$24,349,694</u>	<u>\$24,829,832</u>

Piqua City School District

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

	2001	2002	2003
Expenses			
Governmental Activities:			
Instruction	\$16,546,273	\$15,484,610	\$16,881,816
Support Services:			
Pupils	1,377,129	1,373,246	1,485,305
Instructional Staff	1,637,131	1,496,558	1,670,861
Board of Education	8,042	7,669	7,655
Administration	1,856,279	1,841,957	1,989,454
Fiscal Services	494,672	528,655	563,651
Business	66,874	88,768	84,935
Operation and Maintenance of Plant	2,225,755	2,439,177	2,323,836
Pupil Transportation	1,024,551	1,087,088	1,114,543
Central	41,318	30,539	28,787
Operation of Non-Instructional Services	313,795	290,074	277,923
Extracurricular Activities	654,479	829,544	720,679
Interest and Fiscal Charges	566,626	544,837	564,356
<i>Total Governmental Activities Expenses</i>	<u>26,812,924</u>	<u>26,042,722</u>	<u>27,713,801</u>
Business-type Activities:			
Food Service	1,237,209	1,116,316	1,391,897
<i>Total Business-type Activities Expenses</i>	<u>1,237,209</u>	<u>1,116,316</u>	<u>1,391,897</u>
<i>Total Primary Government Expenses</i>	<u>\$28,050,133</u>	<u>\$27,159,038</u>	<u>\$29,105,698</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Instruction	\$516,400	\$548,260	\$397,793
Support Services:			
Pupils	5,325	3,646	803
Operation and Maintenance of Plant	2,222	1,020	0
Pupil Transportation	39,669	37,215	38,122
Extracurricular Activities	424,590	451,141	277,957
Operating Grants and Contributions	1,944,212	2,202,968	1,917,459
Capital Grants and Contributions	39,000	3,348,034	11,132
<i>Total Governmental Activities Program Revenues</i>	<u>2,971,418</u>	<u>6,592,284</u>	<u>2,643,266</u>

Piqua City School District

2004	2005	2006	2007
\$16,736,129	\$17,846,789	\$18,811,951	\$19,061,767
1,443,477	1,606,509	1,445,687	1,505,043
1,672,048	1,856,368	2,041,532	2,061,205
9,288	10,002	19,669	23,042
2,090,822	2,281,690	2,266,873	2,454,192
669,152	597,052	407,123	390,832
74,505	85,456	100,937	101,989
2,519,590	2,778,643	2,866,955	3,065,299
1,175,222	1,296,336	1,378,564	1,545,489
64,643	129,257	160,049	162,793
316,379	304,911	298,992	375,228
679,708	638,177	671,020	861,632
522,049	286,314	473,938	481,096
<u>27,973,012</u>	<u>29,717,504</u>	<u>30,943,290</u>	<u>32,089,607</u>
<u>1,496,069</u>	<u>1,577,204</u>	<u>1,617,780</u>	<u>1,684,194</u>
<u>1,496,069</u>	<u>1,577,204</u>	<u>1,617,780</u>	<u>1,684,194</u>
<u>\$29,469,081</u>	<u>\$31,294,708</u>	<u>\$32,561,070</u>	<u>\$33,773,801</u>
\$277,325	\$295,514	\$305,864	\$224,647
468	776	1,263	1,525
0	0	0	0
35,848	37,911	54,948	54,717
261,546	336,562	292,169	432,912
2,551,904	2,646,302	2,722,204	2,888,699
0	32,550	0	27,060
<u>3,127,091</u>	<u>3,349,615</u>	<u>3,376,448</u>	<u>3,629,560</u>

(Continued)

Piqua City School District

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

	2001	2002	2003
Business-type Activities:			
Charges for Services			
Food Service	635,981	644,566	643,831
Operating Grants and Contributions	682,951	694,382	757,534
<i>Total Business-type Activities Program Revenues</i>	<u>1,318,932</u>	<u>1,338,948</u>	<u>1,401,365</u>
<i>Total Primary Government Program Revenues</i>	<u>4,290,350</u>	<u>7,931,232</u>	<u>4,044,631</u>
Net (Expense)/Revenue			
Governmental Activities	(23,841,506)	(19,450,438)	(25,070,535)
Business-type Activities	81,723	222,632	9,468
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$23,759,783)</u>	<u>(\$19,227,806)</u>	<u>(\$25,061,067)</u>
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$8,196,580	\$8,983,634	\$8,599,770
Debt Service	912,697	936,914	909,637
Capital Outlay	1,045,711	1,112,927	1,084,584
Income Taxes	2,040,034	1,731,104	1,818,714
Grants and Entitlements not			
Restricted to Specific Programs	10,571,598	11,165,388	11,520,196
Investment Earnings	340,827	167,372	120,779
Miscellaneous	87,504	53,576	235,352
Loss on Disposal of Capital Assets	(146,416)	(153,317)	(2,584)
Transfers	0	0	9,052
<i>Total Governmental Activities</i>	<u>23,048,535</u>	<u>23,997,598</u>	<u>24,295,500</u>
Business-type Activities:			
Transfers	0	0	(9,052)
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>(9,052)</u>
<i>Total Primary Government</i>	<u>\$23,048,535</u>	<u>\$23,997,598</u>	<u>\$24,286,448</u>
Change in Net Assets			
Governmental Activities	(\$792,971)	\$4,547,160	(\$775,035)
Business-type Activities	81,723	222,632	416
<i>Total Primary Government Change in Net Assets</i>	<u>(\$711,248)</u>	<u>\$4,769,792</u>	<u>(\$774,619)</u>

Source: District Treasurer's Office

Piqua City School District

2004	2005	2006	2007
683,775	688,474	681,810	702,248
829,935	922,335	937,353	861,842
<u>1,513,710</u>	<u>1,610,809</u>	<u>1,619,163</u>	<u>1,564,090</u>
<u>4,640,801</u>	<u>4,960,424</u>	<u>4,995,611</u>	<u>5,193,650</u>
(24,845,921)	(26,367,889)	(27,566,842)	(28,460,047)
17,641	33,605	1,383	(120,104)
<u>(\$24,828,280)</u>	<u>(\$26,334,284)</u>	<u>(\$27,565,459)</u>	<u>(\$28,580,151)</u>
\$9,849,084	\$11,202,378	\$10,805,308	\$10,065,680
915,618	973,504	999,966	1,060,120
1,107,446	1,138,834	1,075,099	1,026,558
1,809,227	1,938,151	2,063,347	2,253,023
12,752,599	13,300,568	13,308,075	13,915,936
68,934	163,025	296,912	451,410
295,464	439,803	368,501	287,562
0	0	0	0
0	0	0	0
<u>26,798,372</u>	<u>29,156,263</u>	<u>28,917,208</u>	<u>29,060,289</u>
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$26,798,372</u>	<u>\$29,156,263</u>	<u>\$28,917,208</u>	<u>\$29,060,289</u>
\$1,952,451	\$2,788,374	\$1,350,366	\$600,242
17,641	33,605	1,383	(120,104)
<u>\$1,970,092</u>	<u>\$2,821,979</u>	<u>\$1,351,749</u>	<u>\$480,138</u>

Piqua City School District

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Fund				
Reserved	\$1,577,700	\$1,807,056	\$1,763,158	\$1,785,904
Unreserved (Deficit)	(173,529)	57,600	(247,314)	(1,367,827)
<i>Total General Fund</i>	<u>1,404,171</u>	<u>1,864,656</u>	<u>1,515,844</u>	<u>418,077</u>
All Other Governmental Funds				
Reserved	2,098,376	2,949,939	1,320,299	718,907
Unreserved, Undesignated in:				
Special Revenue Funds	217,038	260,922	133,329	568,841
Capital Projects Funds	10,898,647	408,049	534,836	463,351
<i>Total All Other Governmental Funds</i>	<u>13,214,061</u>	<u>3,618,910</u>	<u>1,988,464</u>	<u>1,751,099</u>
<i>Total Governmental Funds</i>	<u><u>\$14,618,232</u></u>	<u><u>\$5,483,566</u></u>	<u><u>\$3,504,308</u></u>	<u><u>\$2,169,176</u></u>

Source: District Treasurer's Office

Piqua City School District

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$1,410,741	\$908,531	\$795,741	\$1,456,423	\$1,410,729	\$1,946,237
<u>(1,977,685)</u>	<u>(2,375,623)</u>	<u>(1,286,924)</u>	<u>124,232</u>	<u>47,121</u>	<u>(754,678)</u>
<u>(566,944)</u>	<u>(1,467,092)</u>	<u>(491,183)</u>	<u>1,580,655</u>	<u>1,457,850</u>	<u>1,191,559</u>
660,562	628,775	742,935	1,353,394	1,195,149	1,267,544
486,775	184,770	305,494	583,840	299,023	604,671
<u>1,302,054</u>	<u>1,488,380</u>	<u>1,733,102</u>	<u>726,819</u>	<u>606,341</u>	<u>530,095</u>
<u>2,449,391</u>	<u>2,301,925</u>	<u>2,781,531</u>	<u>2,664,053</u>	<u>2,100,513</u>	<u>2,402,310</u>
<u>\$1,882,447</u>	<u>\$834,833</u>	<u>\$2,290,348</u>	<u>\$4,244,708</u>	<u>\$3,558,363</u>	<u>\$3,593,869</u>

Piqua City School District

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

	1998	1999	2000	2001
Revenues:				
Local Sources:				
Taxes	\$10,738,595	\$11,388,378	\$11,732,374	\$12,209,859
Tuition	31,801	22,167	35,083	24,263
Transportation Fees	28,546	26,829	22,972	39,669
Investment Earnings	762,853	726,545	331,646	296,578
Extracurricular Activities	258,116	247,761	261,283	393,741
Class Materials and Fees	140,424	143,113	135,185	155,626
Intermediate Sources	0	0	0	2,680
Intergovernmental - State	8,868,913	10,353,710	10,526,125	11,189,950
Intergovernmental - Federal	872,826	1,302,481	910,749	1,386,556
All Other Revenue	270,191	182,184	185,414	467,196
Total Revenue	21,972,265	24,393,168	24,140,831	26,166,118
Expenditures:				
Current:				
Instruction	11,915,881	13,609,330	14,249,804	15,576,121
Supporting Services:				
Pupils	1,094,333	1,123,829	1,442,993	1,381,888
Instructional Staff	1,231,325	1,295,774	1,438,537	1,616,903
Board of Education	6,648	7,865	8,553	8,042
Administration	1,509,030	1,687,586	1,754,447	1,891,308
Fiscal Services	438,421	459,478	469,476	490,768
Business	49,526	47,670	85,214	67,022
Operation and Maintenance of Plant	1,865,836	2,068,994	2,265,892	2,253,092
Pupil Transportation	808,272	881,502	947,298	1,115,349
Central	22,061	39,507	37,555	41,318
Operation of Non-Instructional Services	244,108	269,070	249,384	297,395
Extracurricular Activities	443,303	435,478	393,257	606,210
Capital Outlay	1,571,218	10,602,119	1,709,889	994,131
Debt Service:				
Principal Retirement	480,400	457,500	694,000	415,000
Interest and Fiscal Charges	471,159	682,931	624,355	568,269
Total Expenditures	22,151,521	33,668,633	26,370,654	27,322,816
Excess (Deficiency) of Revenues Over (Under) Expenditures	(179,256)	(9,275,465)	(2,229,823)	(1,156,698)

Piqua City School District

2002	2003	2004	2005	2006	2007
\$12,588,015	\$12,424,401	\$13,464,803	\$15,296,945	\$14,990,760	\$14,419,517
35,940	137,043	18,666	33,062	49,074	3,196
33,836	38,122	35,848	37,911	54,948	54,717
130,558	68,486	42,006	93,786	139,379	239,887
455,162	370,617	353,985	440,335	392,676	504,759
157,204	168,090	166,220	158,679	156,283	149,604
0	0	0	8,842	14,137	10,710
11,770,392	11,843,762	13,188,158	13,766,336	13,640,495	14,424,266
1,698,000	1,554,911	2,296,840	2,204,242	2,024,983	2,523,093
411,390	235,355	295,464	439,803	368,501	287,562
<u>27,280,497</u>	<u>26,840,787</u>	<u>29,861,990</u>	<u>32,479,941</u>	<u>31,831,236</u>	<u>32,617,311</u>
16,388,979	16,183,138	16,358,199	17,403,012	18,391,170	18,570,721
1,492,034	1,485,538	1,463,501	1,632,401	1,513,694	1,496,885
1,715,646	1,680,677	1,676,962	1,954,669	2,200,140	2,067,550
7,669	7,655	9,288	10,002	19,669	23,042
1,975,554	1,985,134	2,127,764	2,484,897	2,317,642	2,416,263
542,155	592,978	619,032	624,953	457,939	375,270
97,136	90,036	77,078	88,423	105,655	100,888
2,418,031	2,365,280	2,494,020	2,897,305	2,963,996	2,982,253
1,086,408	1,089,645	1,157,741	1,484,669	1,308,677	1,463,409
30,539	28,787	62,856	128,722	159,645	161,456
271,086	256,590	290,601	299,653	294,329	371,664
741,995	621,347	572,846	603,368	621,321	807,362
868,120	327,019	145,684	684,360	908,969	661,705
455,000	840,000	850,000	875,000	881,401	799,456
547,607	553,413	524,077	428,301	376,603	350,135
<u>28,637,959</u>	<u>28,107,237</u>	<u>28,429,649</u>	<u>31,599,735</u>	<u>32,520,850</u>	<u>32,648,059</u>
(1,357,462)	(1,266,450)	1,432,341	880,206	(689,614)	(30,748)

(Continued)

Piqua City School District

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

	1998	1999	2000	2001
Other Financing Sources (Uses):				
Sale of Capital Assets	2,047	140,799	7,707	26,725
General Obligation Notes Issued	0	0	0	0
General Obligation Bonds Issued	11,995,432	0	0	0
Premium on General Obligation Bonds Issued	536,377	0	0	0
Refunding Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Other Financing Sources - Capital Leases	0	0	242,858	0
Transfers In	0	334,689	289,063	0
Transfers Out	0	(334,689)	(289,063)	0
Refund of Prior Year Expenditures	0	0	0	0
Refund of Prior Year Receipts	0	0	0	0
Total Other Financing Sources (Uses)	<u>12,533,856</u>	<u>140,799</u>	<u>250,565</u>	<u>26,725</u>
Net Change in Fund Balance	<u><u>\$12,354,600</u></u>	<u><u>(\$9,134,666)</u></u>	<u><u>(\$1,979,258)</u></u>	<u><u>(\$1,129,973)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	4.62%	4.94%	5.35%	3.73%

Source: District Treasurer's Office

Piqua City School District

2002	2003	2004	2005	2006	2007
20,733	2,784	1,579	5,940	3,269	7,560
1,050,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	9,154,131	0	0
0	0	0	(9,026,607)	0	0
0	0	21,595	538,893	0	0
0	216,809	4,078	423,951	0	42,212
0	(757)	(4,078)	(22,154)	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,070,733</u>	<u>218,836</u>	<u>23,174</u>	<u>1,074,154</u>	<u>3,269</u>	<u>49,772</u>
<u>(\$286,729)</u>	<u>(\$1,047,614)</u>	<u>\$1,455,515</u>	<u>\$1,954,360</u>	<u>(\$686,345)</u>	<u>\$19,024</u>
3.61%	5.02%	4.86%	4.22%	3.99%	3.60%

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>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Real Property				
Assessed	\$259,225,930	\$293,663,630	\$300,735,930	\$310,878,670
Actual	740,645,514	839,038,943	859,245,514	888,224,771
Public Utility				
Assessed	10,890,060	10,998,270	10,586,630	10,154,970
Actual	10,890,060	10,998,270	10,586,630	10,154,970
Tangible Personal Property				
Assessed	68,360,960	72,797,510	81,577,010	80,763,908
Actual	273,443,840	291,190,040	326,308,040	323,055,632
Total				
Assessed	338,476,950	377,459,410	392,899,570	401,797,548
Actual	1,024,979,414	1,141,227,253	1,196,140,184	1,221,435,373
Assessed Value as a				
Percentage of Actual Value	33.02%	33.07%	32.85%	32.90%
Total Direct Tax Rate				
	40.70	40.62	40.56	40.60

Source: Miami County Auditor

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

The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.

All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal.

Piqua City School District

2001	2002	2003	2004	2005	2006
\$333,483,290	\$338,895,480	\$344,418,880	\$362,252,930	\$367,838,530	\$374,683,270
952,809,400	968,272,800	984,053,943	1,035,008,371	1,050,967,229	1,070,523,629
7,357,810	7,755,360	7,417,100	7,340,430	6,919,730	6,323,530
7,357,810	7,755,360	7,417,100	7,340,430	6,919,730	6,323,530
82,471,680	85,311,390	78,654,750	67,163,130	65,430,770	53,859,240
329,886,720	341,245,560	314,619,000	268,652,520	261,723,080	287,249,280
423,312,780	431,962,230	430,490,730	436,756,490	440,189,030	434,866,040
1,290,053,930	1,317,273,720	1,306,090,043	1,311,001,321	1,319,610,039	1,364,096,439
32.81%	32.79%	32.96%	33.31%	33.36%	31.88%
40.50	40.42	40.42	45.31	45.05	45.25

Piqua City School District

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

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Direct District Rates					
General Fund	35.00	35.00	35.00	35.00	35.00
Bond Retirement Fund	1.20	1.12	2.56	2.60	2.50
Permanent Improvement Fund	4.50	4.50	3.00	3.00	3.00
Total	<u>40.70</u>	<u>40.62</u>	<u>40.56</u>	<u>40.60</u>	<u>40.50</u>
Overlapping Rates					
City of Piqua	4.42	4.43	4.41	4.45	4.45
Joint Vocational School	4.90	4.90	4.90	4.90	4.90
Miami County	8.82	8.82	8.81	8.83	8.43
Special Taxing Districts	0.50	0.50	0.50	0.50	0.50

Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage.

Source:

Miami County Auditor's Office
Miami County Treasurer's Office

Piqua City School District

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
35.00	35.00	39.89	39.85	39.80
2.42	2.42	2.42	2.40	2.65
3.00	3.00	3.00	2.80	2.80
<u>40.42</u>	<u>40.42</u>	<u>45.31</u>	<u>45.05</u>	<u>45.25</u>
4.43	4.43	4.43	4.40	4.40
4.90	4.90	5.46	5.45	5.45
9.13	9.13	9.13	9.11	8.81
0.50	0.50	0.50	0.50	0.50

Piqua City School District

*Principal Taxpayers
Tangible Personal Property Tax
Current Year and Nine Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2006		
		Assessed Value	Rank	Percent of Total Assessed Value
Jackson Tube	Manufacturer - Steel Tubing	\$5,145,780	1	9.55%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	4,609,420	2	8.56%
Charter Aerospace Partners Inc.	Manufacturer - Aircraft Propellers	3,804,720	3	7.06%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	3,320,070	4	6.16%
Miami Valley Steel	Manufacturer - Steel Processing	2,547,680	5	4.73%
Berwick Steel Company	Manufacturer - Steel	2,006,590	6	3.73%
Illinois Tool Works Inc.	Manufacturer - Specialty Equipment	1,580,060	7	2.93%
Hartzell Hardwoods	Manufacturer - Hard Lumber	1,543,610	8	2.87%
Industry Products Company	Tool and Die	1,413,590	9	2.62%
Paul Sherry Chevrolet	Automobile Retailer	1,337,070	10	2.48%
Subtotal		27,308,590		50.69%
All Others		26,550,650		49.31%
Total		<u>\$53,859,240</u>		<u>100.00%</u>

Name of Taxpayer	Nature of Business	Calendar Year 1997		
		Assessed Value	Rank	Percent of Total Assessed Value
Hartzell Propeller	Manufacturer - Aircraft Propellers	\$5,026,060	1	7.35%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	4,536,520	2	6.64%
Miami Acquisition Corporation	Manufacturer - Steel Tubing	4,208,770	4	6.16%
Jackson Tube	Manufacturer - Steel Tubing	3,623,470	3	5.30%
Paul Sherry Chevrolet	Automobile Retailer	3,324,750	5	4.86%
French Oil Mill	Manufacturer - Presses for Oilseed Industry	2,787,010	6	4.08%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	2,393,270	7	3.50%
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	2,030,110	8	2.97%
Orr Felt Company	Manufacturer - Papermaker Felts	1,844,800	9	2.70%
Hobart Brothers Company	Manufacturer - Welding/Wire	1,809,300	10	2.65%
Subtotal		31,584,060		46.21%
All Others		36,776,900		53.79%
Total		<u>\$68,360,960</u>		<u>100.00%</u>

Source: Miami County Auditor - Land and Buildings
Based on valuation of property in 2006 and 1997

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

Piqua City School District

*Principal Taxpayers
Real Estate Tax
Current Year and Six Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2006		
		Assessed Value	Rank	Percent of Total Assessed Value
Midamco	Hospitality	\$8,819,110	1	2.35%
Jackson Tube	Manufacturer - Steel Tubing	3,309,570	2	0.88%
Wal-Mart	Retail	3,098,170	3	0.83%
Med-Terra Inc.	Real Estate	2,248,840	4	0.60%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,229,270	5	0.59%
Home Depot Inc.	Retail	2,090,420	6	0.56%
Harvey A Tolson Enterprises	Real Estate	1,783,080	7	0.48%
Miami Valley Realty	Real Estate	1,484,810	8	0.40%
HCF Reality of Garbry	Senior Housing	1,384,640	9	0.37%
NK New Plan Exchange	Shopping Mall	1,313,880	10	0.35%
Subtotal		27,761,790		7.41%
All Others		346,921,480		92.59%
Total		\$374,683,270		100.00%

Name of Taxpayer	Nature of Business	Calendar Year 2000		
		Assessed Value	Rank	Percent of Total Assessed Value
Midamco	Hospitality	\$10,305,870	1	3.32%
Troy Piqua Housing Inc.	Real Estate	5,453,550	2	1.75%
I-75 Associates	Real Estate	2,998,670	3	0.96%
Jackson Tube	Manufacturer - Steel Tubing	2,297,370	4	0.74%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,138,610	5	0.69%
Med-Terra Inc.	Real Estate	1,991,180	6	0.64%
NK New Plan Exchange	Shopping Mall	1,578,410	7	0.51%
Miami Valley Steel	Manufacturer - Steel Processing	1,382,120	8	0.44%
HCF Reality of Garbry	Senior Housing	1,123,510	9	0.36%
HCF Reality of Piqua	Senior Housing	1,085,000	10	0.35%
Subtotal		30,354,290		9.76%
All Others		280,524,380		90.24%
Total		\$310,878,670		100.00%

Source: Miami County Auditor - Land and Buildings
Based on valuation of property in 2006 and 2000

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



Piqua City School District

*Principal Taxpayers
Public Utilities Property Tax
Current Year and Six Years Ago*

Name of Taxpayer	Nature of Business	Calendar Year 2006		
		Assessed Value	Rank	Percent of Total Assessed Value
Ohio Bell Telephone	Utility	\$1,540,980	1	18.15%
Pioneer Rural Electric	Electricity	1,552,250	2	18.28%
Dayton Power and Light Co.	Electricity	1,236,300	3	14.56%
Subtotal		4,329,530		50.99%
All Others		4,160,560		49.01%
Total		\$8,490,090		100.00%

Name of Taxpayer	Nature of Business	Calendar Year 2000		
		Assessed Value	Rank	Percent of Total Assessed Value
Dayton Power and Light Co.	Electricity	\$6,036,360	1	59.44%
Ohio Bell Telephone	Utility	2,569,950	2	25.31%
Subtotal		8,606,310		84.75%
All Others		1,548,660		15.25%
Total		\$10,154,970		100.00%

Source: Miami County Auditor - Land and Buildings
Based on valuation of property in 2006 and 2000

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>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Total Tax Levy	\$9,437,879	\$10,202,843	\$10,910,366	\$11,341,840
Collections within the Fiscal Year of the Levy				
Current Tax Collections	9,300,855	9,472,029	10,232,213	10,991,532
Percent of Levy Collected	98.55%	92.84%	93.78%	96.91%
Delinquent Tax Collections ⁽¹⁾	<u>244,319</u>	<u>276,586</u>	<u>291,602</u>	<u>252,431</u>
Total Tax Collections	9,545,174	9,748,615	10,523,815	11,243,963
Percent of Total Tax Collections To Tax Levy	101.14%	95.55%	96.46%	99.14%
Accumulated Outstanding Delinquent Taxes	300,816	418,622	331,366	496,884
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	3.19%	4.10%	3.04%	4.38%

(1) The County does not identify delinquent tax collections by tax year.

Source: Miami County Auditor's Office

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

Piqua City School District

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$11,758,537	\$12,134,631	\$12,017,350	\$14,122,098	\$14,192,530	\$14,177,788
11,128,261	11,692,681	11,686,585	13,777,100	13,882,416	13,844,988
94.64%	96.36%	97.25%	97.56%	97.81%	97.65%
<u>214,775</u>	<u>287,621</u>	<u>248,690</u>	<u>525,669</u>	<u>607,446</u>	<u>581,075</u>
11,343,036	11,980,302	11,935,275	14,302,769	14,489,862	14,426,063
96.47%	98.73%	99.32%	101.28%	102.09%	101.75%
818,370	965,901	1,107,525	1,093,320	1,184,242	1,253,166
6.96%	7.96%	9.22%	7.74%	8.34%	8.84%

Piqua City School District

*Ratio of Outstanding Debt By Type
Last Ten Years*

	1998	1999	2000	2001
Governmental Activities (1)				
Installment Notes Payable	\$0	\$0	\$0	\$0
General Obligation Bonds Payable	13,146,932	12,689,432	11,995,432	11,580,432
Capital Leases	150,418	111,021	221,114	166,443
Total Primary Government	<u>\$13,297,350</u>	<u>\$12,800,453</u>	<u>\$12,216,546</u>	<u>\$11,746,875</u>
 Population (2)				
Piqua City	20,612	20,612	20,612	20,738
Outstanding Debt Per Capita	\$645	\$621	\$593	\$566
 Income (3)				
Personal (in thousands)	\$522,040	\$533,933	\$547,434	\$578,092
Percentage of Personal Income	2.55%	2.40%	2.23%	2.03%

* As Restated - See Note 2

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

2002	2003	2004	2005	*	2006	2007
\$1,050,000	\$700,000	\$350,000	\$0	\$0	\$0	\$0
11,125,432	10,635,432	10,135,432	9,735,546	10,221,398	9,719,528	9,719,528
111,772	58,506	20,605	491,568	390,167	280,711	280,711
<u>\$12,287,204</u>	<u>\$11,393,938</u>	<u>\$10,506,037</u>	<u>\$10,227,114</u>	<u>\$10,611,565</u>	<u>\$10,000,239</u>	<u>\$10,000,239</u>
20,738	20,738	20,738	20,738	20,738	20,738	20,738
\$592	\$549	\$507	\$493	\$512	\$482	\$482
\$575,728	\$587,383	\$612,061	\$630,663	\$635,516	\$635,516	\$635,516
2.13%	1.94%	1.72%	1.62%	1.67%	1.57%	1.57%

Piqua City School District

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	1998	1999	2000	2001
Population ⁽¹⁾	20,612	20,612	20,612	20,738
Estimated Actual Value	1,024,979,414	1,141,227,253	1,196,140,184	1,221,435,373
General Bonded Debt ⁽²⁾				
General Obligation Bonds	13,146,932	12,689,432	11,995,432	11,580,432
Resources Available to Pay Principal ⁽³⁾	533,967	259,982	191,193	215,874
Net General Bonded Debt	12,612,965	12,429,450	11,804,239	11,364,558
Ratio of Net Bonded Debt to Estimated Actual Value	1.23%	1.09%	0.99%	0.93%
Net Bonded Debt per Capita	611.92	603.02	572.69	548.01

* As Restated - See Note 2

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

2002	2003	2004	2005	*	2006	2007
20,738	20,738	20,738	20,738	20,738	20,738	20,738
1,290,053,930	1,317,273,720	1,306,090,043	1,311,001,321	1,319,610,039	1,364,096,439	
11,125,432	10,635,432	10,135,432	9,735,546	10,221,398	9,719,528	
229,055	262,134	318,529	578,706	565,738	718,046	
10,896,377	10,373,298	9,816,903	9,156,840	9,655,660	9,001,482	
0.84%	0.79%	0.75%	0.70%	0.73%	0.66%	
525.43	500.21	473.38	441.55	465.60	434.06	



Piqua City School District

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2007*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Piqua City School District	Amount Applicable to Piqua City School District
Direct:			
Piqua City School District	\$9,719,528	100.00%	\$9,719,528
Overlapping:			
Miami County	5,985,000	20.61%	1,233,509
City of Piqua	2,558,436	100.00%	2,558,436
		Subtotal	3,791,945
		Total	<u>\$13,511,473</u>

Source: Ohio Municipal Advisory Council, June 2007

Piqua City School District

*Debt Limitations
Last Ten Years*

	1998	1999	2000	2001
Net Assessed Valuation	\$338,476,950	\$377,459,410	\$392,899,570	\$401,797,548
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	30,462,926	33,971,347	35,360,961	36,161,779
Applicable District Debt Outstanding	13,146,932	12,689,432	11,995,432	11,580,432
Less: Applicable Debt Service Fund Amounts (2)	(533,967)	(259,982)	(191,193)	(215,874)
Net Indebtedness Subject to Limitation	12,612,965	12,429,450	11,804,239	11,364,558
Overall Legal Debt Margin	<u>\$17,849,961</u>	<u>\$21,541,897</u>	<u>\$23,556,722</u>	<u>\$24,797,221</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	338,477	377,459	392,900	401,798
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	<u>\$338,477</u>	<u>\$377,459</u>	<u>\$392,900</u>	<u>\$401,798</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	3,046,293	3,397,135	3,536,096	3,616,178
Applicable District Debt Outstanding	0	0	0	0
Unvoted Energy Conservation				
Loans Legal Debt Margin	<u>\$3,046,293</u>	<u>\$3,397,135</u>	<u>\$3,536,096</u>	<u>\$3,616,178</u>

* As Restated - See Note 2

(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

*					
2002	2003	2004	2005	2006	2007
\$423,312,780	\$431,962,230	\$430,490,730	\$436,756,490	\$440,189,030	\$434,866,040
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
38,098,150	38,876,601	38,744,166	39,308,084	39,617,013	39,137,944
11,125,432	10,635,432	10,135,432	9,735,546	10,221,398	9,719,528
(229,055)	(262,134)	(318,529)	(578,706)	(565,738)	(718,046)
10,896,377	10,373,298	9,816,903	9,156,840	9,655,660	9,001,482
<u>\$27,201,773</u>	<u>\$28,503,303</u>	<u>\$28,927,263</u>	<u>\$30,151,244</u>	<u>\$29,961,353</u>	<u>\$30,136,462</u>
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
423,313	431,962	430,491	436,756	440,189	434,866
0	0	0	0	0	0
<u>\$423,313</u>	<u>\$431,962</u>	<u>\$430,491</u>	<u>\$436,756</u>	<u>\$440,189</u>	<u>\$434,866</u>
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,809,815	3,887,660	3,874,417	3,930,808	3,961,701	3,913,794
(1,050,000)	(700,000)	(350,000)	0	0	0
<u>\$2,759,815</u>	<u>\$3,187,660</u>	<u>\$3,524,417</u>	<u>\$3,930,808</u>	<u>\$3,961,701</u>	<u>\$3,913,794</u>

Piqua City School District

Demographic and Economic Statistics Last Ten Years

Calendar Year	1997	1998	1999	2000	2001
Population (1)					
Piqua City	20,612	20,612	20,612	20,738	20,738
Miami County	93,182	93,182	93,182	93,868	98,868
Income (2) (a)					
Total Personal (in thousands)	522,040	533,933	547,434	578,092	575,728
Per Capita	25,327	25,904	26,559	27,876	27,762
Unemployment Rate (3)					
Federal	4.9%	4.5%	4.2%	3.8%	4.8%
State	4.6%	4.3%	4.3%	3.7%	4.3%
Miami County	4.2%	3.6%	3.9%	3.0%	4.6%
Fiscal Year	1998	1999	2000	2001	2002
School Enrollment (4)					
Grades K - 3	1,279	1,211	1,201	1,143	1,125
Grades 4 - 6	928	884	909	901	916
Grades 7 - 8	605	620	653	638	598
Grades 9 - 12	1,275	1,233	1,252	1,229	1,207
Total	<u>4,087</u>	<u>3,948</u>	<u>4,015</u>	<u>3,911</u>	<u>3,846</u>

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis

(a) Per Capita Income is only available by County (2006 not available),

Total Personal Income is a calculation

(3) State Department of Labor Statistics

(4) District Treasurer's Office

Piqua City School District

2002	2003	2004	2005	2006
20,738	20,738	20,738	20,738	20,738
98,868	98,868	100,797	100,797	100,797
587,383	612,061	630,663	635,516	635,516
28,324	29,514	30,411	30,645	30,645
5.8%	6.0%	5.5%	5.0%	4.6%
5.7%	6.1%	6.0%	5.9%	5.5%
4.3%	5.3%	5.5%	5.7%	5.5%
2003	2004	2005	2006	2007
1,126	1,203	1,197	1,148	1,093
879	804	829	825	868
614	660	644	586	557
1,241	1,265	1,252	1,233	1,248
3,860	3,932	3,922	3,792	3,766

Piqua City School District

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2007		
		Number of Employees	Rank	Percentage of Total Employment
Hartzell Propeller	Manufacturer - Aircraft Propellers	335	1	3.29%
Evenflo Company	Manufacturer - Juvenile Furniture	315	2	3.09%
Jackson Tube	Manufacturer - Steel Tubing	310	3	3.04%
Crane Pumps & Systems	Manufacturer - Industrial Pumps	300	4	2.95%
Industry Products	Die Cutting, Dilk Screening	283	5	2.78%
Piqua Technologies	Manufacturer - Auto Industry Seals	200	6	1.96%
Miami Valley Steel	Manufacturer - Steel Products	150	7	1.47%
Orr Felt Company	Manufacturer - Paper Felts	125	8	1.23%
ITW Hobart Brothers	Manufacturer - Welding Wire	106	9	1.04%
Hartzell Propeller	Manufacturer - Aircraft Propellers	104	10	1.02%
Total		<u>2,228</u>		
Total Employment within the District (1)		<u>10,186</u>		

Employer	Nature of Business	1998		
		Number of Employees	Rank	Percentage of Total Employment
Evenflo Company	Manufacturer - Juvenile Furniture	800	1	7.85%
Infotel	Manufacturer - Computer Equipment	425	2	4.17%
Crane Pumps and Systems	Manufacturer - Industrial Pumps	400	3	3.93%
Jackson Tube	Manufacturer - Steel Tubing	345	4	3.39%
Hartzell Propeller	Manufacturer - Aircraft Propellers	341	5	3.35%
Coppweld Miami Division	Manufacturer - Steel Tubing	328	6	3.22%
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	263	7	2.58%
Industry Products	Die Cutting, Silk Scening	252	8	2.47%
CTI Communications	Manufacturer - Antenna	224	9	2.20%
Hammer Graphics, Inc.	Printing, Mailing, Computer Services	143	10	1.40%
Total		<u>3,521</u>		
Total Employment within the District (1)		<u>10,186</u>		

Sources: District Treasurer's Office
(1) 2000 Census

Piqua City School District

*School District Employees by Type
Last Two Years*

	2006	2007
Supervisory		
Instructional Administrators	4.00	4.00
Noninstructional Administrators	6.00	6.00
Consultants/Supervisors of Instruction	1.00	2.00
Principals	9.00	9.00
Assistant Principals	3.00	3.00
Instruction		
Classroom Teachers:		
Kindergarten Center	10.00	10.00
Primary: Grades 1-3	47.00	47.00
Intermediate: Grades 4-6	47.00	45.00
Junior High School	41.00	27.00
High School	52.00	45.00
Student Services		
Guidance Counselors	8.00	8.00
Psychologists	2.00	2.00
Librarians	2.00	1.00
Speech and Hearing Specialists	N/A	3.00
Nurses	N/A	2.00
Physical Education	N/A	7.00
Fine Arts	N/A	15.00
Other Professionals (noninstructional)	2.00	0.00
Support Services		
Clerical/Secretaries	26.00	24.00
EMIS Coordinator	1.00	1.00
Food Service	45.00	43.00
Library Aides	8.00	10.00
Maintenance/Grounds	28.00	28.00
Parents as Teachers	4.00	3.00
Transportation	22.00	22.00
Tutors/Aides	33.00	31.00
Technology	0.00	2.00
Warehouse	1.00	1.00
<i>Total Employees</i>	<u>402.00</u>	<u>401.00</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: District Treasurer's Office

Note: Information not available prior to 2006.

Piqua City School District

*Operating Indicators - Cost per Pupil
Last Ten Years*

Fiscal Year	1998	1999	2000	2001	2002
Enrollment	4,087	3,948	4,015	3,911	3,846
Modified Accrual Basis					
Operating Expenditures	20,210,099	22,225,664	23,689,963	27,322,816	28,637,959
Cost per Pupil	4,945	5,630	5,900	6,986	7,446
Percentage of Change	3.7%	13.8%	4.8%	18.4%	6.6%
Accrual Basis					
Expenses	N/A	N/A	N/A	\$26,812,924	\$26,042,722
Cost per Pupil	N/A	N/A	N/A	6,856	6,771
Percentage of Change	N/A	N/A	N/A	N/A	(1.2%)
Teaching Staff	218	218	223	223	217
Pupil to Teacher Ratio					
Piqua City School District	18.7	18.1	18.0	17.5	17.7
State Average	N/A	18.6	18.1	18.0	16.9

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

N/A - not available

Piqua City School District

2003	2004	2005	2006	2007
3,860	3,932	3,922	3,792	3,766
28,107,237	28,429,649	31,599,735	32,520,850	32,648,059
7,282 (2.2%)	7,230 (0.7%)	8,057 11.4%	8,576 6.4%	8,669 1.1%
27,713,801	27,973,012	29,717,504	30,943,290	32,089,607
7,180 6.0%	7,114 (0.9%)	7,577 6.5%	8,160 7.7%	8,521 4.4%
213	212	207	207	217
18.1 16.9	18.5 18.5	18.9 18.5	18.3 18.6	17.4 19.6

Piqua City School District

*Operating Indicators by Function
Last Ten Years*

	1998	1999	2000	2001
Governmental Activities				
Support Services				
Pupils				
Enrollment	4,087	3,948	4,015	3,911
Graduates	235	266	244	227
Percent of Students with Disabilities	10.20%	10.50%	13.80%	14.90%
Percent of Students with English as Second Language	N/A	N/A	N/A	N/A
Administration				
School Attendance Rate	96.8%	96.9%	96.2%	96.5%
Operation and Maintenance of Plant				
District Square Footage Maintained	481,115	607,115	607,115	607,115
Pupil Transportation				
Average Daily Students Transported	2,376	2,123	2,679	2,783
Average Miles Driven per Day	1,646	1,489	1,598	1,489
Average Miles per Bus	15,594	14,258	14,656	12,093
Number of Buses	19	19	20	27
Business-Type Activities				
Food Service				
Student Meals Served Daily	2,257	2,268	2,334	2,332
Free/Reduced Price Meals Daily	916	884	906	943
Percentage of Free/Reduced Price Meals Daily	40.58%	38.98%	38.82%	40.44%
Student Breakfasts Served Daily	521	542	723	807
Free/Reduced Price Breakfasts Daily	376	398	487	579
Percentage of Free/Reduced Price Breakfasts Daily	72.17%	73.43%	67.36%	71.75%

Source: District Treasurer's Office

N/A - not available

Piqua City School District

2002	2003	2004	2005	2006	2007
3,846	3,860	3,932	3,922	3,792	3,766
243	226	271	262	280	244
15.30%	14.80%	15.50%	15.80%	15.50%	15.80%
N/A	0.3%	0.3%	0.6%	0.6%	0.8%
96.5%	96.1%	96.0%	96.0%	96.0%	95.2%
607,115	607,115	607,115	607,115	607,115	608,145
2,520	2,829	2,814	2,542	2,691	2,625
2,007	1,782	1,931	2,140	2,129	2,147
17,351	15,274	16,552	18,342	17,419	16,013
21	21	21	21	22	24
2,356	2,407	2,434	2,521	2,498	2,498
1,068	1,139	1,191	1,291	1,294	1,296
45.33%	47.32%	48.93%	51.21%	51.80%	51.88%
876	893	1,022	1,147	1,094	1,148
599	642	734	837	802	848
68.38%	71.89%	71.82%	72.97%	73.31%	73.87%

Piqua City School District

*Operating Indicators - Teacher Base Salaries
Last Ten Years*

Fiscal Year	1997	1998	1999	2000	2001
District Average Salary	N/A	\$37,622	40,335	41,745	44,501
County Average Salary	N/A	\$38,717	39,867	41,155	42,134
State Average Salary	N/A	\$39,714	40,746	41,713	42,892

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

*Operating Indicators - Teacher by Education
Last Ten Years*

Fiscal Year	1998	1999	2000	2001	2002
Bachelor's Degree	69	70	30	23	29
Bachelor + 15	5	4	4	3	2
Bachelor + 30	0	0	50	53	60
Master's Degree	80	78	59	56	45
Master's Degree + 10	64	66	80	88	81
Master's Degree + 30	0	0	0	0	0
Total	218	218	223	223	217

Source: District Treasurer's Office
N/A - not available

Piqua City School District

2002	2003	2004	2005	2006
45,303	47,871	49,730	49,642	51,291
43,188	45,146	46,851	48,691	47,569
44,266	45,515	47,495	49,342	51,346

2003	2004	2005	2006	2007
25	30	27	26	24
2	3	6	1	4
39	36	34	35	33
68	63	64	73	84
68	70	65	61	57
11	10	11	11	15
213	212	207	207	217

Piqua City School District

Capital Asset Statistics by Building Last Ten Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Secondary				
Piqua Senior High School				
Square Footage	185,375	185,375	185,375	185,375
Capacity (students)	12,000	12,000	12,000	12,000
Enrollment	1,098	1,125	1,110	1,068
Piqua Junior High School				
Square Footage	N/A	126,000	126,000	126,000
Capacity (students)	N/A	800	800	800
Enrollment	N/A	653	638	598
Intermediate				
Bennett Intermediate School				
Square Footage	48,739	48,739	48,739	48,739
Capacity (students)	800	800	800	800
Enrollment	336	310	272	295
Wilder Intermediate School				
Square Footage	47,651	47,651	47,651	47,651
Capacity (students)	800	800	800	800
Enrollment	424	309	327	298
Washington Intermediate School				
Square Footage	35,523	35,523	35,523	35,523
Capacity (students)	360	360	360	360
Enrollment	332	290	302	323
Primary				
Favorite Hill Primary School				
Square Footage	40,366	40,366	40,366	40,366
Capacity (students)	400	400	400	400
Enrollment	377	298	245	287
High Street Primary School				
Square Footage	20,816	20,816	20,816	20,816
Capacity (students)	360	360	360	360
Enrollment	351	318	289	268

Piqua City School District

2002	2003	2004	2005	2006	2007
185,375	185,375	185,375	185,375	185,375	185,375
12,000	12,000	12,000	12,000	12,000	12,000
1,100	1,100	1,120	1,077	1,050	1,248
126,000	126,000	126,000	126,000	126,000	126,000
800	800	800	800	800	800
614	660	644	590	557	557
48,739	48,739	48,739	48,739	48,739	48,739
800	800	800	800	800	800
260	232	252	248	249	249
47,651	47,651	47,651	47,651	47,651	47,651
800	800	800	800	800	800
300	292	283	275	293	293
35,523	35,523	35,523	35,523	35,523	35,523
360	360	360	360	360	360
319	280	294	312	326	326
40,366	40,366	40,366	40,366	40,366	40,366
400	400	400	400	400	400
289	303	324	325	306	306
20,816	20,816	20,816	20,816	20,816	20,816
360	360	360	360	360	360
273	269	288	275	259	259

(Continued)

Piqua City School District

*Capital Asset Statistics by Building
Last Ten Years*

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Springcreek Primary School				
Square Footage	25,326	25,326	25,326	25,326
Capacity (students)	360	360	360	360
Enrollment	329	296	291	245
Nicklin Avenue Learning Center				
Square Footage	21,519	21,519	21,519	21,519
Capacity (students)	375	375	375	375
Enrollment	284	289	318	325
All Other				
Central Administration Building				
Square Footage	12,800	12,800	12,800	12,800
Transportation Building				
Square Footage	16,000	16,000	16,000	16,000
Maintenance Building				
Square Footage	27,000	27,000	27,000	27,000

Source: District Treasurer's Office

Piqua City School District

2002	2003	2004	2005	2006	2007
25,326	25,326	25,326	25,326	25,326	25,326
360	360	360	360	360	360
245	264	260	271	260	260
21,519	21,519	21,519	21,519	21,519	21,519
375	375	375	375	375	375
319	367	325	298	268	268
12,800	12,800	12,800	12,800	12,800	13,830
16,000	16,000	16,000	16,000	16,000	16,000
27,000	27,000	27,000	27,000	27,000	27,000

Piqua City School District

*Educational and Operating Statistics
Last Ten Years*

	1998	1999	2000	2001	2002
Cost per Student (ODE) (1)					
Piqua	5,291	6,595	6,506	6,964	7,186
Ohio (Average)	6,232	6,642	7,057	7,602	8,073
Attendance Rate					
Piqua	93.80%	93.40%	93.40%	93.50%	94.10%
Ohio (Average)	93.90%	94.20%	97.20%	94.70%	95.00%
Graduation Rate					
Piqua	67.90%	76.70%	72.20%	79.90%	84.50%
Ohio (Average)	79.90%	81.40%	80.70%	81.20%	82.80%

Source:

District's Student Records and Ohio Department of Education

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

Piqua City School District

2003	2004	2005	2006	2007
7,211	7,092	7,855	8,348	8,893
8,441	8,768	9,028	9,343	9,586
94.40%	94.50%	94.70%	94.90%	95.20%
94.90%	95.30%	95.20%	94.10%	94.10%
84.90%	88.20%	83.80%	83.80%	87.90%
83.90%	84.30%	85.90%	86.20%	86.10%





Mary Taylor, CPA
Auditor of State

PIQUA CITY SCHOOL DISTRICT

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 15, 2008**