Piqua City School District
Miami County
Single Audit
For the Fiscal Year Ended June 30, 2018

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Piqua City School District, Miami County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2017 through June 30, 2018. 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.

Dave Yost
Auditor of State

December 21, 2018

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Piqua City School District
Miami County
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For the Fiscal Year Ended June 30, 2018

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Piqua City School District
Miami County
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
United States Department of Agriculture						
Passed through the Ohio Department of Education						
Child Nutrition Cluster:						
School Breakfast Program	3L70	10.553	$259,676	$0	$259,676	$0
National School Lunch Program	3L60	10.555	804,072	105,316	804,072	105,316
Total Child Nutrition Cluster			1,063,748	105,316	1,063,748	105,316
Total United States Department of Agriculture			**1,063,748**	**105,316**	**1,063,748**	**105,316**
United States Department of Education						
Passed through the Ohio Department of Education						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	870,162	0	862,289	0
Total Special Education Cluster			870,162	0	862,289	0
Title I Grants to Local Educational Agencies	3M00	84.010	1,159,259	0	1,168,032	0
Supporting Effective Instruction State Grants	3Y60	84.367	140,548	0	137,942	0
Student Support and Academic Enrichment Program	3HIO	84.424A	19,075	0	19,075	0
Rural Education	3Y80	84.358	70,344	0	70,703	0
Total United States Department of Education			**2,259,388**	**0**	**2,258,041**	**0**
Total Federal Financial Assistance			**$3,323,136**	**$105,316**	**$3,321,789**	**$105,316**

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

Note A – Basis of Presentation

The accompanying schedule of federal awards expenditures (the schedule) includes the federal award activity of Piqua City School District (the District) under programs of the federal government for the year ended June 30, 2018. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

Note B – Summary of Significant Accounting Policies

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

Note C – Child Nutrition Cluster

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

Note D – Food Donation Program

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

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Piqua City School District, Miami County, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2018, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and restated beginning net position as a result of this implementation.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

District's Response to Finding

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

Purpose of this Report

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

Robyn Roush

Robyn Roush, CPA, CITP
Vice-President/Owner
Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

December 13, 2018

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited Piqua City School District's, Miami County, (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 13, 2018, which contained unmodified opinions on those financial statements. We also noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and restated beginning net position as a result of this implementation. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards expenditures is fairly stated in all material respects in relation to the basic financial statements as a whole.

Robyn Roush

Robyn Roush, CPA, CITP
Vice-President/Owner
Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

December 13, 2018

Section I – Summary of Auditor's Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal program(s):	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal program(s):	Title I Grants to Local Educational Agencies, CFDA #84.010, and Child Nutrition Cluster: School Breakfast Program, CFDA #10.553, and National School Lunch Program, CFDA #10.555
Dollar threshold used to distinguish between type A and type B programs:	Type A: >$750,000 Type B: all others
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

Finding 2018-001 – Significant Deficiency – Financial Reporting

A monitoring system by the District should be in place to prevent or detect misstatements for the accurate presentation of the District's financial statements. Errors were identified within the financial statements of the District. These errors consisted of unrecorded accounts payable, misclassifications of program revenues, misclassification of fund balances, and overreported transfers. Certain misclassifications and misstatements were deemed significant enough to require correction within the financial statements. Other errors and misclassifications identified within the financial statements were aggregated and deemed immaterial by auditors and management, and therefore correction within the financial statements was waived. The District should implement additional monitoring procedures and work with its outside consultant to ensure transactions are properly recorded and reported and that identified errors are timely identified and properly resolved.

Client Response:
See accompanying corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	This was a unique situation that will likely never happen again in the future. I will communicate with the compiler about any oddities prior to submitting the Hinkle report.	December 12, 2018	Jeremie Hittle, Treasurer/CFO

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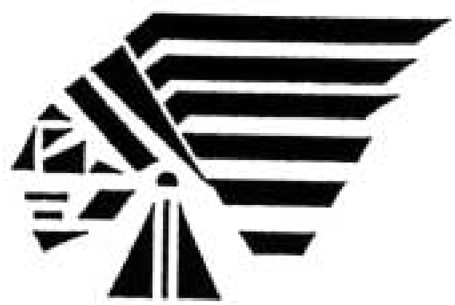
PIQUA CITY SCHOOL DISTRICT

Miami County, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018



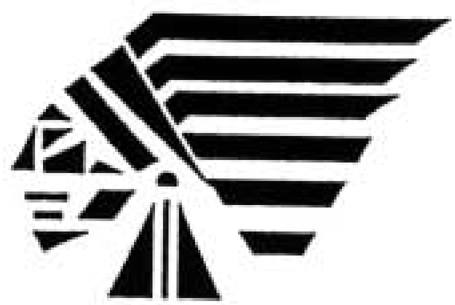
PIQUA CITY SCHOOL DISTRICT

Miami County, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prepared by:
Jeremie Hittle
Treasurer



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INTRODUCTORY SECTION

PIQUA CITY SCHOOL DISTRICT

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

Treasurer's Office: phone (937) 778-4512 fax (937) 778-4518

December 13, 2018

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

As the Superintendent and Treasurer of the Piqua City School District (the District), we are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the fiscal year ended June 30, 2018 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

THE DISTRICT AND ITS FACILITIES

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

The District provides a full range of education programs and services to 3,480 students. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels, a broad range of co-curricular and extracurricular activities, gifted, and special education services. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a special revenue fund. The non-public school operations have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

Letter of Transmittal
For the Fiscal Year Ended June 30, 2018

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

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

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

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

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

INSTRUCTION MATERIALS -- Piqua City Schools uses a blended model of instructional materials. Traditional printed materials, manipulatives for problem solving, online supplemental resources and standards based common assessments to support instruction. A cyclical process is utilized giving stakeholders an opportunity to evaluate and give input on board adopted materials.

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

All professional development is designed to meet staff and student needs and to improve instruction. All professional development is evaluated by the staff and administration prior to attendance to ensure direct alignment to district goals and following attendance to ensure high quality, to identify teacher need for follow-up training and/or to support classroom implementation.

Letter of Transmittal
For the Fiscal Year Ended June 30, 2018

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

GIFTED AND TALENTED PROGRAMMING AND ADVANCED PLACEMENT COURSES -- The Piqua City School District recognizes its responsibility to provide appropriate programming for its identified gifted and talented students. The program provides enrolled students extended opportunities for advanced thinking skills development and independent research. The gifted services continuum begins with screening for eligibility as outlined by the Ohio Department of Education. Once identified, students are provided services through a Written Education Plan that is updated yearly. Gifted services may include, but are not limited to; whole class instruction, small group instruction, independent studies, and advanced placement coursework at the elementary, intermediate, junior high and high school levels. Currently, Piqua High School offers AP courses in Art, Biology, Calculus, Chemistry, Physics, Economics, English, Literature and Composition, Government, Statistics, US History, World History, Music Theory, Spanish, and French.

COLLEGE CREDIT PLUS -- Starting in the 7th grade, students attending the Piqua City Schools can take advantage of earning college credit through the concurrent enrollment program at Piqua High School. Students may take college courses within the high school. College tuition and textbooks for concurrent enrollment courses is paid by the District.

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

ECONOMIC CONDITIONS AND OUTLOOK -- During calendar year 2013, the county's six-year reappraisal of property valuations was completed. In accordance with millage rollback provisions of HB920, the District has assessed millage at the 20 mill-floor, the lowest millage permitted by Ohio Revised Code. As a result of this, the District is able to benefit financially from increased assessed valuations. The Triennial update was performed during 2016 by the Miami County Auditor's office. This took effect during calendar year 2017.

Letter of Transmittal
For the Fiscal Year Ended June 30, 2018

In 1990 a ½% School District Income Tax was approved by the voters of Piqua. In May of 2008 the community approved an additional ¾% to our income tax rate. The income tax rate for Piqua City Schools now stands at 1.25%.

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

LONG TERM FINANCIAL PLANNING -- As required by Ohio law, the District approved a five-year financial forecast of operational revenues and expenditures along with assumptions in October 2018. Revenues are expected to exceed expenditures for the next 3 forecasted fiscal years. A solid level of general fund unassigned fund balance is expected to be held throughout the forecasted fiscal years. Given the uncertainty of future state budgets, as well as local, state and national economic factors, years beyond fiscal year 2021 may deviate significantly from the forecast.

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

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

The District recently upgraded a number of safety measures to enhance student and staff safety. New additions include:

- Renovations to both the junior and senior high school entrances that now act as a deterrent to individuals seeking to gain access to a student population. New vestibules have been installed whereby visitors check in at shatterproof glassed windows facing school offices.
- To gain entrance into a building, visitors will need to produce an identification card such as a driver's license. A web-based instrument known as Raptor enables school personnel to perform a background check for individuals such as sex offenders. A badge is produced providing the visitor's name, date, photo and building destination.
- Additional surveillance cameras have been installed both internally and externally including the school parking lots.
- Monitors will be supervised to survey movement within all five buildings on dual screens with the capability to view individuals entering and leaving the district's schools as well as hallways.

Letter of Transmittal
For the Fiscal Year Ended June 30, 2018

- ALICE (Alert/Lockdown/Inform/Counter/Evacuate) training for all new and veteran staff members takes place each year.
- A Threat Assessment Officer (TAO) from the Piqua Police Department will serve PHS and PJHS while School Protect Officers will serve at the elementary schools.
- Each classroom door window is being covered in a red and blue Indian logo with a "positive" message. The covering prevents outsiders from peering inside but enables teachers to look outside the locked classroom door.
- Every staff member is provided with a photo identification badge and key fob to gain safe access to their building.

District-wide implementation of Positive Behavioral Interventions and Supports (PBIS) is in place. All staff have been trained on this practice and the impact has been powerful. Piqua Central Intermediate School has earned two State recognitions for their work with PBIS. The Piqua High School has earned their first State recognition this year.

A number of grants and donations have been secured to strengthen the District's culture and honor our history. A new Veterans Memorial Wall has been installed at Piqua High School that honors past and current military personnel that have graduated from Piqua High School. A Memorial Garden was added on the Piqua High School campus remembering students that passed away before they were able to graduate. Each student has a brick with his/her name and additional information placed in the garden that will be maintained by current high school students. Finally, Piqua City Schools has initiated a Piqua Indian Alumni Nation organization. The District is hosting a membership drive to secure alumni from different generations. Members from each generation will be invited to serve on a committee that will begin to design a focus for this group. Additional plans are in place to begin a Teacher Alumni Nation that will honor our past/retired staff and teachers and explore ways to continue their positive involvement with our students and schools.

MAJOR INITIATIVES FOR THE FUTURE -- Student achievement continues to be the focal point for Piqua City Schools with strategies aimed at helping students to develop a pathway to graduation that will make each child 'bound for success.' This process began at the Piqua High School where the staff developed a Success Bound course for all Sophomores. Students in this course will learn more about post-secondary education options, work force opportunities, Military possibilities, and potential vocational prospects. A new interactive wall display will help students and parents successfully track State and local requirements for students to be Success Bound in order to earn a timely diploma that leads to a strong transition into adulthood. The District benefits from a great partnership with its Business Advisory Council that is made of local business men and woman that are guiding a great deal of this work. The Piqua High School is already working with The Piqua Junior School staff to help them develop programming that supports a strong transition for students to the high school. This work will continue on down to the lower grades until we have developed a successful path for all students as they progress through each building in our district.

ACCOUNTING INFORMATION

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

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

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

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

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

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

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

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

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

Letter of Transmittal
For the Fiscal Year Ended June 30, 2018

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

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

OTHER INFORMATION

AUDIT -- State statutes require an annual audit. Millhuff-Stang CPA conducted the audit for the fiscal year ended June 30, 2018. The auditor's unmodified opinion on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

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

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

To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The District has received a Certificate of Achievement for the last twenty one consecutive years (fiscal years ended 1997-2017). We believe this current Comprehensive Annual Financial Report meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA. The District also submitted the CAFR to the Association of School Business Officials for review and the document received the Certificate of Excellence award with no major comments the previous three fiscal years (FY 15-17).

Letter of Transmittal
For the Fiscal Year Ended June 30, 2018

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

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

Respectfully submitted,

Dwayne A. Thompson

Jeremie Hittle

Dwayne A. Thompson, Superintendent

Jeremie Hittle, Treasurer

Members of the Board of Education, Superintendent of Schools and Treasurer
For the Fiscal Year Ended June 30, 2018

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 2017 Board	Began Service as a Board Member		Present Term Expires
Frank Patrizio, President	January	2012	December 31, 2019
Steve Greggerson, Vice President	January	2014	December 31, 2017
Bob Luby	January	2006	December 31, 2017
Andy Hite	January	2006	December 31, 2017
Clint Bostick	January	2016	December 31, 2019

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

Superintendent of Schools

The Superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The Superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the District. Dwayne Thompson was hired as Superintendent of Piqua City Schools effective August 1, 2016. His current contract is through July 31, 2019.

Treasurer

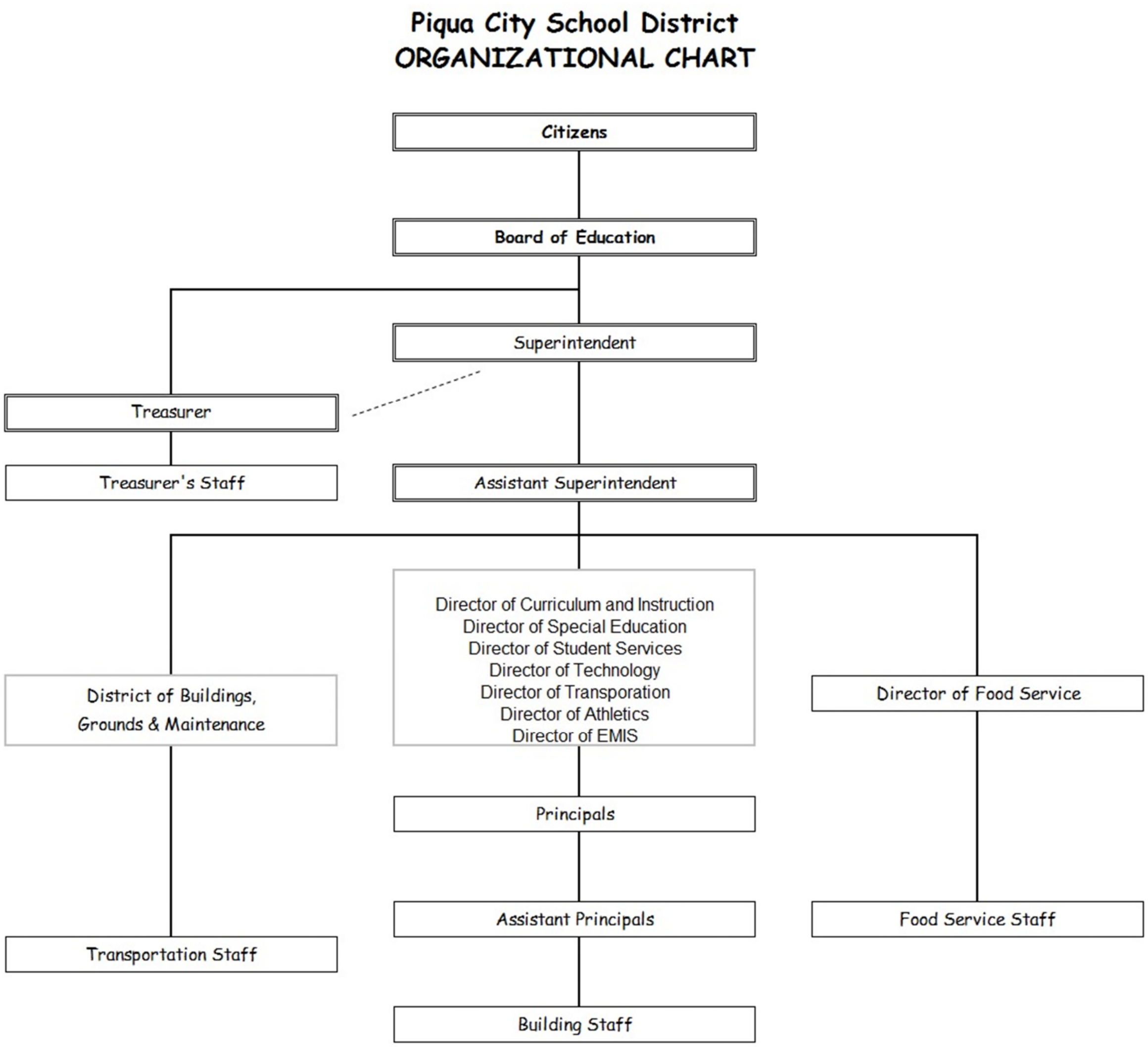
The Treasurer serves as the fiscal officer of the District and, with the Board President, executes all conveyances made by the Board of Education. The Treasurer, Jeremie Hittle has held the position since September, 2013. His current contract is through July 31, 2021.

Management Team Members
For the Fiscal Year Ended June 30, 2018

Management Team Members

Dwayne Thompson	Superintendent of Schools
Jeremie Hittle	Treasurer
Anthony Lyons	Assistant Superintendent
Teresa Anderson, Scott Bloom	Directors of Curriculum and Instruction
Amy Todd	Director of Special Education
Mindy Gearhardt	Director of Student Services
Erich Heidenreich	Director of District Technology
Beth Cain	Director of Transportation
Chip Hare	Director of Athletics
Tracy Mumaw	Director of EMIS
Sean Shumaker	District Buildings, Grounds & Maintenance
Jennifer Garland	Director of Food Service
Kylee Harrmann	School Psychologist
Alicia Everman	School Psychologist
Michelle Bonifas	School Psychologist
Rob Messick	Principal, Piqua High School
Darrell Hite	Assistant Principal, Piqua High School
John Shoffstall	Assistant Principal, Piqua High School
Jeff Clark	Principal, Piqua Junior High School
Chad Albers	Assistant Principal, Piqua Junior High School
Josh Kauffman	Principal, Piqua Central Intermediate School
Heath Butler	Principal, Piqua Central Intermediate School
Jennie Gearhardt	Principal, Piqua Central Intermediate School
Connie Strehle	Principal, Springcreek Primary School
Ross Loundenback	Principal, Springcreek Primary School
Tracy Trogdlon	Principal, Washington Primary School
Shannon Pence	Assistant, Washington Primary School

School District Organizational Chart
For the Fiscal Year Ended June 30, 2018



NOTE: Please see reverse side for individual positions.

Job Description Listing
For the Fiscal Year Ended June 30, 2018

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

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Piqua City Schools
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill
Executive Director/CEO

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

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Piqua City Schools

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.

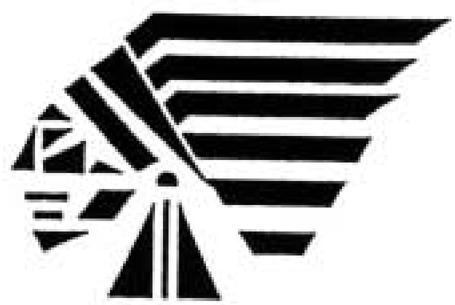
The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
Executive Director

FINANCIAL SECTION



Independent Auditor's Report

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Piqua City School District, Miami County, (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Millhuff-Stang, CPA, Inc.
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45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Piqua City School District, Miami County, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 3 to the financial statements, during fiscal year 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The 2018 financial statements have been restated due to this implementation. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, the schedules of District's proportionate share of the net pension and OPEB liabilities on pages 90 and 92, and the schedules of District contributions on pages 91 and 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Robyn Roush

Robyn Roush, CPA, CITP
Vice-President/Owner
Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

December 13, 2018

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, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2018 are as follows:

- In total, net position increased $17,949,487. Net position of governmental activities increased $17,995,360, which represents a 132% increase. Net position of business-type activities decreased $45,873, which represents a 12% decrease from fiscal year 2017.

- General revenues accounted for $41,039,233, or 86% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for $6,695,612 or 14% of total revenues of $47,734,845.

- The District had $28,068,225 in expenses related to governmental activities; only $5,024,352 of these expenses were offset by program specific charges for services and sales, grants, or contributions. General revenues (primarily taxes) of $41,039,233 were adequate to provide for these programs.

- Among major funds, the general fund had $38,820,576 in revenues and $35,673,606 in expenditures. The general fund's fund balance increased from a balance of $16,319,249 to an ending balance of $16,717,347.

- Net position of the enterprise funds decreased $40,264.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.

2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

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

Government-wide Statements

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

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

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

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

- *Governmental Activities* – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service and TV station funds are reported as business-type activities.

Fund Financial Statements

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

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

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

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net position for fiscal year 2018 compared to fiscal year 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
Current and other Assets	$44,786,912	$44,988,624	$1,241,051	$1,303,270	$46,027,963	$46,291,894
Capital Assets, Net	69,855,722	69,243,094	349,058	401,600	70,204,780	69,644,694
Total Assets	114,642,634	114,231,718	1,590,109	1,704,870	116,232,743	115,936,588
Deferred Outflows of Resources	13,762,242	10,883,121	290,822	375,070	14,053,064	11,258,191
Net Pension Liability	37,920,692	51,177,113	888,092	1,080,540	38,808,784	52,257,653
Net OPEB Liability	8,257,666	10,338,688	404,034	429,104	8,661,700	10,767,792
Other Long-term Liabilities	33,324,010	34,997,305	71,097	77,691	33,395,107	35,074,996
Other Liabilities	3,243,788	3,143,422	120,496	110,153	3,364,284	3,253,575
Total Liabilities	82,746,156	99,656,528	1,483,719	1,697,488	84,229,875	101,354,016
Deferred Inflows of Resources	13,991,086	11,786,037	60,633	0	14,051,719	11,786,037
Net Position						
Net Investment in Capital Assets	38,694,689	36,332,681	349,058	401,600	39,043,747	36,734,281
Restricted	5,374,451	11,195,195	0	0	5,374,451	11,195,195
Unrestricted (Deficit)	(12,401,506)	(33,855,602)	(12,479)	(19,148)	(12,413,985)	(33,874,750)
Total Net Position	$31,667,634	$13,672,274	$336,579	$382,452	$32,004,213	$14,054,726

The net pension liability (NPL) is reported by the District pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017 from $23,954,544 to $13,672,274 for Governmental Activities and from $804,380 to $382,452 for Business-type Activities.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018 ***Unaudited***

Changes in Net Position – The following table shows the changes in net position for fiscal year 2018 compared to fiscal year 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services and Sales	$1,261,294	$1,355,527	$476,426	$397,791	$1,737,720	$1,753,318
Operating Grants	3,763,058	4,076,841	1,194,834	1,136,358	4,957,892	5,213,199
Capital Grants	0	178,258	0	0	0	178,258
Total Program Revenues	5,024,352	5,610,626	1,671,260	1,534,149	6,695,612	7,144,775
General Revenues:						
Property Taxes	13,538,427	13,023,382	0	0	13,538,427	13,023,382
Income Taxes	6,673,002	6,020,378	0	0	6,673,002	6,020,378
Intergovernmental, Unrestricted	20,087,152	19,912,421	0	0	20,087,152	19,912,421
Other	740,652	828,619	0	1,052	740,652	829,671
Total General Revenues	41,039,233	39,784,800	0	1,052	41,039,233	39,785,852
Total Revenues	46,063,585	45,395,426	1,671,260	1,535,201	47,734,845	46,930,627
Program Expenses						
Instruction	12,942,670	26,077,417	0	0	12,942,670	26,077,417
Support Services:						
Pupils	1,370,196	2,228,050	0	0	1,370,196	2,228,050
Instructional Staff	2,031,739	2,294,068	0	0	2,031,739	2,294,068
Board of Education	37,823	37,803	0	0	37,823	37,803
Administration	1,307,444	2,756,091	0	0	1,307,444	2,756,091
Fiscal Services	838,096	869,154	0	0	838,096	869,154
Business	580	580	0	0	580	580
Operation and Maintenance of Plant	4,040,176	3,569,768	0	0	4,040,176	3,569,768
Pupil Transportation	1,469,981	1,784,827	0	0	1,469,981	1,784,827
Central	1,952,871	2,024,940	0	0	1,952,871	2,024,940
Operation of Non-Instructional Services	195,287	531,216	0	0	195,287	531,216
Extracurricular Activities	667,304	1,018,618	0	0	667,304	1,018,618
Interest and Fiscal Charges	1,214,058	1,256,588	0	0	1,214,058	1,256,588
Food Service	0	0	1,660,399	1,849,949	1,660,399	1,849,949
TV Station	0	0	56,734	563	56,734	563
Total Expenses	28,068,225	44,449,120	1,717,133	1,850,512	29,785,358	46,299,632
Change in Net Position	17,995,360	946,306	(45,873)	(315,311)	17,949,487	630,995
Beginning Net Position - Restated	13,672,274	N/A	382,452	N/A	14,054,726	N/A
Ending Net Position - Restated	$31,667,634	$13,672,274	$336,579	$382,452	$32,004,213	$14,054,726

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of $56,418 for Governmental Activities and $7,176 for Business-type Activities computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of $1,381,604 for Governmental Activities and positive OPEB expense of $21,496 for Business-type Activities.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2018 program expenses under GASB 75	$28,068,225	$1,717,133
OPEB expense under GASB 75	1,381,604	(21,496)
2018 contractually required contribution	85,371	10,409
Adjusted 2018 program expenses	29,535,200	1,706,046
Total 2017 program expenses under GASB 45	44,449,120	1,850,512
Change in program expenses not related to OPEB	($14,913,920)	($144,466)

Governmental Activities

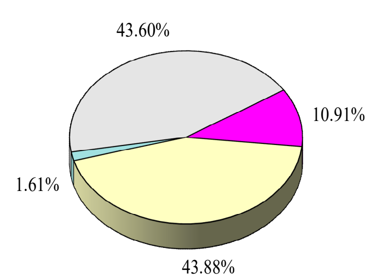
Net position of the District's governmental activities increased $17,995,360. This substantial increase can mostly be attributed to changes in the net pension and net OPEB liabilities. Also contributing to this increase in net position was an increase in income taxes, which was the result of improving economic conditions.

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

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

Property taxes and income taxes made up 29% and 14% respectively of revenues for governmental activities in fiscal year 2018. The District's reliance upon tax revenues is demonstrated by the following graph indicating 44% of total revenues from general taxes:

Revenue Sources	2018	Percent of Total
Intergovernmental, Unrestricted	$20,087,152	43.60%
Program Revenues	5,024,352	10.91%
General Tax Revenues	20,211,429	43.88%
General Other	740,652	1.61%
Total Revenue	$46,063,585	100.00%



Business-Type Activities

Net position of the business-type activities decreased $45,873 or approximately 12%. An increase in revenues can be attributed to federal food assistance program monies as well as receipts generated by the District's TV Station. A decrease in expenses can be attributed to changes in the net pension and OPEB liabilities.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of $27,152,832, which is above last year's total of $26,766,530. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

	Fund Balance June 30, 2018	Fund Balance June 30, 2017	Increase (Decrease)
General	$16,717,347	$16,319,249	$398,098
Bond Retirement	3,645,749	4,233,264	(587,515)
Permanent Improvement	5,208,765	4,960,730	248,035
Other Governmental	1,580,971	1,253,287	327,684
Total	$27,152,832	$26,766,530	$386,302

Bond Retirement Fund – The Bond Retirement Fund balance decreased approximately 14% during fiscal year 2018. Revenues and expenditures remained consistent with the previous year. The decrease in fund balance can be attributed to a transfer of unused school construction bond issue proceeds to the Permanent Improvement Fund.

Permanent Improvement Fund – The Permanent Improvement Fund balance increased approximately 5% during fiscal year 2018. This increase can be attributed to a transfer of bond retirement levy proceeds approved by the County Budget Commission from the Bond Retirement Fund.

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

	2018 Revenues	2017 Revenues	Increase (Decrease)
Taxes	$16,771,999	$15,667,672	$1,104,327
Tuition	577,358	634,995	(57,637)
Transportation Fees	44,754	49,826	(5,072)
Investment Earnings	207,081	106,708	100,373
Extracurricular Activities	96,051	77,786	18,265
Class Materials and Fees	110,667	122,726	(12,059)
Intergovernmental - State	20,146,504	19,600,155	546,349
Intergovernmental - Federal	440,479	394,220	46,259
All Other Revenue	425,683	511,462	(85,779)
Total	$38,820,576	$37,165,550	$1,655,026

General Fund revenues in fiscal year 2018 increased approximately 4% when compared with revenues in fiscal year 2017. An increase in taxes can be attributed to an increase in property tax collections available for advance as well as increased income tax collections due to improving economic conditions. The increase in intergovernmental state revenues can be attributed to increases in State school foundation monies. Changes in the fair value of investments resulted in the increase in investment earnings.

	2018 Expenditures	2017 Expenditures	Increase (Decrease)
Current:			
Instruction	$22,566,351	$21,486,033	$1,080,318
Supporting Services:			
Pupils	2,219,539	2,063,496	156,043
Instructional Staff	2,371,394	1,903,632	467,762
Board of Education	37,823	37,803	20
Administration	2,560,678	2,888,758	(328,080)
Fiscal Services	837,009	762,854	74,155
Operation and Maintenance of Plant	2,791,209	3,139,135	(347,926)
Pupil Transportation	1,457,130	1,337,426	119,704
Central	295,815	336,346	(40,531)
Operation of Non-Instructional Services	2,070	0	2,070
Extracurricular Activities	502,752	411,002	91,750
Debt Service:			
Principal Retirement	28,192	26,954	1,238
Interest and Fiscal Charges	3,644	4,882	(1,238)
Total	$35,673,606	$34,398,321	$1,275,285

General Fund expenditures increased $1,275,285 or approximately 4%. Increases in instruction and instructional staff can mostly be attributed to increases in salaries and benefits. Decreases in administration and operation and maintenance of plant can be attributed to costs incurred in the prior year for a new athletic field at the high school.

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 2018 the District amended its General Fund budget several times. Final budgeted revenue estimates were 2% more than original estimates due to increases in taxes and investment earnings. Actual budget basis revenues of $38.3 million were equal to final budget estimates. Final budgeted expenditures were 4% higher than original estimates due to an increase in special education and pupil services. One factor leading to this increase was an increase in enrollment of non-English speaking students. Actual budget basis expenditures of $35.7 million were equal to final budget estimates.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2018 the District had $70,204,780 net of accumulated depreciation invested in land, construction in progress, buildings, improvements, equipment and vehicles. Of this total, $69,855,722 was related to governmental activities and $349,058 to the business-type activities. The following tables show fiscal year 2018 and 2017 balances:

	Governmental Activities		Increase (Decrease)
	2018	2017	
Land	$798,611	$314,811	$483,800
Construction in Progress	711,877	619,585	92,292
Land Improvements	6,940,781	6,321,195	619,586
Buildings and Improvements	76,340,470	75,537,560	802,910
Machinery and Equipment	3,019,029	2,527,053	491,976
Vehicles	2,685,448	2,767,034	(81,586)
Less: Accumulated Depreciation	(20,640,494)	(18,844,144)	(1,796,350)
Totals	$69,855,722	$69,243,094	$612,628

	Business-Type Activities		Increase (Decrease)
	2018	2017	
Machinery and Equipment	$763,330	$792,700	($29,370)
Less: Accumulated Depreciation	(414,272)	(391,100)	(23,172)
Totals	$349,058	$401,600	($52,542)

Additions to capital assets in fiscal year 2018 included athletic track improvements, bus purchases, a dump truck, and a plow. In fiscal year 2018 the District purchased a new administration building, which contributed to an increase in land, buildings, and improvements. Also contributing to the increase in land was the purchase of 36 acres of farm land for future District use. Additional information on the District's capital assets can be found in Note 9.

Debt

At June 30, 2018, the District had $27.4 million in bonds outstanding, $1,725,000 due within one year. In addition, the District had $3.8 million in certificates of participation outstanding. The following table summarizes the District's long term obligations as of June 30, 2018 and 2017:

	2018	Restated 2017
Governmental Activities:		
General Obligation Bonds:		
2015 School Improvement Refunding	$2,108,074	$3,122,110
2012 School Facility Construction	25,258,853	25,986,755
Certificates of Participation	3,770,000	3,770,000
Capital Leases Payable	65,605	93,797
Net Pension Liability	37,920,692	51,177,113
Net OPEB Liability	8,257,666	10,338,688
Compensated Absences	2,121,478	2,024,643
Total Governmental Activities	79,502,368	96,513,106
Business-Type Activities:		
Net Pension Liability	888,092	1,080,540
Net OPEB Liability	404,034	429,104
Compensated Absences	71,097	77,691
Total Business-Type Activities	1,363,223	1,587,335
Totals	$80,865,591	$98,100,441

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, 2018, the District's overall legal debt margin was below the legal limit. Additional information on the District's long-term debt can be found in Note 13.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Like most public school districts in Ohio, the Piqua City School District relies on its property and income taxes along with state and federal aid to provide the funds necessary to maintain its educational programs. Growth in the tax base of Piqua has been for the most part nonexistent since the economic downturn in 2007. In recent years, there has been a modest increase in income tax collections, but property tax collections still remain stagnant. This is particularly due to commercial and industrial property values, specifically the mall value decreasing significantly. The Board of Education has been willing to confront difficult decisions regarding the instructional programs and staffing coupled with the community's willingness to provide additional funding has resulted in a stable financial condition. We have been able to continue operating in the black for the past 10 years, and are on track to complete our 11th year.

In order to maintain the District's commitment to a strong educational program, we asked our community to renew our expiring 5 year emergency levy on November 7, 2017. The approval of this levy renewal allows Piqua City Schools to maintain our Commitment to Excellence. The Board placed a renewal of its 5 year permanent improvement levy on the ballot on May 6, 2014. The community continued to show its support toward the District with the approval of both of these issues. On November 8, 2011 voters passed a 4.92 mill levy which will provide the local share needed to construct two new pre-kindergarten to third grade buildings and one fourth through sixth grade building.

We are in the second year of a new State of Ohio biannual budget. The budget and school funding formula has helped produce more revenue to the District through state aid. However, this aid is only for a two year period of time and the formula is not fully funded. The State of Ohio will see a new Governor in 2019 as well as a new biannual budget, this leaves significant uncertainty about the school funding formula. We will continue to monitor developments on school funding and hope for a long term solution to school funding in Ohio.

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

REQUESTS FOR INFORMATION

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

Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled Cash and Investments	$ 26,876,453	$ 915,792	$ 27,792,245
Receivables:			
Taxes	15,794,735	0	15,794,735
Accounts	20,492	0	20,492
Intergovernmental	558,178	0	558,178
Interest	9,700	0	9,700
Internal Balance	(255,827)	255,827	0
Inventory of Supplies at Cost	0	69,432	69,432
Prepaid Items	32,419	0	32,419
Restricted Assets:			
Cash with Fiscal Agent	762	0	762
Investments	1,750,000	0	1,750,000
Non-Depreciable Capital Assets	1,510,488	0	1,510,488
Depreciable Capital Assets, Net	68,345,234	349,058	68,694,292
Total Assets	114,642,634	1,590,109	116,232,743
Deferred Outflows of Resources:			
Deferred Loss on Early Retirement of Debt	41,499	0	41,499
Pension	13,342,035	280,413	13,622,448
OPEB	378,708	10,409	389,117
Total Deferred Outflows of Resources	13,762,242	290,822	14,053,064
Liabilities:			
Accounts Payable	62,189	0	62,189
Accrued Wages and Benefits	2,475,561	103,344	2,578,905
Intergovernmental Payable	538,858	17,152	556,010
Matured Bonds and Interest Payable	762	0	762
Accrued Interest Payable	166,418	0	166,418
Long Term Liabilities:			
Due Within One Year	2,159,755	9,806	2,169,561
Due in More Than One Year:			
Net Pension Liability	37,920,692	888,092	38,808,784
Net OPEB Liability	8,257,666	404,034	8,661,700
Other Amounts Due in More Than One Year	31,164,255	61,291	31,225,546
Total Liabilities	82,746,156	1,483,719	84,229,875
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	11,541,883	0	11,541,883
Pension	1,512,866	21,243	1,534,109
OPEB	936,337	39,390	975,727
Total Deferred Inflows of Resources	13,991,086	60,633	14,051,719

	Governmental Activities	Business-Type Activities	Total
Net Position:			
Net Investment in Capital Assets	38,694,689	349,058	39,043,747
Restricted For:			
Debt Service	3,547,836	0	3,547,836
Other Purposes	1,765,039	0	1,765,039
Permanent Fund:			
Expendable	10,657	0	10,657
Nonexpendable	50,919	0	50,919
Unrestricted (Deficit)	(12,401,506)	(12,479)	(12,413,985)
Total Net Position	$ 31,667,634	$ 336,579	$ 32,004,213

See accompanying notes to the basic financial statements

Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions
Governmental Activities:			
Instruction	$ 12,942,670	$ 784,111	$ 3,012,048
Support Services:			
Pupils	1,370,196	183	14,507
Instructional Staff	2,031,739	0	361,774
Board of Education	37,823	0	0
Administration	1,307,444	0	0
Fiscal Services	838,096	0	0
Business	580	0	0
Operation and Maintenance of Plant	4,040,176	0	0
Pupil Transportation	1,469,981	44,754	1,804
Central	1,952,871	0	0
Operation of Non-Instructional Services	195,287	0	148,694
Extracurricular Activities	667,304	432,246	13,145
Interest and Fiscal Charges	1,214,058	0	211,086
Total Governmental Activities	28,068,225	1,261,294	3,763,058
Business-Type Activities:			
Food Service	1,660,399	399,101	1,187,275
TV Station	56,734	77,325	7,559
Total Business-Type Activities	1,717,133	476,426	1,194,834
Totals	$ 29,785,358	$ 1,737,720	$ 4,957,892

General Revenues

Taxes:

Property Taxes levied for: General Purposes

Property Taxes levied for: Facilities Maintenance

Property Taxes levied for: Debt Service

Property Taxes levied for: Capital Outlay

Income Taxes

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year - Restated

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (9,146,511)	$ 0	$ (9,146,511)
(1,355,506)	0	(1,355,506)
(1,669,965)	0	(1,669,965)
(37,823)	0	(37,823)
(1,307,444)	0	(1,307,444)
(838,096)	0	(838,096)
(580)	0	(580)
(4,040,176)	0	(4,040,176)
(1,423,423)	0	(1,423,423)
(1,952,871)	0	(1,952,871)
(46,593)	0	(46,593)
(221,913)	0	(221,913)
(1,002,972)	0	(1,002,972)
(23,043,873)	0	(23,043,873)
0	(74,023)	(74,023)
0	28,150	28,150
0	(45,873)	(45,873)
$ (23,043,873)	$ (45,873)	$ (23,089,746)
10,020,733	0	10,020,733
171,503	0	171,503
2,381,044	0	2,381,044
965,147	0	965,147
6,673,002	0	6,673,002
20,087,152	0	20,087,152
215,402	0	215,402
525,250	0	525,250
41,039,233	0	41,039,233
17,995,360	(45,873)	17,949,487
13,672,274	382,452	14,054,726
$ 31,667,634	$ 336,579	$ 32,004,213

Balance Sheet
Governmental Funds
June 30, 2018

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Pooled Cash and Investments	$ 15,861,706	$ 1,588,018	$ 5,088,044	$ 1,670,875	$ 24,208,643
Receivables:					
Taxes	12,285,240	2,366,596	970,427	172,472	15,794,735
Accounts	9,565	0	204	10,723	20,492
Intergovernmental	132,777	0	0	425,401	558,178
Interest	9,700	0	0	0	9,700
Interfund Loans Receivable	157,612	0	0	0	157,612
Prepaid Items	32,419	0	0	0	32,419
Restricted Assets:					
Cash with Fiscal Agent	0	762	0	0	762
Investments	0	1,750,000	0	0	1,750,000
Total Assets	$ 28,489,019	$ 5,705,376	$ 6,058,675	$ 2,279,471	$ 42,532,541
Liabilities:					
Accounts Payable	$ 55,000	$ 0	$ 4,953	$ 2,236	$ 62,189
Accrued Wages and Benefits	2,269,439	0	0	206,122	2,475,561
Intergovernmental Payable	508,362	0	0	30,496	538,858
Matured Bonds and Interest Payable	0	762	0	0	762
Interfund Loans Payable	0	0	0	157,612	157,612
Compensated Absences Payable	56,454	0	0	26,466	82,920
Total Liabilities	2,889,255	762	4,953	422,932	3,317,902
Deferred Inflows of Resources:					
Unavailable Amounts	293,029	68,505	28,044	130,346	519,924
Property Tax Levy for Next Fiscal Year	8,589,388	1,990,360	816,913	145,222	11,541,883
Total Deferred Inflows of Resources	8,882,417	2,058,865	844,957	275,568	12,061,807
Fund Balance:					
Nonspendable	32,419	0	0	50,919	83,338
Restricted	0	3,645,749	0	1,645,350	5,291,099
Committed	0	0	5,208,765	0	5,208,765
Assigned	494,547	0	0	0	494,547
Unassigned	16,190,381	0	0	(115,298)	16,075,083
Total Fund Balance	16,717,347	3,645,749	5,208,765	1,580,971	27,152,832
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 28,489,019	$ 5,705,376	$ 6,058,675	$ 2,279,471	$ 42,532,541

See accompanying notes to the basic financial statements

Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities
June 30, 2018

Total Governmental Fund Balances		$ 27,152,832
Amounts reported for governmental activities in the statement of net position are different because		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		69,855,722
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		519,924
The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	13,342,035	
Deferred Inflows - Pension	(1,512,866)	
Net Pension Liability	(37,920,692)	
Deferred Outflows - OPEB	378,708	
Deferred Inflows - OPEB	(936,337)	
Net OPEB Liability	(8,257,666)	(34,906,818)
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		2,411,983
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	(27,366,927)	
Certificates of Participation	(3,770,000)	
Deferred Loss on Early Retirement of Debt	41,499	
Capital Leases Payable	(65,605)	
Compensated Absences Payable	(2,038,558)	
Accrued Interest Payable	(166,418)	(33,366,009)
Net Position of Governmental Activities		$ 31,667,634

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local Sources:					
Taxes	$ 16,771,999	$ 2,399,953	$ 971,621	$ 172,653	$ 20,316,226
Tuition	577,358	0	0	0	577,358
Transportation Fees	44,754	0	0	0	44,754
Investment Earnings	207,081	(19,530)	15,659	4,650	207,860
Extracurricular Activities	96,051	0	0	432,246	528,297
Class Materials and Fees	110,667	0	35	0	110,702
Intermediate Sources	0	0	0	47,903	47,903
Intergovernmental - State	20,146,504	413,581	130,938	465,144	21,156,167
Intergovernmental - Federal	440,479	211,086	0	2,400,199	3,051,764
All Other Revenue	425,683	0	4,614	94,953	525,250
Total Revenues	38,820,576	3,005,090	1,122,867	3,617,748	46,566,281
Expenditures:					
Current:					
Instruction	22,566,351	0	257,216	2,164,012	24,987,579
Supporting Services:					
Pupils	2,219,539	0	0	30,884	2,250,423
Instructional Staff	2,371,394	0	0	368,109	2,739,503
Board of Education	37,823	0	0	0	37,823
Administration	2,560,678	0	20,172	0	2,580,850
Fiscal Services	837,009	40,070	16,150	2,869	896,098
Operation and Maintenance of Plant	2,791,209	0	39,509	41,424	2,872,142
Pupil Transportation	1,457,130	0	85,900	24,394	1,567,424
Central	295,815	0	0	500	296,315
Operation of Non-Instructional Services	2,070	0	0	185,521	187,591
Extracurricular Activities	502,752	0	0	431,991	934,743
Capital Outlay	0	0	3,823,214	40,431	3,863,645
Debt Service:					
Principal Retirement	28,192	1,680,000	0	0	1,708,192
Interest and Fiscal Charges	3,644	1,255,206	0	0	1,258,850
Total Expenditures	35,673,606	2,975,276	4,242,161	3,290,135	46,181,178
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,146,970	29,814	(3,119,294)	327,613	385,103

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):					
Sale of Capital Assets	0	0	0	1,199	1,199
Transfers In	1,128	250,000	3,617,329	0	3,868,457
Transfers Out	(2,750,000)	(867,329)	(250,000)	(1,128)	(3,868,457)
Total Other Financing Sources (Uses)	(2,748,872)	(617,329)	3,367,329	71	1,199
Net Change in Fund Balance	398,098	(587,515)	248,035	327,684	386,302
Fund Balance at Beginning of Year	16,319,249	4,233,264	4,960,730	1,253,287	26,766,530
Fund Balance End of Year	$ 16,717,347	$ 3,645,749	$ 5,208,765	$ 1,580,971	$ 27,152,832

See accompanying notes to the basic financial statements

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, 2018

Net Change in Fund Balances - Total Governmental Funds		$ 386,302
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		612,628
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(510,421)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	2,766,203	
OPEB	85,371	2,851,574
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	11,662,184	
OPEB	1,381,604	13,043,788
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,749,380
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		3,604
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.		(58,064)
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.		(83,431)
Change in Net Position of Governmental Activities		$ 17,995,360

See accompanying notes to the basic financial statements

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	$ 15,839,337	$ 16,464,523	$ 16,464,523	$ 0
Tuition	602,000	577,358	577,358	0
Transportation Fees	39,000	50,660	50,660	0
Investment Earnings	225,000	348,799	348,799	0
Class Material and Fees	116,175	111,085	111,085	0
Intergovernmental - State	20,085,062	20,146,504	20,146,504	0
Intergovernmental - Federal	350,000	415,983	415,983	0
All Other Revenues	199,000	216,791	216,791	0
Total Revenues	37,455,574	38,331,703	38,331,703	0
Expenditures:				
Current:				
Instructional Services:				
Regular	16,784,517	16,915,227	16,915,227	0
Special	4,499,324	4,957,724	4,957,724	0
Other	550,363	516,331	516,331	0
Support Services:				
Pupils	1,699,953	2,208,556	2,208,556	0
Instructional Staff	2,042,502	2,365,438	2,365,438	0
Board of Education	41,416	37,824	37,824	0
Administration	2,727,151	2,593,674	2,593,674	0
Fiscal Services	548,551	833,966	833,966	0
Operation and Maintenance of Plant	3,166,752	2,983,481	2,983,481	0
Pupil Transportation	1,623,124	1,473,322	1,473,322	0
Central	268,079	294,459	294,459	0
Operation of Non-Instructional Services	0	3,438	3,438	0
Extracurricular Activities	461,979	500,583	500,583	0
Total Expenditures	34,413,711	35,684,023	35,684,023	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,041,863	2,647,680	2,647,680	0

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	0	1,203	1,203	0
Transfers Out	(1,500,000)	(2,750,000)	(2,750,000)	0
Advances In	0	295,248	295,248	0
Advances Out	0	(157,612)	(157,612)	0
Refund of Prior Year's Expenditures	139,000	128,725	128,725	0
Total Other Financing Sources (Uses):	(1,361,000)	(2,482,436)	(2,482,436)	0
Net Change in Fund Balance	1,680,863	165,244	165,244	0
Fund Balance at Beginning of Year	14,959,169	14,959,169	14,959,169	0
Prior Year Encumbrances	378,880	378,880	378,880	0
Fund Balance at End of Year	$ 17,018,912	$ 15,503,293	$ 15,503,293	$ 0

See accompanying notes to the basic financial statements

Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities			Governmental Activities
	Major	Nonmajor		
	Food Service	TV Station	Enterprise Funds	Internal Service Fund
Assets:				
Current Assets:				
Pooled Cash and Investments	$ 883,916	$ 31,876	$ 915,792	$ 2,667,810
Inventory of Supplies at Cost	69,432	0	69,432	0
Total Current Assets	953,348	31,876	985,224	2,667,810
Non Current Assets:				
Capital Assets, Net	349,058	0	349,058	0
Total Assets	1,302,406	31,876	1,334,282	2,667,810
Deferred Outflows of Resources:				
Pension	229,358	51,055	280,413	0
OPEB	9,798	611	10,409	0
Total Deferred Outflows of Resources	239,156	51,666	290,822	0
Liabilities:				
Current Liabilities:				
Accrued Wages and Benefits	101,964	1,380	103,344	0
Intergovernmental Payable	16,686	466	17,152	0
Compensated Absences - Current	9,806	0	9,806	0
Total Current Liabilities	128,456	1,846	130,302	0
Long Term Liabilities:				
Compensated Absences Payable	61,291	0	61,291	0
Net Pension Liability	837,470	50,622	888,092	0
Net OPEB Liability	380,993	23,041	404,034	0
Total Long Term Liabilities	1,279,754	73,663	1,353,417	0
Total Liabilities	1,408,210	75,509	1,483,719	0
Deferred Inflows of Resources:				
Pension	20,033	1,210	21,243	0
OPEB	37,155	2,235	39,390	0
Total Deferred Inflows of Resources	57,188	3,445	60,633	0
Net Position:				
Investment in Capital Assets	349,058	0	349,058	0
Unrestricted	(272,894)	4,588	(268,306)	2,667,810
Total Net Position	$ 76,164	$ 4,588	$ 80,752	$ 2,667,810
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			255,827	
Net Position of Business-type Activities			$ 336,579	

See accompanying notes to the basic financial statements

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities			Governmental Activities
	Major	Nonmajor		
	Food Service	TV Station	Total Enterprise Funds	Internal Service Fund
Operating Revenues:				
Sales	$ 396,677	$ 0	$ 396,677	$ 0
Charges for Services	0	77,325	77,325	0
Interfund Charges	0	0	0	403,063
Total Operating Revenues	396,677	77,325	474,002	403,063
Operating Expenses:				
Salaries and Wages	592,474	32,539	625,013	0
Fringe Benefits	293,716	15,907	309,623	497,802
Contractual Services	60,833	661	61,494	2,026
Supplies and Materials	655,225	7,627	662,852	0
Depreciation	28,067	0	28,067	0
Total Operating Expenses	1,630,315	56,734	1,687,049	499,828
Operating Income (Loss)	(1,233,638)	20,591	(1,213,047)	(96,765)
Nonoperating Revenues (Expenses):				
Operating Grants and Contributions	1,187,275	7,559	1,194,834	0
Investment Earnings	2,424	0	2,424	7,725
Loss on Disposal of Capital Assets	(24,475)	0	(24,475)	0
Total Nonoperating Revenues (Expenses)	1,165,224	7,559	1,172,783	7,725
Change in Net Position	(68,414)	28,150	(40,264)	(89,040)
Net Position Beginning of Year - Restated	144,578	(23,562)	121,016	2,756,850
Net Position End of Year	$ 76,164	$ 4,588	$ 80,752	$ 2,667,810
Change in Net Position - Total Enterprise Funds			(40,264)	
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.			(5,609)	
Change in Net Position - Total Business-type Activities			$ (45,873)	

See accompanying notes to the basic financial statements

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities			Governmental Activities
	Major	Nonmajor		
	Food Service	TV Station	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities:				
Cash Received from Customers	$396,677	$77,325	$474,002	$0
Cash Received from Interfund Charges	0	0	0	403,063
Cash Payments for Goods and Services	(625,696)	(8,288)	(633,984)	(2,026)
Cash Payments to Employees for Services and Benefits	(956,510)	(45,585)	(1,002,095)	(497,802)
Net Cash Provided (Used) by Operating Activities	(1,185,529)	23,452	(1,162,077)	(96,765)
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	1,081,959	7,559	1,089,518	0
Net Cash Provided by Noncapital Financing Activities	1,081,959	7,559	1,089,518	0
Cash Flows from Investing Activities:				
Receipts of Interest	2,424	0	2,424	7,725
Net Cash Provided by Investing Activities	2,424	0	2,424	7,725
Net Increase (Decrease) in Cash and Cash Equivalents	(101,146)	31,011	(70,135)	(89,040)
Cash and Cash Equivalents at Beginning of Year	985,062	865	985,927	2,756,850
Cash and Cash Equivalents at End of Year	$883,916	$31,876	$915,792	$2,667,810
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	($1,233,638)	$20,591	($1,213,047)	($96,765)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	28,067	0	28,067	0
Donated Commodities Used During the Year	105,316	0	105,316	0
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:				
Increase in Inventory	(14,829)	0	(14,829)	0
Decrease in Prepaid Items	1,304	0	1,304	0
(Increase) Decrease in Deferred Outflows	135,505	(51,257)	84,248	0
Decrease in Accounts Payable	(125)	0	(125)	0
Increase in Accrued Wages and Benefits	8,896	1,030	9,926	0
Increase in Intergovernmental Payables	102	440	542	0
Decrease in Compensated Absences	(6,594)	0	(6,594)	0
Increase in Deferred Inflows	57,188	3,445	60,633	0
Increase (Decrease) in Net Pension Liability	(243,070)	50,622	(192,448)	0
Decrease in Net OPEB Liability	(23,651)	(1,419)	(25,070)	0
Total Adjustments	48,109	2,861	50,970	0
Net Cash Provided (Used) by Operating Activities	($1,185,529)	$23,452	($1,162,077)	($96,765)

See accompanying notes to the basic financial statements

Statement of Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust	
	Special Trust Fund	Agency
Assets:		
Cash and Cash Equivalents	$ 552,825	$ 53,354
Investments with Fiscal Agent	359,661	0
Due from Others	0	2,975
Total Assets	912,486	56,329
Liabilities:		
Accounts Payable	2,125	1,065
Accrued Wages and Benefits	0	2,975
Due to Students	0	52,289
Total Liabilities	2,125	56,329
Net Position:		
Held in Trust	910,361	0
Total Net Position	$ 910,361	$ 0

See accompanying notes to the basic financial statements

Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2018

	Private Purpose Trust
	Special Trust Fund
Additions:	
Contributions:	
Sales	$ 332
Private Donations	18,164
Total Contributions	18,496
Investment Earnings:	
Interest	27,581
Net Change in the Fair Value of Investments	(18,488)
Total Investment Earnings	9,093
Total Additions	27,589
Deductions:	
Administrative Expenses	4,865
Community Gifts, Awards and Scholarships	37,562
Total Deductions	42,427
Change in Net Position	(14,838)
Net Position at Beginning of Year	925,199
Net Position End of Year	$ 910,361

See accompanying notes to the basic financial statements

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 200 teachers, 21 certified administrators, 124 classified staff, and 8 classified administrators providing education to 3,480 students.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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

B. Basis of Presentation - Fund Accounting

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

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

C. Basis of Presentation – Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. <u>Basis of Accounting</u>

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

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

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

Current property taxes measurable at June 30, 2018, and which are not intended to finance fiscal year 2018 operations, have been recorded as deferred inflows of resources. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end.

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

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

E. Budgetary Process

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

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

1. Tax Budget

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2018.

3. Appropriations

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

4. Lapsing of Appropriations

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

5. Basis of Budgeting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Basis of Budgeting (Continued)

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

Net Change in Fund Balance	General Fund
GAAP Basis (as reported)	$398,098
Increase (Decrease):	
Accrued Revenues at June 30, 2018, received during FY 2019	(3,521,335)
Accrued Revenues at June 30, 2017, received during FY 2018	3,507,438
Accrued Expenditures at June 30, 2018, paid during FY 2019	2,889,255
Accrued Expenditures at June 30, 2017, paid during FY 2018	(2,708,681)
FY 2018 Prepaids for FY 2019	(32,419)
FY 2017 Prepaids for FY 2018	29,589
Encumbrances Outstanding	(325,190)
Perspective Difference: Activity of Funds Reclassified for GAAP Reporting Purposes	(71,511)
Budget Basis	$165,244

F. Cash and Cash Equivalents

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

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

The District's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the District. The District measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million. All accounts of the participant will be combined for these purposes.

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

H. Inventory

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

2. Property, Plant and Equipment – Business Type Activities

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

3. Depreciation

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

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

K. Long-Term Obligations

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

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

M. Net Position

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

Of the District's $5,374,451 in restricted net position, none is restricted by enabling legislation.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Pension/OPEB

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

O. Interfund Activity

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

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

P. Restricted Assets

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

Q. Fund Balance

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Fund Balance (Continued)

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

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

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

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

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

R. Estimates

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Deferred Outflows/Inflows of Resources

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

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

T. Operating Revenues and Expenses

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

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during fiscal year 2018.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

***Fund Deficits* -** The fund deficits at June 30, 2018 of $132 in the Miscellaneous State Grants Fund, $100,742 in the IDEA-B Fund, and $14,424 in the Title II-A Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits do not exist under the budgetary/cash basis of accounting. The General Fund provides transfers when cash is required, not when accruals occur.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2018, the District implemented GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*".

Statement No. 75 replaces the requirements of GASB Statement No. 45 and addresses accounting and financial reporting for postemployment benefits that are provided to the employees of state and local government employers. In addition, it establishes standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses and addresses note disclosure and required supplementary information requirements.

The implementation of GASB 75 had the following effect on net position as reported June 30, 2017:

	Governmental Activities	Business-type Activities	Food Service Fund	TV Station Fund
Net position June 30, 2017	$23,954,544	$804,380	$542,455	$489
Adjustments:				
Net OPEB Liability	(10,338,688)	(429,104)	(404,644)	(24,460)
Deferred Outflow - Payments Subsequent to the Measurement Date	56,418	7,176	6,767	409
Restated Net Position June 30, 2017	$13,672,274	$382,452	$144,578	($23,562)

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 4 – FUND BALANCES

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

Fund Balances	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	$32,419	$0	$0	$0	$32,419
Endowments	0	0	0	50,919	50,919
Total Nonspendable	32,419	0	0	50,919	83,338
Restricted:					
Endowments	0	0	0	10,657	10,657
Classroom Facilities Maintenance	0	0	0	1,132,581	1,132,581
Auxiliary Services	0	0	0	16,685	16,685
Extracurricular Activities	0	0	0	409,403	409,403
Targeted Academic Assistance	0	0	0	76,024	76,024
Debt Service Payments	0	3,645,749	0	0	3,645,749
Total Restricted	0	3,645,749	0	1,645,350	5,291,099
Committed:					
Capital Improvements	0	0	5,208,765	0	5,208,765
Total Committed	0	0	5,208,765	0	5,208,765
Assigned:					
Public School Support	223,457	0	0	0	223,457
Services and Supplies	271,090	0	0	0	271,090
Total Assigned:	494,547	0	0	0	494,547
Unassigned (Deficit)	16,190,381	0	0	(115,298)	16,075,083
Total Fund Balances	$16,717,347	$3,645,749	$5,208,765	$1,580,971	$27,152,832

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

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

Amount by which capital outlay exceeded depreciation in the current period:	
Capital Outlay	$2,644,094
Depreciation Expense	(2,031,466)
	$612,628
Governmental revenues not reported in the funds:	
Decrease in Delinquent Tax Revenue	($104,797)
Decrease in Grants Receivable	(405,624)
	($510,421)
Net amount of long-term debt issuance and bond principal payments:	
Bond Principal Payment	$1,680,000
Deferred Loss on Early Retirement of Debt	(20,750)
Bond Premium Amortization	61,938
Capital Lease Principal Retirement	28,192
	$1,749,380
Expenses not requiring the use of current financial resources:	
Increase in Compensated Absences Payable	($58,064)

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

- Interim deposits in eligible institutions applying for interim funds;

- Bonds and other obligations of the State of Ohio;

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and

- The State Treasury Asset Reserve of Ohio (STAR Ohio).

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

A. Deposits

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

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

At year end the carrying amount of the District's deposits was $7,883,038 and the bank balance was $8,966,216. Federal depository insurance covered $8,894,087 of the bank balance and $72,129 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the District's name and securities held in the Ohio Pooled Collateral System.

B. Investments

The District's investments, including those held by a fiscal agent, at June 30, 2018 were as follows:

				Investment Maturities (in Years)		
	Fair Value	Credit Rating	Fair Value Hierarchy	less than 1	1-3	3-5
STAR Ohio[4]	$163,254	AAAm [1]	NA	$163,254	$0	$0
Money Market Fund[4]	16,999	AAAm/Aaa [1,2]	NA	16,999	0	0
U.S. Treasuries	54,096	AA+ [1]	Level 1	54,096	0	0
Corporate Bond Fund	38,680	AAA-BB [1]	Level 2	38,680	0	0
Corporate Equities Fund	238,812	NA	Level 2	238,812	0	0
REIT Fund	65,170	NA	Level 2	65,170	0	0
Marketable CD's	17,055,194	AAA[3]	Level 2	8,519,918	8,050,677	484,599
FNMA	2,305,527	AA+/aa3[1,2]	Level 2	99,620	1,244,947	960,960
FHLB	488,725	AA+/aa3[1,2]	Level 2	0	488,725	0
FHLMC	2,199,352	AA+/aa3[1,2]	Level 2	0	248,495	1,950,857
Total Investments	$22,625,809			$9,196,549	$10,032,844	$3,396,416

[1] Standard & Poor's
[2] Moody's Investor Service
[3] All are fully FDIC insured and therefore have an implied AAA credit rating
[4] Reported at amortized cost

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

B. Investments (Continued)

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

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

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

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 75% are in Marketable CD's, 10% are FNMA, 2% are FHLB, 10% are FHLMC, and 3% are in other investments.

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

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NOTE 7 - TAXES

A. Property Tax

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2018 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien December 31, 2016, were levied after April 1, 2017 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Piqua City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in fiscal year 2018 were as follows:

	2017 Second Half Collections	2018 First Half Collections
Agricultural/Residential and Other Real Estate	$380,414,560	$382,380,920
Public Utility Personal	7,570,670	8,085,240
Total Assessed Value	$387,985,230	$390,466,160
Tax rate per $1,000 of assessed valuation	$50.41	$50.38

NOTE 7 - TAXES (Continued)

B. Income Tax

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

C. Tax Abatements

Real Estate Tax Abatements

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

The City of Piqua had 43 individual agreements under the CRA program. These abatements reduced the District's property tax revenues by $461,663 in calendar year 2017 (the latest information available).

NOTE 8 – INTERFUND TRANSACTONS

On the Statement of Net Position, the Business-Type Activities reported an internal balance at June 30, 2018 of $255,827 which is offset in the Governmental Activities by the same amount.

A. Interfund Loans

Following is a summary of interfund receivables/payables for all funds at June 30, 2018:

	Interfund Loans Receivable	Interfund Loans Payable
General Fund	$157,612	$0
Other Governmental Funds	0	157,612
Totals	$157,612	$157,612

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

B. Transfers

Following is a summary of transfers in and out for all funds for the fiscal year ended June 30, 2018:

Fund	Transfer In	Transfer Out
General Fund	$1,128	$2,750,000
Bond Retirement Fund	250,000	867,329
Permanent Improvement Fund	3,617,329	250,000
Other Governmental Funds	0	1,128
Total All Funds	$3,868,457	$3,868,457

During fiscal year 2018 the Permanent Improvement Fund transferred $250,000 to the Bond Retirement Fund for debt retirement on HVAC improvement bonds. The Bond Retirement Fund transferred $867,329 of bond retirement levy proceeds approved by the County Budget Commission to the Permanent Improvement Fund. In addition, the General Fund transferred $2,750,000 to the Permanent Improvement Fund to be used for school facility repairs and renovations.

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities Capital Assets

Summary by category of changes in governmental activities capital assets at June 30, 2018:

Historical Cost:

Class	June 30, 2017	Additions	Deletions	June 30, 2018
Capital assets not being depreciated:				
Land	$314,811	$483,800	$0	$798,611
Construction in Progress	619,585	711,877	(619,585)	711,877
	934,396	1,195,677	(619,585)	1,510,488
Capital assets being depreciated:				
Land Improvements	6,321,195	619,586	0	6,940,781
Buildings and Improvements	75,537,560	802,910	0	76,340,470
Machinery and Equipment	2,527,053	491,976	0	3,019,029
Vehicles	2,767,034	153,530	(235,116)	2,685,448
Total Cost	$88,087,238	$3,263,679	($854,701)	$90,496,216

Accumulated Depreciation:

Class	June 30, 2017	Additions	Deletions	June 30, 2018
Land Improvements	($3,767,404)	($229,678)	$0	($3,997,082)
Buildings and Improvements	(11,928,921)	(1,356,116)	0	(13,285,037)
Machinery and Equipment	(1,191,047)	(296,485)	0	(1,487,532)
Vehicles	(1,956,772)	(149,187)	235,116	(1,870,843)
Total Depreciation	($18,844,144)	($2,031,466) *	$235,116	($20,640,494)
Net Value:	$69,243,094			$69,855,722

* Depreciation expenses were charged to governmental functions as follows:

Instruction	$78,025
Support Services:	
Pupils	141
Instructional Staff	170
Administration	11,016
Fiscal	1,685
Business	580
Operation and Maintenance of Plant	44,249
Pupil Transportation	169,229
Central	1,684,655
Operation of Non-Instructional Services	7,696
Extracurricular Activities	34,020
Total Depreciation Expense	$2,031,466

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business-Type Activities Capital Assets

Summary by Category at June 30, 2018:

Historical Cost:

Class	June 30, 2017	Additions	Deletions	June 30, 2018
Machinery and Equipment	$792,700	$0	($29,370)	$763,330
Total Cost	$792,700	$0	($29,370)	$763,330

Accumulated Depreciation:

Class	June 30, 2017	Additions	Deletions	June 30, 2018
Machinery and Equipment	($391,100)	($28,067)	$4,895	($414,272)
Total Depreciation	($391,100)	($28,067)	$4,895	($414,272)
Net Value:	$401,600			$349,058

NOTE 10 - RECEIVABLES

Receivables at June 30, 2018 consisted of taxes, accounts, interest, and intergovernmental receivables.

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NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

A. Net Pension Liability

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

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

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

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

Effective January 1, 2018, cost-of-living adjustment (COLA) will change from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. HB 49 also provided the SERS Retirement Board with the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W; however, any adjustment above or below CPI-W could only be enacted if the system's actuary determines it would not materially impair the fiscal integrity of the system, or is necessary to preserve the fiscal integrity of the system.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. 0.5 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was $607,232 for fiscal year 2018.

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was $2,227,496 for fiscal year 2018. Of this amount $395,468 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$7,869,786	$30,938,998	$38,808,784
Proportion of the Net Pension Liability -2018	0.1317167%	0.1302409%	
Proportion of the Net Pension Liability -2017	0.1350718%	0.1265845%	
Percentage Change	(0.0033551%)	0.0036564%	
Pension Expense	($324,017)	($11,353,366)	($11,677,383)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$338,688	$1,194,719	$1,533,407
Change of assumptions	406,951	6,766,700	7,173,651
District contributions subsequent to the measurement date	607,232	2,227,496	2,834,728
Changes in proportionate share	210,610	1,870,052	2,080,662
Total Deferred Outflows of Resources	$1,563,481	$12,058,967	$13,622,448
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$249,356	$249,356
Net difference between projected and actual earnings on pension plan investments	37,355	1,021,023	1,058,378
Changes in proportionate share	226,375	0	226,375
Total Deferred Inflows of Resources	$263,730	$1,270,379	$1,534,109

$2,834,728 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	$330,652	$2,049,857	$2,380,509
2020	454,441	3,438,798	3,893,239
2021	90,454	2,317,382	2,407,836
2022	(183,028)	755,055	572,027
Total	$692,519	$8,561,092	$9,253,611

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (SERS)

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

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

Prior to 2017, an assumption of 3 percent was used for COLA or AD Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$10,921,212	$7,869,786	$5,313,587

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

Discount Rate **-** The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	$44,350,004	$30,938,998	$19,642,240

NOTE 12 - DEFINED BENEFIT OPEB PLANS

A. Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

B. Plan Description

School Employees Retirement System (SERS)

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was $23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was $73,290.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $95,780 for fiscal year 2018. Of this amount, $73,290 is reported as an intergovernmental payable.

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability	$3,580,182	$5,081,518	$8,661,700
Proportion of the Net OPEB Liability -2018	0.1334029%	0.1302409%	
Proportion of the Net OPEB Liability -2017	0.1350718%	0.1265845%	
Percentage Change	(0.0016689%)	0.0036564%	
OPEB Expense	$190,497	($1,550,605)	($1,360,108)

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

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

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$293,337	$293,337
District contributions subsequent to the measurement date	95,780	0	95,780
Total Deferred Outflows of Resources	$95,780	$293,337	$389,117
Deferred Inflows of Resources			
Changes of assumptions	$339,742	$409,334	$749,076
Net difference between projected and actual earnings on OPEB plan investments	9,455	217,196	226,651
Total Deferred Inflows of Resources	$349,197	$626,530	$975,727

$95,780 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	($125,459)	($73,632)	($199,091)
2020	(125,459)	(73,632)	(199,091)
2021	(95,914)	(73,632)	(169,546)
2022	(2,365)	(73,632)	(75,997)
2023	0	(19,333)	(19,333)
Thereafter	0	(19,332)	(19,332)
Total	($349,197)	($333,193)	($682,390)

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (SERS)

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	$4,323,527	$3,580,182	$2,991,265

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	$2,905,050	$3,580,182	$4,473,733

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

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

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

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

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate.

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the Net OPEB liability	$6,821,857	$5,081,518	$3,706,082

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$3,530,421	$5,081,518	$7,122,944

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NOTE 13 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in the long term debt of the District for the fiscal year ended June 30, 2018 is as follows:

		Restated Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018	Amount Due Within One Year
Governmental Activities:						
General Obligation Bonds:						
2015 School Improvement Refunding	2.0-4.0%	$2,975,000	$0	($965,000)	$2,010,000	$995,000
Bond Premium		147,110	0	(49,036)	98,074	0
Total 2015 School Improvement Refunding Bonds		3,122,110	0	(1,014,036)	2,108,074	995,000
2012 School Facility Construction	1.5-5.0%	25,690,000	0	(715,000)	24,975,000	730,000
Bond Premium		296,755	0	(12,902)	283,853	0
Total 2012 School Facility Construction Bonds		25,986,755	0	(727,902)	25,258,853	730,000
Total General Obligation Bonds		29,108,865	0	(1,741,938)	27,366,927	1,725,000
Certificates of Participation:						
Energy Conservation Improvement	6.75%	3,770,000	0	0	3,770,000	0
Capital Leases Payable		93,797	0	(28,192)	65,605	29,487
Net Pension Liability:						
State Teachers Retirement System		42,371,639	0	(11,432,641)	30,938,998	0
School Employees Retirement System		8,805,474	0	(1,823,780)	6,981,694	0
Total Net Pension Liability		51,177,113	0	(13,256,421)	37,920,692	0
Net OPEB Liability:						
State Teachers Retirement System		6,965,316	0	(1,883,798)	5,081,518	0
School Employees Retirement System		3,373,372	0	(197,224)	3,176,148	0
Total Net OPEB Liability		10,338,688	0	(2,081,022)	8,257,666	0
Compensated Absences		2,024,643	382,280	(285,445)	2,121,478	405,268
Total Governmental Activities		96,513,106	382,280	(17,393,018)	79,502,368	2,159,755
Business-Type Activities:						
Net Pension Liability:						
School Employees Retirement System		1,080,540	0	(192,448)	888,092	0
Net OPEB Liability:						
School Employees Retirement System		429,104	0	(25,070)	404,034	0
Compensated Absences		77,691	6,623	(13,217)	71,097	9,806
Total Business-Type Activities		1,587,335	6,623	(230,735)	1,363,223	9,806
Total Long-Term Debt and Other Obligations		$98,100,441	$388,903	($17,623,753)	$80,865,591	$2,169,561

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018, follows:

	General Obligation Bonds			Certificates of Participation		
Years	Principal	Interest	Total	Principal	Interest	Total
2019	$1,725,000	$971,807	$2,696,807	$0	$254,476	$254,476
2020	1,765,000	941,144	2,706,144	0	254,476	254,476
2021	760,000	876,906	1,636,906	0	254,476	254,476
2022	790,000	852,819	1,642,819	0	254,476	254,476
2023	805,000	823,807	1,628,807	0	254,476	254,476
2024-2028	4,615,000	3,560,510	8,175,510	3,770,000	1,017,904	4,787,904
2029-2033	5,450,000	2,702,979	8,152,979	0	0	0
2034-2038	6,505,000	1,584,900	8,089,900	0	0	0
2039-2043	4,570,000	279,400	4,849,400	0	0	0
Totals	$26,985,000	$12,594,272	$39,579,272	$3,770,000	$2,290,284	$6,060,284

The District's overall debt margin was $11,704,790 with an unvoted debt margin of $390,466 at June 30, 2018.

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 $1,900,000 at June 30, 2018, are not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.

NOTE 14 - CAPITAL LEASE COMMITMENTS

The District leases copiers under a capital lease. The cost of the equipment obtained under capital lease is $142,306, the accumulated depreciation is $56,922 and the net book value is $85,384, which is included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities.

The following is a schedule of the future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of June 30, 2018:

Year Ending June 30,	Capital Lease
2019	$31,836
2020	31,836
2021	5,307
Minimum Lease Payments	68,979
Less: Amount representing interest at the District's incremental borrowing rate of interest	(3,374)
Present Value of minimum lease payments	$65,605

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NOTE 15 - RISK MANAGEMENT

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

The District purchases property and liability insurance through Liberty Mutual.

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

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

The District established the Self Insurance Fund during fiscal year 1997 to account for the proceeds of the contingent premium program administered by Medical Mutual of Ohio (MMO). The program allows the District to limit the risk of loss to a pre-determined level while benefiting from cash flow advantages and sharing in gains for positive claims experience. Under the contingent premium program, the District remits to Medical Mutual a reduced insurance premium, 95% of the normal fully insured premium, during the twelve month rating period. The District deposits the difference between the reduced premium and the risk premium into the Self Insurance Fund. The risk premium is the maximum liability rate established at the beginning of the contract year. Incurred claims and administrative expenses are calculated at the end of every twelve month period. If the total expenses for the year are equal to or below the amount paid in the reduced premium, no additional payment is due. If total expenses exceed the contingent premium, the District must pay the excess, but only up to the risk premium. Settlement has not yet occurred for plan year 2018, but there is no expectation of additional premium. The district loss ratio was approximately 94% for 2017 (the latest information available).

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NOTE 16 – SET-ASIDES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into reserve. During the fiscal year ended June 30, 2018, the reserve activity (cash-basis) was as follows:

	Capital Acquisition
Set-aside Cash Balance as of June 30, 2017	$0
Current Year Set-Aside Requirement	605,657
Current Year Offset Credits	(954,076)
Qualifying Disbursements	(3,819,186)
Total	($4,167,605)
Set-aside Cash Balance	$0

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

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NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

A. Metropolitan Educational Technology Association

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

The governing board of META consists of a president, vice president and six board members who represent the members of META. The Board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The District paid META $62,027 for services provided during the fiscal year. Financial information can be obtained from David Varda, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

B. Southwestern Ohio Educational Purchasing Council

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

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to the SOEPC are made from the General Fund. During fiscal year 2018 no monies were paid to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Cooperative, Ken Swink, Director, 303 Corporate Center Drive, Suite 208 Vandalia, Ohio 45377.

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. Southwestern Ohio Instructional Technology Association

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

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

All member districts are obligated to pay fees, charges or other assessments as established by the SOITA. Upon dissolution, the net position shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. During fiscal year 2018 no monies were paid to the SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Gary Greenberg, Executive Director, 1205 East Fifth Street, Dayton, Ohio 45402.

D. Upper Valley Career Center

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

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

E. Educational Regional Service System Region 10

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

NOTE 18 – RELATED ORGANIZATION

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

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, 2018.

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, 2018.

C. School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2018 Foundation funding for the school district; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 20 – SIGNIFICANT COMMITMENTS

At June 30, 2018 the District had encumbrance commitments in the Governmental Funds as follows:

Fund	Encumbrances
General Fund	$338,154
Permanent Improvement Fund	265,111
Other Governmental Funds	86,006
Total Governmental Funds	$689,271

At June 30, 2018 the District had the following contractual commitments:

Project	Remaining Contractual Commitment	Expected Date of Completion
Stadium sound system improvements	$29,577	August 2018
Junior High commons sound improvements	24,926	August 2018
Stadium parking improvements	39,901	August 2018
Facility energy improvements	1,636,460	October 2018
	$1,730,864	

REQUIRED SUPPLEMENTAL INFORMATION

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

State Teachers Retirement System

	2015	2016	2017	2018
District's proportion of the net pension liability (asset)	0.1188226%	0.1243607%	0.1265845%	0.1302409%
District's proportionate share of the net pension liability (asset)	$28,901,770	$34,369,651	$42,371,639	$30,938,998
District's covered payroll	$12,156,608	$12,118,571	$13,639,879	$13,969,771
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	237.75%	283.61%	310.65%	221.47%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	72.10%	66.80%	75.30%

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

School Employees Retirement System

	2015	2016	2017	2018
District's proportion of the net pension liability (asset)	0.1302800%	0.1335200%	0.1350718%	0.1317167%
District's proportionate share of the net pension liability (asset)	$6,593,398	$7,618,781	$9,886,014	$7,869,786
District's covered payroll	$3,807,165	$4,017,800	$4,192,064	$4,375,521
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	173.18%	189.63%	235.83%	179.86%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	69.16%	62.98%	69.50%

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

Notes: The District implemented GASB Statements 68 in fiscal year 2015.
The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2015 is not available.
The schedule is reported as of the measurement date of the Net Pension Liability.

Schedule of District's Pension Contributions
Last Five Fiscal Years

State Teachers Retirement System

	2014	2015	2016	2017	2018
Contractually required contribution	$1,580,359	$1,696,600	$1,909,583	$1,955,768	$2,227,496
Contributions in relation to the contractually required contribution	1,580,359	1,696,600	1,909,583	1,955,768	2,227,496
Contribution deficiency (excess)	$0	$0	$0	$0	$0
District's covered payroll	$12,156,608	$12,118,571	$13,639,879	$13,969,771	$15,910,686
Contributions as a percentage of covered payroll	13.00%	14.00%	14.00%	14.00%	14.00%

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

School Employees Retirement System

	2014	2015	2016	2017	2018
Contractually required contribution	$527,673	$529,546	$586,889	$612,573	$607,232
Contributions in relation to the contractually required contribution	527,673	529,546	586,889	612,573	607,232
Contribution deficiency (excess)	$0	$0	$0	$0	$0
District's covered payroll	$3,807,165	$4,017,800	$4,192,064	$4,375,521	$4,498,015
Contributions as a percentage of covered payroll	13.86%	13.18%	14.00%	14.00%	13.50%

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

Notes: The District implemented GASB Statement 68 in fiscal year 2015.
The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2014 is not available.

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

State Teachers Retirement System

Fiscal Year	2017	2018
District's proportion of the net OPEB liability (asset)	0.1265845%	0.1302409%
District's proportionate share of the net OPEB liability (asset)	$6,965,316	$5,081,518
District's covered payroll	$13,639,879	$13,969,771
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	51.07%	36.38%
Plan fiduciary net position as a percentage of the total OPEB liability	37.30%	47.10%

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

School Employees Retirement System

Fiscal Year	2017	2018
District's proportion of the net OPEB liability (asset)	0.1350718%	0.1334029%
District's proportionate share of the net OPEB liability (asset)	$3,802,476	$3,580,182
District's covered payroll	$4,192,064	$4,375,521
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	90.71%	81.82%
Plan fiduciary net position as a percentage of the total OPEB liability	11.49%	12.46%

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

Notes: The District implemented GASB Statement 75 in fiscal year 2018.
The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.
The schedule is reported as of the measurement date of the Net OPEB Liability, which is the prior year end.

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

State Teachers Retirement System

Fiscal Year	2014	2015	2016	2017	2018
Contractually required contribution	$121,645	$0	$0	$0	$0
Contributions in relation to the contractually required contribution	121,645	0	0	0	0
Contribution deficiency (excess)	$0	$0	$0	$0	$0
District's covered payroll	$12,156,608	$12,118,571	$13,639,879	$13,969,771	$15,910,686
Contributions as a percentage of covered payroll	1.00%	0.00%	0.00%	0.00%	0.00%

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

School Employees Retirement System

Fiscal Year	2014	2015	2016	2017	2018
Contractually required contribution	$72,238	$112,897	$67,915	$71,509	$95,780
Contributions in relation to the contractually required contribution (1)	72,238	112,897	67,915	71,509	95,780
Contribution deficiency (excess)	$0	$0	$0	$0	$0
District's covered payroll	$3,807,165	$4,017,800	$4,192,064	$4,375,521	$4,498,015
Contributions as a percentage of covered payroll	1.90%	2.81%	1.62%	1.63%	2.13%

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

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

Notes to the Required Supplemental Information
For the Fiscal Year Ended June 30, 2018

NET PENSION LIABILITY

SERS

Changes in benefit terms

For fiscal year 2018, the following were the most significant changes in benefit that affected the total pension liability since the prior measurement date:

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

Changes in assumptions

There were no changes in assumptions since the prior measurement date.

STRS

Changes in benefit terms

For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017.

Changes in assumptions

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

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

Notes to the Required Supplemental Information
For the Fiscal Year Ended June 30, 2018

NET OPEB LIABILITY

SERS

Changes in benefit terms

There were no changes in benefit terms since the prior measurement date.

Changes in assumptions

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

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

STRS

Changes in benefit terms

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

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

Changes in assumptions

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

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

(Continued)

Special Revenue Funds (Continued)

Title I Fund

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

Public Schools Connectivity 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.)

Classroom Facilities Maintenance Fund

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

Title II-A Fund

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

Straight A Grant Fund

To account for state grants to be used for increased student achievement, improved fiscal performance, and improved efficiency and effectiveness through the use of shared services. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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.

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Pooled Cash and Investments	$ 1,609,299	$ 61,576	$ 1,670,875
Receivables:			
Taxes	172,472	0	172,472
Accounts	10,723	0	10,723
Intergovernmental	425,401	0	425,401
Total Assets	$ 2,217,895	$ 61,576	$ 2,279,471
Liabilities:			
Accounts Payable	$ 2,236	$ 0	$ 2,236
Accrued Wages and Benefits	206,122	0	206,122
Intergovernmental Payable	30,496	0	30,496
Interfund Loans Payable	157,612	0	157,612
Compensated Absences Payable	26,466	0	26,466
Total Liabilities	422,932	0	422,932
Deferred Inflows of Resources:			
Unavailable Amounts	130,346	0	130,346
Property Tax Levy for Next Fiscal Year	145,222	0	145,222
Total Deferred Inflows of Resources	275,568	0	275,568
Fund Balance:			
Nonspendable	0	50,919	50,919
Restricted	1,634,693	10,657	1,645,350
Unassigned	(115,298)	0	(115,298)
Total Fund Balance	1,519,395	61,576	1,580,971
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 2,217,895	$ 61,576	$ 2,279,471

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
Local Sources:			
Taxes	$ 172,653	$ 0	$ 172,653
Investment Earnings	4,467	183	4,650
Extracurricular Activities	432,246	0	432,246
Intermediate Sources	47,903	0	47,903
Intergovernmental - State	465,144	0	465,144
Intergovernmental - Federal	2,400,199	0	2,400,199
All Other Revenue	92,953	2,000	94,953
Total Revenues	3,615,565	2,183	3,617,748
Expenditures:			
Current:			
Instruction	2,164,012	0	2,164,012
Supporting Services:			
Pupils	27,834	3,050	30,884
Instructional Staff	368,109	0	368,109
Fiscal Services	2,869	0	2,869
Operation and Maintenance of Plant	41,424	0	41,424
Pupil Transportation	24,394	0	24,394
Central	500	0	500
Operation of Non-Instructional Services	185,521	0	185,521
Extracurricular Activities	431,991	0	431,991
Capital Outlay	40,431	0	40,431
Total Expenditures	3,287,085	3,050	3,290,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	328,480	(867)	327,613
Other Financing Sources (Uses):			
Sale of Capital Assets	1,199	0	1,199
Transfers Out	(1,128)	0	(1,128)
Total Other Financing Sources (Uses)	71	0	71
Net Change in Fund Balance	328,551	(867)	327,684
Fund Balance at Beginning of Year	1,190,844	62,443	1,253,287
Fund Balance End of Year	$ 1,519,395	$ 61,576	$ 1,580,971

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Other Grant	District Managed Activity	Auxiliary Services	Miscellaneous State Grants
Assets:				
Pooled Cash and Investments	$ 76,272	$ 399,151	$ 23,563	$ 0
Receivables:				
Taxes	0	0	0	0
Accounts	0	10,723	0	0
Intergovernmental	0	0	0	1,320
Total Assets	$ 76,272	$ 409,874	$ 23,563	$ 1,320
Liabilities:				
Accounts Payable	$ 1,534	$ 466	$ 236	$ 0
Accrued Wages and Benefits	0	0	5,899	228
Intergovernmental Payable	0	5	743	168
Interfund Loans Payable	0	0	0	689
Compensated Absences Payable	0	0	0	0
Total Liabilities	1,534	471	6,878	1,085
Deferred Inflows of Resources:				
Unavailable Amounts	0	0	0	367
Property Tax Levy for Next Fiscal Year	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	367
Fund Balance:				
Restricted	74,738	409,403	16,685	0
Unassigned	0	0	0	(132)
Total Fund Balance (Deficit)	74,738	409,403	16,685	(132)
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 76,272	$ 409,874	$ 23,563	$ 1,320

Miscellaneous Federal Grants	IDEA-B	Title I	Classroom Facilities Maintenance	Title II-A	Total Nonmajor Special Revenue Funds
$ 0	$ 0	$ 0	$ 1,110,313	$ 0	$ 1,609,299
0	0	0	172,472	0	172,472
0	0	0	0	0	10,723
432	193,096	194,676	0	35,877	425,401
$ 432	$ 193,096	$ 194,676	$ 1,282,785	$ 35,877	$ 2,217,895
$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,236
0	99,202	89,651	0	11,142	206,122
0	14,964	12,374	0	2,242	30,496
358	73,625	71,993	0	10,947	157,612
0	26,466	0	0	0	26,466
358	214,257	174,018	0	24,331	422,932
73	79,581	19,373	4,982	25,970	130,346
0	0	0	145,222	0	145,222
73	79,581	19,373	150,204	25,970	275,568
1	0	1,285	1,132,581	0	1,634,693
0	(100,742)	0	0	(14,424)	(115,298)
1	(100,742)	1,285	1,132,581	(14,424)	1,519,395
$ 432	$ 193,096	$ 194,676	$ 1,282,785	$ 35,877	$ 2,217,895

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Other Grant	District Managed Activity	Auxiliary Services	Miscellaneous State Grants	Miscellaneous Federal Grants
Revenues:					
Local Sources:					
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0
Investment Earnings	0	1,160	110	0	0
Extracurricular Activities	0	432,246	0	0	0
Intermediate Sources	47,903	0	0	0	0
Intergovernmental - State	0	0	122,220	953	0
Intergovernmental - Federal	0	0	0	0	89,778
All Other Revenue	1,213	91,740	0	0	0
Total Revenues	49,116	525,146	122,330	953	89,778
Expenditures:					
Current:					
Instruction	1,919	0	0	1,789	89,235
Supporting Services:					
Pupils	0	8,645	19,189	0	0
Instructional Staff	0	0	0	0	0
Fiscal Services	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	850	23,544	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	139,986	0	542
Extracurricular Activities	6,193	425,798	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenditures	8,962	457,987	159,175	1,789	89,777
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,154	67,159	(36,845)	(836)	1
Other Financing Sources (Uses):					
Sale of Capital Assets	0	1,199	0	0	0
Transfers Out	0	(1,128)	0	0	0
Total Other Financing Sources (Uses)	0	71	0	0	0
Net Change in Fund Balance	40,154	67,230	(36,845)	(836)	1
Fund Balance (Deficit) at Beginning of Year	34,584	342,173	53,530	704	0
Fund Balance (Deficit) End of Year	$ 74,738	$ 409,403	$ 16,685	$ (132)	$ 1

IDEA-B	Title I	Public Schools Connectivity	Classroom Facilities Maintenance	Title II-A	Straight A Grant	Total Nonmajor Special Revenue Funds
$ 0	$ 0	$ 0	$ 172,653	$ 0	$ 0	$ 172,653
0	0	0	3,197	0	0	4,467
0	0	0	0	0	0	432,246
0	0	0	0	0	0	47,903
0	0	0	23,218	0	318,753	465,144
902,179	1,271,342	0	0	136,900	0	2,400,199
0	0	0	0	0	0	92,953
902,179	1,271,342	0	199,068	136,900	318,753	3,615,565
842,928	1,102,319	0	0	125,822	0	2,164,012
0	0	0	0	0	0	27,834
22,556	26,800	0	0	0	318,753	368,109
0	0	0	2,869	0	0	2,869
0	0	0	41,424	0	0	41,424
0	0	0	0	0	0	24,394
0	0	500	0	0	0	500
22,550	19,465	0	0	2,978	0	185,521
0	0	0	0	0	0	431,991
0	0	0	40,431	0	0	40,431
888,034	1,148,584	500	84,724	128,800	318,753	3,287,085
14,145	122,758	(500)	114,344	8,100	0	328,480
0	0	0	0	0	0	1,199
0	0	0	0	0	0	(1,128)
0	0	0	0	0	0	71
14,145	122,758	(500)	114,344	8,100	0	328,551
(114,887)	(121,473)	500	1,018,237	(22,524)	0	1,190,844
$ (100,742)	$ 1,285	$ 0	$ 1,132,581	$ (14,424)	$ 0	$ 1,519,395

Schedule Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Major Funds – General Fund For the Fiscal Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	$ 15,839,337	$ 16,464,523	$ 16,464,523	$ 0
Tuition	602,000	577,358	577,358	0
Transportation Fees	39,000	50,660	50,660	0
Investment Earnings	225,000	348,799	348,799	0
Class Material and Fees	116,175	111,085	111,085	0
Intergovernmental - State	20,085,062	20,146,504	20,146,504	0
Intergovernmental - Federal	350,000	415,983	415,983	0
All Other Revenues	199,000	216,791	216,791	0
Total Revenues	37,455,574	38,331,703	38,331,703	0
Expenditures:				
Instructional Services:				
Regular:				
Salaries and Wages	10,840,606	9,792,938	9,792,938	0
Fringe Benefits	4,200,014	4,116,763	4,116,763	0
Purchased Services	1,374,778	2,149,807	2,149,807	0
Supplies and Materials	268,729	454,862	454,862	0
Capital Outlay	100,390	400,857	400,857	0
Total Regular	16,784,517	16,915,227	16,915,227	0
Special:				
Salaries and Wages	1,047,443	1,187,879	1,187,879	0
Fringe Benefits	416,704	491,614	491,614	0
Purchased Services	3,024,377	3,267,285	3,267,285	0
Supplies and Materials	10,800	6,715	6,715	0
Capital Outlay	0	4,231	4,231	0
Total Special	4,499,324	4,957,724	4,957,724	0
Other:				
Salaries and Wages	314	0	0	0
Fringe Benefits	49	0	0	0
Purchased Services	550,000	516,331	516,331	0
Total Other	550,363	516,331	516,331	0
Total Instructional Services	21,834,204	22,389,282	22,389,282	0

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Support Services:				
Pupils:				
Salaries and Wages	1,097,548	1,057,485	1,057,485	0
Fringe Benefits	557,367	588,881	588,881	0
Purchased Services	37,788	546,260	546,260	0
Supplies and Materials	7,250	15,930	15,930	0
Total Pupils	1,699,953	2,208,556	2,208,556	0
Instructional Staff:				
Salaries and Wages	1,261,949	1,425,044	1,425,044	0
Fringe Benefits	661,686	822,331	822,331	0
Purchased Services	83,590	86,022	86,022	0
Supplies and Materials	35,277	32,041	32,041	0
Total Instructional Staff	2,042,502	2,365,438	2,365,438	0
Board of Education:				
Salaries and Wages	9,262	8,125	8,125	0
Fringe Benefits	1,974	3,476	3,476	0
Purchased Services	30,180	26,223	26,223	0
Total Board of Education	41,416	37,824	37,824	0
Administration:				
Salaries and Wages	1,747,095	1,510,262	1,510,262	0
Fringe Benefits	583,320	722,137	722,137	0
Purchased Services	330,388	318,603	318,603	0
Supplies and Materials	16,848	30,493	30,493	0
Other Expenditures	15,000	7,130	7,130	0
Capital Outlay	34,500	5,049	5,049	0
Total Administration	2,727,151	2,593,674	2,593,674	0
Fiscal Services:				
Salaries and Wages	304,609	307,510	307,510	0
Fringe Benefits	135,944	160,291	160,291	0
Purchased Services	15,506	67,344	67,344	0
Supplies and Materials	316	12,182	12,182	0
Other Expenditures	90,250	273,089	273,089	0
Capital Outlay	1,926	13,550	13,550	0
Total Fiscal Services	548,551	833,966	833,966	0

(Continued)

Schedule Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operation and Maintenance of Plant:				
Salaries and Wages	1,175,401	984,483	984,483	0
Fringe Benefits	545,320	466,854	466,854	0
Purchased Services	1,296,312	1,354,829	1,354,829	0
Supplies and Materials	119,422	119,866	119,866	0
Capital Outlay	30,297	57,449	57,449	0
Total Operation and Maintenance of Plant	3,166,752	2,983,481	2,983,481	0
Pupil Transportation:				
Salaries and Wages	850,926	779,956	779,956	0
Fringe Benefits	373,250	354,577	354,577	0
Purchased Services	114,958	144,501	144,501	0
Supplies and Materials	276,360	188,458	188,458	0
Other Expenditures	130	385	385	0
Capital Outlay	7,500	5,445	5,445	0
Total Pupil Transportation	1,623,124	1,473,322	1,473,322	0
Central:				
Salaries and Wages	152,792	160,525	160,525	0
Fringe Benefits	85,287	92,278	92,278	0
Purchased Services	30,000	41,656	41,656	0
Total Central	268,079	294,459	294,459	0
Total Support Services	12,117,528	12,790,720	12,790,720	0
Operation of Non-Instructional Services:				
Fringe Benefits	0	3,195	3,195	0
Purchased Services	0	243	243	0
Total Operation of Non-Instructional Services	0	3,438	3,438	0
Extracurricular Activities:				
Salaries and Wages	396,194	423,446	423,446	0
Fringe Benefits	64,881	73,000	73,000	0
Purchased Services	904	4,137	4,137	0
Total Extracurricular Activities	461,979	500,583	500,583	0
Total Expenditures	34,413,711	35,684,023	35,684,023	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,041,863	2,647,680	2,647,680	0

(Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	0	1,203	1,203	0
Transfers Out	(1,500,000)	(2,750,000)	(2,750,000)	0
Advances In	0	295,248	295,248	0
Advances Out	0	(157,612)	(157,612)	0
Refund of Prior Year's Expenditures	139,000	128,725	128,725	0
Total Other Financing Sources (Uses):	(1,361,000)	(2,482,436)	(2,482,436)	0
Net Change in Fund Balance	1,680,863	165,244	165,244	0
Fund Balance at Beginning of Year	14,959,169	14,959,169	14,959,169	0
Prior Year Encumbrances	378,880	378,880	378,880	0
Fund Balance at End of Year	$ 17,018,912	$ 15,503,293	$ 15,503,293	$ 0

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Fiscal Year Ended June 30, 2018

BOND RETIREMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 3,251,372	$ 3,251,372	$ 0
Total Expenditures and Other Financing Uses	3,842,605	3,842,605	0
Net Change in Fund Balance	(591,233)	(591,233)	0
Fund Balance at Beginning of Year	3,975,311	3,975,311	0
Fund Balance at End of Year	$ 3,384,078	$ 3,384,078	$ 0

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) Major Funds – Capital Projects Fund For the Fiscal Year Ended June 30, 2018

PERMANENT IMPROVEMENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 4,967,169	$ 4,967,169	$ 0
Total Expenditures and Other Financing Uses	5,004,483	5,004,483	0
Net Change in Fund Balance	(37,314)	(37,314)	0
Fund Balance at Beginning of Year	4,453,400	4,453,400	0
Prior Year Encumbrances	406,847	406,847	0
Fund Balance at End of Year	$ 4,822,933	$ 4,822,933	$ 0

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, 2018

PUBLIC SCHOOL SUPPORT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 188,457	$ 188,457	$ 0
Total Expenditures and Other Financing Uses	129,918	129,918	0
Net Change in Fund Balance	58,539	58,539	0
Fund Balance at Beginning of Year	148,093	148,093	0
Prior Year Encumbrances	4,761	4,761	0
Fund Balance at End of Year	$ 211,393	$ 211,393	$ 0

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, 2018

OTHER GRANT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 62,199	$ 62,199	$ 0
Total Expenditures and Other Financing Uses	25,405	25,405	0
Net Change in Fund Balance	36,794	36,794	0
Fund Balance at Beginning of Year	28,870	28,870	0
Prior Year Encumbrances	7,772	7,772	0
Fund Balance at End of Year	$ 73,436	$ 73,436	$ 0

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, 2018

DISTRICT MANAGED ACTIVITY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 517,500	$ 517,500	$ 0
Total Expenditures and Other Financing Uses	526,968	526,968	0
Net Change in Fund Balance	(9,468)	(9,468)	0
Fund Balance at Beginning of Year	358,572	358,572	0
Prior Year Encumbrances	3,779	3,779	0
Fund Balance at End of Year	$ 352,883	$ 352,883	$ 0

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, 2018

AUXILIARY SERVICES FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 203,513	$ 122,330	$ (81,183)
Total Expenditures and Other Financing Uses	187,134	187,134	0
Net Change in Fund Balance	16,379	(64,804)	(81,183)
Fund Balance at Beginning of Year	476	476	0
Prior Year Encumbrances	74,925	74,925	0
Fund Balance at End of Year	$ 91,780	$ 10,597	$ (81,183)

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, 2018

MISCELLANEOUS STATE GRANTS FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 2,284	$ 712	$ (1,572)
Total Expenditures and Other Financing Uses	1,416	1,416	0
Net Change in Fund Balance	868	(704)	(1,572)
Fund Balance at Beginning of Year	704	704	0
Fund Balance at End of Year	$ 1,572	$ 0	$ (1,572)

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, 2018

MISCELLANEOUS FEDERAL GRANTS FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 90,209	$ 89,777	$ (432)
Total Expenditures and Other Financing Uses	89,793	89,793	0
Net Change in Fund Balance	416	(16)	(432)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	$ 416	$ (16)	$ (432)

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, 2018

IDEA-B FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 1,136,883	$ 943,789	$ (193,094)
Total Expenditures and Other Financing Uses	943,789	943,789	0
Net Change in Fund Balance	193,094	0	(193,094)
Fund Balance at Beginning of Year	(1,886)	(1,886)	0
Prior Year Encumbrances	1,886	1,886	0
Fund Balance at End of Year	$ 193,094	$ 0	$ (193,094)

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, 2018

TITLE I FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 1,425,928	$ 1,231,257	$ (194,671)
Total Expenditures and Other Financing Uses	1,236,201	1,236,201	0
Net Change in Fund Balance	189,727	(4,944)	(194,671)
Fund Balance at Beginning of Year	(14,700)	(14,700)	0
Prior Year Encumbrances	14,700	14,700	0
Fund Balance at End of Year	$ 189,727	$ (4,944)	$ (194,671)

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, 2018

PUBLIC SCHOOLS CONNECTIVITY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 0	$ 0	$ 0
Total Expenditures and Other Financing Uses	500	500	0
Net Change in Fund Balance	(500)	(500)	0
Fund Balance at Beginning of Year	500	500	0
Fund Balance at End of Year	$ 0	$ 0	$ 0

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, 2018

CLASSROOM FACILITIES MAINTENANCE FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 195,969	$ 195,969	$ 0
Total Expenditures and Other Financing Uses	104,266	104,266	0
Net Change in Fund Balance	91,703	91,703	0
Fund Balance at Beginning of Year	998,166	998,166	0
Prior Year Encumbrances	3,769	3,769	0
Fund Balance at End of Year	$ 1,093,638	$ 1,093,638	$ 0

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, 2018

TITLE II-A FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 187,372	$ 151,494	$ (35,878)
Total Expenditures and Other Financing Uses	151,746	151,746	0
Net Change in Fund Balance	35,626	(252)	(35,878)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	$ 35,626	$ (252)	$ (35,878)

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, 2018

STRAIGHT A GRANT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 455,722	$ 455,722	$ 0
Total Expenditures and Other Financing Uses	455,722	455,722	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	(318,753)	(318,753)	0
Prior Year Encumbrances	318,753	318,753	0
Fund Balance at End of Year	$ 0	$ 0	$ 0

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, 2018

PERMANENT FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources	$ 2,283	$ 2,283	$ 0
Total Expenditures and Other Financing Uses	5,200	5,200	0
Net Change in Fund Balance	(2,917)	(2,917)	0
Fund Balance at Beginning of Year	61,443	61,443	0
Prior Year Encumbrances	1,000	1,000	0
Fund Balance at End of Year	$ 59,526	$ 59,526	$ 0

Fiduciary Funds

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

Agency Funds

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

Ohio High School Athletic Association (OHSAA) Tournament Fund
To account for athletic tournament monies held by the District in a custodial capacity.

Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Student Managed Activity Fund				
Assets:				
Cash and Cash Equivalents	$51,442	$48,524	($46,612)	$53,354
Total Assets	$51,442	$48,524	($46,612)	$53,354
Liabilities:				
Accounts Payable	$0	$1,065	$0	$1,065
Due to Students	51,442	47,459	(46,612)	52,289
Total Liabilities	$51,442	$48,524	($46,612)	$53,354
OHSAA Tournament Fund				
Assets:				
Cash and Cash Equivalents	$0	$115,690	($115,690)	$0
Due from Others	0	2,975	0	2,975
Total Assets	$0	$118,665	($115,690)	$2,975
Liabilities:				
Accrued Wages and Benefits	$0	$2,975	$0	$2,975
Due to Others	0	115,690	(115,690)	0
Total Liabilities	$0	$118,665	($115,690)	$2,975
Totals - All Agency Funds				
Assets:				
Cash and Cash Equivalents	$51,442	$164,214	($162,302)	$53,354
Due from Others	0	2,975	0	2,975
Total Assets	$51,442	$167,189	($162,302)	$56,329
Liabilities:				
Accounts Payable	$0	$1,065	$0	$1,065
Accrued Wages and Benefits	0	2,975	0	2,975
Due to Others	0	115,690	(115,690)	0
Due to Students	51,442	47,459	(46,612)	52,289
Total Liabilities	$51,442	$167,189	($162,302)	$56,329

STATISTICAL SECTION

STATISTICAL TABLES

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

Contents

Financial Trends S 2– S 13

These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

Revenue Capacity S 14 – S 21

These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source, the property tax.

Debt Capacity S 22 – S 29

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Economic and Demographic Information S 30 – S 33

These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

Operating Information S 34 – S 47

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources Note:

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

Piqua City School District

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

	2009	2010	2011	2012
Governmental Activities:				
Net Investment in Capital Assets	$17,985,350	$18,168,187	$18,928,936	$19,340,046
Restricted for:				
Capital Projects	1,913,605	2,082,762	2,589,369	27,756,367
Debt Service	840,185	857,711	942,770	2,070,747
Other Purposes	0	580,141	912,316	328,593
Permanent Fund:				
Expendable	27,126	23,050	21,902	21,002
Nonexpendable	40,049	43,919	44,184	44,919
Unrestricted	7,421,574	7,370,622	7,867,316	8,964,093
Total Governmental Activities Net Position	$28,227,889	$29,126,392	$31,306,793	$58,525,767
Business-type Activities:				
Net Investment in Capital Assets	$314,533	$327,699	$315,934	$297,028
Unrestricted	889,595	801,579	1,081,342	1,271,588
Total Business-type Activities Net Position	$1,204,128	$1,129,278	$1,397,276	$1,568,616
Primary Government:				
Net Investment in Capital Assets	$18,299,883	$18,495,886	$19,244,870	$19,637,074
Restricted	2,820,965	3,587,583	4,510,541	30,221,628
Unrestricted	8,311,169	8,172,201	8,948,658	10,235,681
Total Primary Government Net Position	$29,432,017	$30,255,670	$32,704,069	$60,094,383

* As Restated

Note: The District implemented GASB Statement 68 in 2015 and GASB Statement 75 in 2018, resulting in a significant decrease in net position due to reporting a net pension/OPEB liability.

Source: District Treasurer's Office

2013	* 2014	* 2015	2016	* 2017	2018
$21,394,368	$16,365,362	$35,412,859	$35,233,032	$36,332,681	$38,694,689
26,783,068	28,663,014	8,580,230	4,659,193	4,995,248	0
2,198,752	2,224,714	2,813,093	2,957,907	4,150,656	3,547,836
581,067	1,273,869	1,161,290	1,670,987	1,986,848	1,765,039
20,841	18,712	17,620	15,552	13,524	10,657
44,919	45,919	46,919	47,919	48,919	50,919
9,149,244	(28,068,377)	(25,013,950)	(21,576,352)	(33,855,602)	(12,401,506)
$60,172,259	$20,523,213	$23,018,061	$23,008,238	$13,672,274	$31,667,634
$268,486	$207,011	$483,878	$431,625	$401,600	$349,058
1,271,971	616,706	620,896	688,066	(19,148)	(12,479)
$1,540,457	$823,717	$1,104,774	$1,119,691	$382,452	$336,579
$21,662,854	$16,572,373	$35,896,737	$35,664,657	$36,734,281	$39,043,747
29,628,647	32,226,228	12,619,152	9,351,558	11,195,195	5,374,451
10,421,215	(27,451,671)	(24,393,054)	(20,888,286)	(33,874,750)	(12,413,985)
$61,712,716	$21,346,930	$24,122,835	$24,127,929	$14,054,726	$32,004,213

Piqua City School District

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

	2009	2010	2011	2012
Expenses				
Governmental Activities:				
Instruction	$19,185,487	$20,847,397	$21,406,030	$22,684,939
Support Services:				
Pupils	1,563,984	1,526,170	1,491,789	1,335,557
Instructional Staff	1,954,338	2,064,970	2,034,765	2,120,361
Board of Education	32,189	29,714	23,825	24,845
Administration	2,330,316	2,377,327	2,390,523	2,291,914
Fiscal Services	382,588	400,031	629,529	658,690
Business	56,246	26,713	2,338	6,432
Operation and Maintenance of Plant	2,903,991	2,883,562	3,018,583	2,775,724
Pupil Transportation	1,262,006	1,432,056	1,522,099	1,722,426
Central	211,194	314,184	269,213	302,710
Operation of Non-Instructional Services	295,329	148,034	301,869	257,682
Extracurricular Activities	790,688	845,301	915,886	875,739
Interest and Fiscal Charges	552,623	493,693	493,346	1,223,052
Total Governmental Activities Expenses	31,520,979	33,389,152	34,499,795	36,280,071
Business-type Activities:				
Food Service	1,808,378	1,762,234	1,677,921	1,774,101
TV Station	0	0	0	0
Total Business-type Activities Expenses	1,808,378	1,762,234	1,677,921	1,774,101
Total Primary Government Expenses	$33,329,357	$35,151,386	$36,177,716	$38,054,172
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	$243,635	$294,387	$291,930	$293,716
Support Services:				
Pupils	144	124	52	35
Pupil Transportation	37,192	49,100	49,763	51,565
Extracurricular Activities	388,078	425,665	425,579	344,182
Operating Grants and Contributions	2,511,226	4,265,347	4,526,847	3,452,569
Capital Grants and Contributions	46,110	0	0	25,793,854
Total Governmental Activities Program Revenues	3,226,385	5,034,623	5,294,171	29,935,921

2013	2014	2015	2016	2017	2018
$22,155,945	$21,934,785	$23,167,197	$23,331,406	$26,077,417	$12,942,670
870,161	972,157	1,105,305	1,281,827	2,228,050	1,370,196
2,164,903	1,715,488	2,929,248	2,019,011	2,294,068	2,031,739
30,160	40,625	40,010	41,484	37,803	37,823
2,318,480	2,480,794	2,695,336	2,380,233	2,756,091	1,307,444
682,210	660,369	687,199	672,639	869,154	838,096
261	263	503	491	580	580
2,912,605	2,812,103	3,166,532	6,566,039	3,569,768	4,040,176
1,677,670	1,679,345	1,580,322	1,653,836	1,784,827	1,469,981
228,016	236,868	1,369,176	2,106,009	2,024,940	1,952,871
189,833	136,472	191,076	180,753	531,216	195,287
919,219	937,821	985,661	898,912	1,018,618	667,304
1,839,145	1,554,211	1,419,981	1,287,472	1,256,588	1,214,058
35,988,608	35,161,301	39,337,546	42,420,112	44,449,120	28,068,225
1,809,390	1,697,492	1,772,835	1,618,415	1,849,949	1,660,399
0	0	0	0	563	56,734
1,809,390	1,697,492	1,772,835	1,618,415	1,850,512	1,717,133
$37,797,998	$36,858,793	$41,110,381	$44,038,527	$46,299,632	$29,785,358
$540,703	$836,070	$680,563	$704,407	$835,657	$784,111
39	71	108	82	122	183
45,884	46,213	49,931	45,393	49,826	44,754
379,305	362,582	517,498	404,401	469,922	432,246
2,825,291	3,097,272	5,283,836	3,710,040	4,076,841	3,763,058
0	0	6,000	0	178,258	0
3,791,222	4,342,208	6,537,936	4,864,323	5,610,626	5,024,352

(Continued)

Piqua City School District

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

	2009	2010	2011	2012
Business-type Activities:				
Charges for Services				
Food Service	685,399	613,175	546,857	536,698
TV Station	0	0	0	0
Operating Grants and Contributions	1,106,311	1,074,209	1,399,062	1,408,743
Total Business-type Activities Program Revenues	1,791,710	1,687,384	1,945,919	1,945,441
Total Primary Government Program Revenues	5,018,095	6,722,007	7,240,090	31,881,362
Net (Expense)/Revenue				
Governmental Activities	(28,294,594)	(28,354,529)	(29,205,624)	(6,344,150)
Business-type Activities	(16,668)	(74,850)	267,998	171,340
Total Primary Government Net (Expense)/Revenue	($28,311,262)	($28,429,379)	($28,937,626)	($6,172,810)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	$10,064,281	$8,884,069	$9,751,326	$9,013,333
Facilities Maintenance	0	0	0	144,359
Debt Service	926,598	840,002	900,216	2,065,576
Capital Outlay	1,039,595	929,187	1,015,252	930,571
Income Taxes	3,382,521	4,494,674	4,724,090	4,922,054
Intergovernmental, Unrestricted	15,554,509	13,925,534	14,444,884	15,954,919
Investment Earnings	179,416	(134,954)	302,254	95,818
Miscellaneous	367,843	314,520	248,003	436,494
Transfers	0	0	0	0
Total Governmental Activities	31,514,763	29,253,032	31,386,025	33,563,124
Business-type Activities:				
Miscellaneous	0	0	0	0
Transfers	0	0	0	0
Total Business-type Activities	0	0	0	0
Total Primary Government	$31,514,763	$29,253,032	$31,386,025	$33,563,124
Change in Net Position				
Governmental Activities	3,220,169	898,503	2,180,401	27,218,974
Business-type Activities	(16,668)	(74,850)	267,998	171,340
Total Primary Government Change in Net Position	$3,203,501	$823,653	$2,448,399	$27,390,314

Source: District Treasurer's Office

2013	2014	2015	2016	2017	2018
474,457	405,110	384,424	469,789	397,791	399,101
0	0	0	0	0	77,325
1,306,774	1,262,409	1,237,888	1,163,543	1,136,358	1,194,834
1,781,231	1,667,519	1,622,312	1,633,332	1,534,149	1,671,260
5,572,453	6,009,727	8,160,248	6,497,655	7,144,775	6,695,612
(32,197,386)	(30,819,093)	(32,799,610)	(37,555,789)	(38,838,494)	(23,043,873)
(28,159)	(29,973)	(150,523)	14,917	(316,363)	(45,873)
($32,225,545)	($30,849,066)	($32,950,133)	($37,540,872)	($39,154,857)	($23,089,746)
$8,829,511	$9,384,129	$9,135,206	$9,016,592	$9,581,540	$10,020,733
195,212	169,789	161,123	158,350	165,267	171,503
2,281,813	2,331,814	2,233,206	2,224,789	2,348,637	2,381,044
917,366	938,183	898,235	883,256	927,938	965,147
5,390,586	5,457,157	5,624,996	5,947,908	6,020,378	6,673,002
15,601,233	16,297,871	17,551,947	18,509,553	19,912,421	20,087,152
156,983	239,157	434,987	270,484	75,389	215,402
471,174	306,281	196,726	535,034	753,230	525,250
0	0	(431,580)	0	0	0
33,843,878	35,124,381	35,804,846	37,545,966	39,784,800	41,039,233
0	0	0	0	1,052	0
0	0	431,580	0	0	0
0	0	431,580	0	1,052	0
$33,843,878	$35,124,381	$36,236,426	$37,545,966	$39,785,852	$41,039,233
1,646,492	4,305,288	3,005,236	(9,823)	946,306	17,995,360
(28,159)	(29,973)	281,057	14,917	(315,311)	(45,873)
$1,618,333	$4,275,315	$3,286,293	$5,094	$630,995	$17,949,487

Piqua City School District

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

	2009	2010 *	2011	2012	2013
General Fund					
Nonspendable	$0	$0	$16,476	$1,533	$1,365
Restricted	0	0	834,143	0	0
Assigned	0	0	596,081	582,016	757,641
Unassigned	0	0	5,463,244	7,199,254	7,927,306
Reserved	1,680,710	1,666,828	0	0	0
Unreserved	3,216,012	3,889,465	0	0	0
Total General Fund	4,896,722	5,556,293	6,909,944	7,782,803	8,686,312
All Other Governmental Funds					
Nonspendable	0	0	43,919	44,919	44,919
Restricted	0	0	7,072,488	35,123,558	38,662,999
Committed	0	0	0	0	0
Assigned	0	0	94,184	94,237	94,295
Unassigned	0	0	(194,496)	(144,671)	(85,589)
Reserved	1,173,221	1,286,033	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	552,290	366,883	0	0	0
Capital Projects Funds	1,638,364	1,851,071	0	0	0
Total All Other Governmental Funds	3,363,875	3,503,987	7,016,095	35,118,043	38,716,624
Total Governmental Funds	$8,260,597	$9,060,280	$13,926,039	$42,900,846	$47,402,936

Source: District Treasurer's Office

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

* As restated due to GASB 54 implementation

2014	2015	2016	2017	2018
$1,218	$1,444	$0	$29,589	$32,419
0	0	0	0	0
969,061	710,243	1,062,004	504,741	494,547
9,974,884	11,793,972	15,205,904	15,784,919	16,190,381
0	0	0	0	0
0	0	0	0	0
10,945,163	12,505,659	16,267,908	16,319,249	16,717,347
45,919	46,919	47,919	48,919	50,919
26,964,030	12,133,198	8,826,335	10,657,246	5,291,099
0	0	0	0	5,208,765
94,398	94,558	0	0	0
(486,311)	(85,760)	(438,556)	(258,884)	(115,298)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
26,618,036	12,188,915	8,435,698	10,447,281	10,435,485
$37,563,199	$24,694,574	$24,703,606	$26,766,530	$27,152,832

Piqua City School District

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

	2009	2010	2011	2012
Revenues:				
Local Sources:				
Taxes	$15,387,973	$15,142,143	$16,378,456	$17,066,075
Tuition	5,030	3,625	3,980	2,980
Transportation Fees	37,192	49,100	49,763	51,565
Investment Earnings	102,858	(165,964)	281,495	70,250
Extracurricular Activities	491,461	588,007	588,873	516,971
Class Materials and Fees	135,222	128,420	124,656	117,947
Intermediate Sources	69,506	46,692	33,062	18,594
Intergovernmental - State	15,843,854	14,051,556	14,590,761	17,007,252
Intergovernmental - Federal	2,386,862	3,993,343	4,394,062	3,270,878
All Other Revenue	367,843	314,520	248,003	436,494
Total Revenues	34,827,801	34,151,442	36,693,111	38,559,006
Expenditures:				
Current:				
Instruction	18,235,730	19,869,739	21,059,021	21,694,021
Supporting Services:				
Pupils	1,596,274	1,474,825	1,498,317	1,331,123
Instructional Staff	1,955,021	1,999,864	2,004,830	2,084,488
Board of Education	32,189	29,714	23,825	24,845
Administration	2,199,678	2,258,046	2,404,543	2,293,806
Fiscal Services	376,558	393,654	625,762	654,313
Business	54,058	30,502	2,338	6,432
Operation and Maintenance of Plant	2,854,147	2,873,207	2,966,605	2,732,303
Pupil Transportation	1,597,794	1,638,063	1,368,692	1,563,661
Central	211,419	313,907	268,299	294,528
Operation of Non-Instructional Services	294,428	165,805	300,829	255,659
Extracurricular Activities	737,425	792,759	838,102	792,826
Capital Outlay	208,690	437,616	1,235,638	3,532,815
Debt Service:				
Principal Retirement	829,274	753,801	710,000	29,831,000
Interest and Fiscal Charges	324,805	313,420	292,868	954,701
Total Expenditures	31,507,490	33,344,922	35,599,669	68,046,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,320,311	806,520	1,093,442	(29,487,515)

2013	2014	2015	2016	2017	2018
$17,828,558	$18,257,962	$18,064,013	$18,111,354	$19,138,691	$20,316,226
258,696	536,811	463,230	499,535	634,995	577,358
45,884	46,213	49,931	45,393	49,826	44,754
145,746	227,194	425,359	270,566	75,511	207,860
538,415	533,590	608,087	486,277	547,708	528,297
122,897	128,251	126,744	122,996	122,876	110,702
50,857	48,494	51,900	9,829	222,887	47,903
22,106,018	30,560,017	24,443,198	19,662,848	20,958,329	21,156,167
2,662,927	2,081,121	3,122,369	2,547,922	2,948,613	3,051,764
471,174	306,281	196,726	535,034	753,230	525,250
44,231,172	52,725,934	47,551,557	42,291,754	45,452,666	46,566,281
21,616,288	22,024,698	23,352,039	23,326,291	24,251,042	24,987,579
934,030	976,990	1,146,716	1,317,598	2,109,129	2,250,423
2,130,850	1,708,970	2,982,462	1,976,444	2,159,597	2,739,503
30,160	40,625	40,010	41,484	37,803	37,823
2,269,621	2,383,929	2,746,871	2,377,320	2,891,760	2,580,850
678,113	661,744	690,556	675,986	826,190	896,098
261	263	0	0	0	0
2,618,058	2,770,650	3,171,345	2,741,635	3,172,949	2,872,142
1,535,300	1,571,452	1,654,442	1,573,094	1,721,063	1,567,424
217,670	246,910	207,876	233,052	336,346	296,315
187,306	133,943	196,312	170,791	521,985	187,591
836,366	855,359	981,075	882,549	930,781	934,743
3,603,325	26,266,836	20,408,370	4,109,029	1,541,419	3,863,645
1,395,000	1,480,000	6,528,749	1,661,555	1,661,954	1,708,192
1,676,566	1,444,155	1,430,754	1,336,756	1,300,988	1,258,850
39,728,914	62,566,524	65,537,577	42,423,584	43,463,006	46,181,178
4,502,258	(9,840,590)	(17,986,020)	(131,830)	1,989,660	385,103

(Continued)

Piqua City School District

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

	2009	2010	2011	2012
Other Financing Sources (Uses):				
Sale of Capital Assets	1,400	0	2,292	0
Certificates of Participation Issued	0	0	3,770,000	0
General Obligation Notes Issued	0	0	0	29,086,000
General Obligation Bonds Issued	0	0	0	29,030,000
Premium on General Obligation Bonds Issued	0	0	0	361,265
Refunding Bonds Issued	0	0	0	0
Other Financing Sources - Capital Leases	0	0	0	0
Transfers In	0	0	0	300,079
Transfers Out	0	0	0	(300,079)
Total Other Financing Sources (Uses)	1,400	0	3,772,292	58,477,265
Net Change in Fund Balance	$3,321,711	$806,520	$4,865,734	$28,989,750
Debt Service as a Percentage of Noncapital Expenditures	3.73%	3.28%	2.97%	47.75%

Source: District Treasurer's Office

2013	2014	2015	2016	2017	2018
0	1,000	6,987	0	73,264	1,199
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	245,182	0	0	0
0	0	4,865,000	0	0	0
0	0	0	142,306	0	0
302,982	0	703,046	418,032	4,127,223	3,868,457
(302,982)	0	(703,046)	(418,032)	(4,127,223)	(3,868,457)
0	1,000	5,117,169	142,306	73,264	1,199
$4,502,258	($9,839,590)	($12,868,851)	$10,476	$2,062,924	$386,302
8.45%	8.24%	17.89%	7.12%	7.06%	6.81%

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

Tax year	2008	2009	2010	2011
Real Property				
Assessed	$407,511,780	$413,598,800	$400,859,150	$396,188,850
Actual	1,164,319,371	1,181,710,857	1,145,311,857	1,131,968,143
Public Utility				
Assessed	4,819,310	4,709,220	4,912,550	5,109,850
Actual	13,769,457	13,454,914	14,035,857	14,599,571
Tangible Personal Property				
Assessed	17,687,650	641,520	305,640	0
Actual	283,002,400	6,415,200	6,112,800	0
Total				
Assessed	430,018,740	418,949,540	406,077,340	401,298,700
Actual	1,461,091,228	1,201,580,971	1,165,460,514	1,146,567,714
Assessed Value as a Percentage of Actual Value	29.43%	34.87%	34.84%	35.00%
Total Direct Tax Rate	44.82	44.87	44.95	49.87

Source: Miami County Auditor

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

Assessed value of Real Property is at 35%, Assessed value of Public Utility is at 35%, and Assessed Value of Tangible Personal Property is at 6.25% for 2008 and 0% for 2009 and forward. Additionally, telephone and telecommunications property was reclassified to general business personal property and assessed at 10% for 2009, 5% for 2010 and 0% for 2011 and forward.

2012	2013	2014	2015	2016	2017
$397,123,530	$371,221,370	$369,583,590	$377,749,340	$380,414,560	$382,380,920
1,134,638,657	1,060,632,486	1,055,953,114	1,079,283,829	1,086,898,743	1,092,516,914
5,745,070	5,843,490	6,167,950	6,902,690	7,570,670	8,085,240
16,414,486	16,695,686	17,622,714	19,721,971	21,630,486	23,100,686
0	0	0	0	0	0
0	0	0	0	0	0
402,868,600	377,064,860	375,751,540	384,652,030	387,985,230	390,466,160
1,151,053,143	1,077,328,171	1,073,575,829	1,099,005,800	1,108,529,229	1,115,617,600
35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
49.88	50.45	50.46	50.52	50.41	50.38

Piqua City School District

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

	2008	2009	2010	2011	2012
Direct District Rates					
General Fund	39.72	39.72	39.80	39.80	39.80
Bond Retirement Fund	2.30	2.35	2.35	7.27	7.28
Permanent Improvement Fund	2.80	2.80	2.80	2.80	2.80
Total	44.82	44.87	44.95	49.87	49.88
Overlapping Rates					
City of Piqua	4.42	4.42	4.42	4.42	4.42
Joint Vocational School	5.18	5.36	5.32	5.32	5.32
Miami County	8.81	8.81	8.81	8.81	8.81
Forest Hill Cemetery	0.50	0.50	0.50	0.50	0.50
Washington Township	0.00	1.60	1.60	1.60	1.60
Piqua Library	0.00	0.00	0.00	1.30	1.30

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

2013	2014	2015	2016	2017
40.22	40.23	40.16	40.16	40.38
6.93	6.93	7.06	6.95	6.70
3.30	3.30	3.30	3.30	3.30
50.45	50.46	50.52	50.41	50.38
4.42	4.47	4.49	4.56	4.50
5.32	5.32	5.32	5.26	5.22
8.81	8.81	8.81	8.82	9.22
0.50	0.50	0.50	0.50	0.50
3.60	3.60	3.60	3.60	3.60
1.30	1.30	1.30	1.30	1.30

Piqua City School District

Principal Taxpayers
Real Estate and Public Utilities Tax
Current Year and Nine Years Ago

		Calendar Year 2017		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Harvey A Tolson Enterprises	Real Estate	$3,516,520	1	0.90%
Vectren Energy	Natural Gas	3,286,530	2	0.84%
Wal-Mart	Retail	3,021,200	3	0.77%
Midamco	Hospitality	3,001,630	4	0.77%
Dayton Power and Light Co.	Electricity	2,517,420	5	0.64%
Miami Valley Realty	Real Estate	2,324,250	6	0.60%
Teeters Real Estate	Real Estate	2,167,540	7	0.56%
Pioneer Rural Electric	Electricity	2,097,240	8	0.54%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	1,967,950	9	0.50%
Hartzell Propeller Inc.	Aircraft Propeller Design	1,849,600	10	0.47%
Subtotal		25,749,880		6.59%
All Others		364,716,280		93.41%
Total		$390,466,160		100.00%

		Calendar Year 2008		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Midamco	Hospitality	$8,353,360	1	2.03%
Harvey A Tolson Enterprises	Real Estate	3,724,630	2	0.90%
Wal-Mart	Retail	3,180,570	3	0.77%
Jackson Tube	Manufacturer - Steel Tubing	2,662,390	4	0.65%
Miami Valley Realty	Real Estate	2,324,010	5	0.56%
Evenflo Juvenile	Manufacturer - Juvenile Furniture	2,157,860	6	0.52%
Home Depot Inc.	Retail	2,084,010	7	0.51%
Dayton Power and Light Co.	Electricity	1,855,520	8	0.45%
Pioneer Rural Electric	Electricity	1,484,620	9	0.36%
Vectren Energy	Natural Gas	1,354,980	10	0.33%
Subtotal		29,181,950		7.08%
All Others		383,149,140		92.92%
Total		$412,331,090		100.00%

Source: Miami County Auditor - Land and Buildings
Based on valuation of property in 2017 and 2008

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

Property Tax Levies and Collections
Last Ten Years

Collection Year	2008	2009	2010	2011
Total Tax Levy	$13,196,070	$12,524,772	$12,544,610	$12,837,246
Collections within the Fiscal Year of the Levy				
Current Tax Collections	12,774,025	12,097,727	12,145,139	12,454,909
Percent of Levy Collected	96.80%	96.59%	96.82%	97.02%
Delinquent Tax Collections (1)	464,920	458,414	482,501	432,918
Total Tax Collections	13,238,945	12,556,141	12,627,640	12,887,827
Percent of Total Tax Collections To Tax Levy	100.32%	100.25%	100.66%	100.39%
Accumulated Outstanding Delinquent Taxes	2,384,309	1,214,881	1,231,409	1,172,973
Percentage of Accumulated Delinquent Taxes to Total Tax Levy	18.07%	9.70%	9.82%	9.14%

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

Source: Miami County Auditor's Office
Presented on a calendar year basis because that is the manner in which the information is maintained by the County.

2012	2013	2014	2015	2016	2017
$14,469,502	$14,375,763	$14,466,849	$14,569,702	$14,621,570	$14,949,067
14,060,718	13,864,575	13,981,355	14,083,891	14,169,998	14,585,137
97.17%	96.44%	96.64%	96.67%	96.91%	97.57%
422,679	481,497	487,500	548,675	544,794	494,998
14,483,397	14,346,072	14,468,855	14,632,566	14,714,792	15,080,135
100.10%	99.79%	100.01%	100.43%	100.64%	100.88%
1,140,871	1,029,644	1,033,559	1,016,671	979,822	858,618
7.88%	7.16%	7.14%	6.98%	6.70%	5.74%

Piqua City School District

Ratios of Outstanding Debt by Type
Last Ten Years

	2009	2010	2011	* 2012
Governmental Activities (1)				
Certificates of Participation	$0	$0	$3,770,000	$3,770,000
General Obligation Bonds Payable	8,805,425	8,262,560	7,672,565	36,751,472
Capital Leases	38,801	0	0	0
Total Primary Government	$8,844,226	$8,262,560	$11,442,565	$40,521,472
Population (2)				
Piqua City	20,582	20,551	20,522	20,592
Outstanding Debt Per Capita	$430	$402	$558	$1,968
Income (3) (a)				
Personal (in thousands)	$713,743	$717,661	$718,824	$784,493
Percentage of Personal Income	1.24%	1.15%	1.59%	5.17%

* As Restated

Sources:
(1) District Treasurer's Office
(2) US Bureau of Census of Population
(3) US Department of Commerce, Bureau of Economic Analysis
(a) Per Capita Income is only available by County. Total Personal Income is a calculation based on previous calendar year.

2013	2014	2015	2016	2017	2018
$3,770,000	$3,770,000	$3,770,000	$3,770,000	$3,770,000	$3,770,000
35,454,737	34,043,453	32,507,741	30,805,803	29,108,865	27,366,927
0	0	0	120,751	93,797	65,605
$39,224,737	$37,813,453	$36,277,741	$34,696,554	$32,972,662	$31,202,532
20,619	20,699	20,759	20,790	20,906	20,987
$1,902	$1,827	$1,748	$1,669	$1,577	$1,487
$836,492	$847,914	$854,627	$868,627	$938,178	$902,126
4.69%	4.46%	4.24%	3.99%	3.51%	3.46%

Piqua City School District

Ratios of General Bonded Debt Outstanding
Last Ten Years

Year	2009	2010	2011	* 2012
Population (1)	20,582	20,551	20,522	20,592
Estimated Actual Value	1,461,091,228	1,201,580,971	1,165,460,514	1,146,567,714
General Bonded Debt (2)				
General Obligation Bonds	8,805,425	8,262,560	7,672,565	36,751,472
Resources Available to Pay Principal (3)	840,185	857,711	942,770	2,070,747
Net General Bonded Debt	7,965,240	7,404,849	6,729,795	34,680,725
Ratio of Net Bonded Debt to Estimated Actual Value	0.55%	0.62%	0.58%	3.02%
Net Bonded Debt per Capita	387	360	328	1,684

* As Restated

Source:
(1) U.S. Bureau of Census of Population
(2) Includes all general obligation bonded debt supported by property taxes
(3) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

2013	2014	2015	2016	2017	2018
20,619	20,699	20,759	20,790	20,906	20,987
1,151,053,143	1,077,328,171	1,073,575,829	1,099,005,800	1,108,529,229	1,115,617,600
35,454,737	34,043,453	32,507,741	30,805,803	29,108,865	27,366,927
2,198,752	2,224,714	2,813,093	2,957,907	4,150,656	3,547,836
33,255,985	31,818,739	29,694,648	27,847,896	24,958,209	23,819,091
2.89%	2.95%	2.77%	2.53%	2.25%	2.14%
1,613	1,537	1,430	1,339	1,194	1,135

Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2018

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Piqua City School District (1)	Amount Applicable to Piqua City School District
Direct:			
Piqua City School District	$31,202,532	100.00%	$31,202,532
Overlapping:			
Miami County	14,125,942	17.02%	2,404,235
City of Piqua	130,593	100.00%	130,593
		Subtotal	2,534,828
		Total	$33,737,360

Source: Ohio Municipal Advisory Council, June 2018

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

Piqua City School District

Debt Limitations
Last Ten Years

	2009	2010	2011	* 2012
Net Assessed Valuation	$430,018,740	$418,949,540	$406,077,340	$401,298,700
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%	9.00%
Legal Debt Limitation ($) (1)	38,701,687	37,705,459	36,546,961	36,116,883
Applicable District Debt Outstanding	8,805,425	8,262,560	7,672,565	36,751,472
Less: Applicable Debt Service Fund Amounts (2)	(827,565)	(844,123)	(924,162)	(2,186,831)
Net Indebtedness Subject to Limitation	7,977,860	7,418,437	6,748,403	34,564,641
Overall Legal Debt Margin	$30,723,827	$30,287,022	$29,798,558	$1,552,242
Debt Margin as a Percentage of Debt Limit	79.39%	80.33%	81.53%	4.30%
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%	0.10%
Legal Debt Limitation ($) (1)	430,019	418,950	406,077	401,299
Applicable District Debt Outstanding	0	0	0	0
Unvoted Legal Debt Margin	$430,019	$418,950	$406,077	$401,299
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%	0.90%
Legal Debt Limitation ($) (1)	3,870,169	3,770,546	3,654,696	3,611,688
Applicable District Debt Outstanding	0	0	0	0
Unvoted Energy Conservation Loans Legal Debt Margin	$3,870,169	$3,770,546	$3,654,696	$3,611,688

* As Restated

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.

(2) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

2013	2014	2015	2016	2017	2018
$402,868,600	$377,064,860	$375,751,540	$384,652,030	$387,985,230	$390,466,160
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
36,258,174	33,935,837	33,817,639	34,618,683	34,918,671	35,141,954
35,454,737	34,043,453	32,507,741	30,805,803	28,665,000	26,985,000
(2,297,573)	(2,320,114)	(2,813,093)	(2,957,907)	(4,150,656)	(3,547,836)
33,157,164	31,723,339	29,694,648	27,847,896	24,514,344	23,437,164
$3,101,010	$2,212,498	$4,122,991	$6,770,787	$10,404,327	$11,704,790
8.55%	6.52%	12.19%	19.56%	29.80%	33.31%
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
402,869	377,065	375,752	384,652	387,985	390,466
0	0	0	0	0	0
$402,869	$377,065	$375,752	$384,652	$387,985	$390,466
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
3,625,817	3,393,584	3,381,764	3,461,868	3,491,867	3,514,195
0	0	0	0	0	0
$3,625,817	$3,393,584	$3,381,764	$3,461,868	$3,491,867	$3,514,195

Piqua City School District

Demographic and Economic Statistics
Last Ten Years

Calendar Year	2008	2009	2010	2011	2012
Population (1)					
Piqua City	20,582	20,551	20,522	20,592	20,619
Miami County	102,430	102,526	102,479	102,846	103,125
Income (2) (a)					
Total Personal (in thousands)	713,743	717,661	718,824	784,493	836,492
Per Capita	34,678	34,921	35,027	38,097	40,569
Unemployment Rate (3)					
Federal	5.8%	9.3%	9.6%	8.9%	8.1%
State	6.6%	10.2%	10.1%	8.6%	7.2%
Miami County	6.4%	11.7%	10.5%	8.7%	7.0%

Fiscal Year	2009	2010	2011	2012	2013
School Enrollment (4)					
Grades PK - 3	1,140	1,154	1,166	1,238	1,232
Grades 4 - 6	851	831	793	792	787
Grades 7 - 8	600	568	579	562	551
Grades 9 - 12	1,189	1,139	1,100	1,116	1,135
Total	3,780	3,692	3,638	3,708	3,705

Sources:

(1) US Bureau of Census of Population - Amounts may change as updated information becomes available.

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

(a) Per Capita Income is only available by County. Total Personal Income is a calculation. Amounts may change as updated information becomes available.

(3) State Department of Labor Statistics

(4) District Treasurer's Office

2013	2014	2015	2016	2017
20,699	20,759	20,790	20,906	20,987
103,421	103,970	104,224	104,679	105,122
847,914	854,627	868,627	938,178	902,126
40,964	41,169	41,781	44,876	42,985
7.2%	5.6%	5.0%	4.6%	3.9%
7.5%	5.2%	4.7%	4.9%	4.9%
6.7%	4.5%	3.9%	4.3%	4.4%
2014	2015	2016	2017	2018
1,093	1,125	1,130	1,093	1,115
876	824	818	797	794
525	545	539	556	567
1,110	1,040	1,015	1,046	1,004
3,604	3,534	3,502	3,492	3,480

Piqua City School District

Principal Employers
Current Year and Nine Years Ago

Employer	Nature of Business	2018 Number of Employees	2018 Rank
Spalding & Evenflo Company Inc.	Manufacturer - Juvenile Furniture	555	1
Industry Products	Manufacturer - Auto Industry Seals	409	2
Piqua City Schools	Public School District	353	3
Nitto Denko Automotive Ohio	Manufacturer - Automotive Gaskets	345	4
United Parcel Services	Parcel delivery servicer	286	5
Crane Pumps & Systems Inc.	Manufacturer - Industrial Water Pumps	272	6
Upper Valley Career Center	Regional Joint Vocational School	266	7
City of Piqua	Municipal Government	240	8
Walmart Stores Inc.	Retail Store	233	9
HCF of Piqua	Nursing care and residential services	222	10
Total		3,181	
Total Employment within the District (1)		NA	

Employer	Nature of Business	2009 Number of Employees	2009 Rank
Industry Products	Die Cutting, Silk Screening	350	1
Evenflo Company	Manufacturer - Juvenile Furniture	315	2
Crane Pumps and Systems	Manufacturer - Industrial Pumps	280	3
Hartzell Propeller	Manufacturer - Aircraft Propellers	277	4
Jackson Tube	Manufacturer - Steel Tubing	174	5
Miami Valley Steel	Manufacturer - Steel Products	135	6
Nitto Denko Automotive Ohio Inc.	Manufacturer - Auto Industry Seals	122	7
Hartzell Fan Inc.	Manufacturer - Industrial Air Handlers	109	8
Apex Aluminum Die Casting	Aluminum Die Casting	100	9
Hobart Brothers - Piqua FMO	Manufacturer - Welding Wire	83	10
Total		1,945	
Total Employment within the District		10,186	

Sources: District Treasurer's Office
(1) Not Available

Piqua City School District

School District Employees by Type
Last Ten Years

	2009	2010	2011	2012	2013
Supervisory					
Instructional Administrators	4.00	4.00	4.00	4.00	4.00
Noninstructional Administrators	4.00	4.00	4.00	4.00	4.00
Consultants/Supervisors of Instruction	3.00	3.00	3.00	3.00	3.00
Principals	9.00	9.00	9.00	9.00	8.00
Assistant Principals	3.00	3.00	3.00	3.00	3.00
Instruction					
Classroom Teachers:					
Kindergarten Center	10.00	11.00	11.00	11.00	11.00
Primary: Grades 1-3	46.00	45.00	46.00	44.00	43.00
Intermediate: Grades 4-6	43.00	42.00	43.00	42.00	42.00
Junior High School	27.00	27.00	27.00	25.00	24.00
High School	44.00	44.00	44.00	42.00	42.00
Student Services					
Guidance Counselors	8.00	7.00	7.00	6.00	5.00
Psychologists	2.00	2.00	2.00	2.50	2.50
Librarians	1.00	0.00	0.00	0.00	0.00
Speech and Hearing Specialists	3.00	2.00	2.00	2.00	0.00
Nurses	1.00	1.00	1.00	1.00	1.00
Physical Education	7.00	7.00	6.00	6.00	6.00
Fine Arts	15.00	15.00	15.00	13.00	12.00
Support Services					
Clerical/Secretaries	23.00	22.00	22.00	21.00	21.00
EMIS Coordinator	1.00	1.00	1.00	1.00	1.00
Food Service	37.00	34.00	31.00	29.00	25.00
Library Aides	10.00	10.00	10.00	8.00	8.00
Maintenance/Grounds	25.00	21.00	21.00	18.00	18.00
Parents as Teachers	3.00	3.00	3.00	3.00	2.00
Transportation	22.00	21.00	21.00	21.00	21.00
Tutors/Aides	18.00	19.00	18.00	15.00	11.00
Technology	2.00	4.00	3.00	3.00	3.00
Total Employees	371.00	361.00	357.00	336.50	320.50

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

2014	2015	2016	2017	2018
3.00	2.00	2.00	2.00	2.00
5.00	5.00	6.00	6.00	10.00
3.00	3.00	3.00	3.00	4.00
8.00	10.00	5.00	5.00	5.00
3.00	3.00	7.00	7.00	7.00
12.00	13.00	13.00	16.00	14.00
43.00	45.00	45.00	46.00	45.00
42.00	41.00	41.00	44.00	44.00
23.00	22.00	25.00	24.00	26.00
36.00	36.00	40.00	41.00	44.00
4.00	3.00	7.00	8.00	8.00
2.50	3.00	3.00	3.00	3.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00
6.00	5.00	5.00	6.00	7.00
12.00	13.00	13.00	14.00	13.00
21.00	21.00	22.00	23.00	22.00
1.00	1.00	1.00	1.00	1.00
27.00	27.00	30.00	31.00	31.00
8.00	8.00	9.00	9.00	9.00
20.00	20.00	19.00	19.00	19.00
3.00	3.00	3.00	4.00	4.00
21.00	20.00	20.00	19.00	21.00
11.00	14.00	12.00	10.00	9.00
2.00	2.00	3.00	4.00	4.00
317.50	321.00	335.00	346.00	353.00

Piqua City School District

Operating Indicators - Cost per Pupil
Last Ten Years

Fiscal Year	2009	2010	2011	2012	2013
Enrollment	3,780	3,692	3,638	3,708	3,705
Modified Accrual Basis					
Operating Expenditures	31,507,490	33,344,922	35,599,669	38,960,521	39,728,914
Cost per Pupil	8,335	9,032	9,786	10,507	10,723
Percentage of Change	(1.05%)	8.4%	8.3%	7.4%	2.1%
Accrual Basis					
Expenses	31,520,979	33,389,152	34,499,795	36,280,071	35,988,608
Cost per Pupil	8,339	9,044	9,483	9,784	9,714
Percentage of Change	(1.72%)	8.5%	4.9%	3.2%	(0.72%)
Teaching Staff	206	201	202	192	188

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

2014	2015	2016	2017	2018
3,604	3,534	3,502	3,492	3,480
62,566,524	65,537,577	42,423,584	43,463,006	46,181,178
17,360	18,545	12,114	12,446	13,270
61.9%	6.8%	(34.68%)	2.7%	6.6%
35,161,301	39,337,546	42,420,112	44,449,120	28,068,225
9,756	11,131	12,113	12,729	8,066
0.4%	14.1%	8.8%	5.1%	(36.64%)
180	179	190	200	200

Piqua City School District

Operating Indicators by Function
Last Ten Years

	2009	2010	2011	2012
Governmental Activities				
Support Services				
Pupils				
Enrollment	3,780	3,692	3,638	3,708
Graduates	273	285	244	239
Percent of Students with Disabilities	13.64%	14.59%	14.35%	16.50%
Percent of Students with English as Second Language	0.4%	0.4%	0.5%	0.0%
Administration				
School Attendance Rate	95.2%	95.0%	95.3%	95.0%
Operation and Maintenance of Plant				
District Square Footage Maintained	608,145	608,145	608,145	608,145
Pupil Transportation				
Average Daily Students Transported	2,437	2,141	1,939	1,955
Average Miles Driven per Day	1,911	1,891	1,664	1,671
Average Miles per Bus	16,727	16,762	14,262	14,322
Number of Buses	22	21	21	21
Business-Type Activities				
Food Service				
Student Meals Served Daily	2,599	2,598	2,586	2,559
Free/Reduced Price Meals Daily	1,447	1,562	1,607	1,660
Percentage of Free/Reduced Price Meals Daily	55.68%	60.12%	62.14%	64.87%
Student Breakfasts Served Daily	1,181	1,187	1,170	1,183
Free/Reduced Price Breakfasts Daily	920	966	967	1,019
Percentage of Free/Reduced Price Breakfasts Daily	77.90%	81.38%	82.65%	86.14%

Source: District Treasurer's Office

2013	2014	2015	2016	2017	2018
3,705	3,604	3,534	3,502	3,492	3,480
257	251	272	249	239	226
14.50%	17.28%	15.19%	20.50%	12.86%	12.20%
0.0%	0.2%	0.2%	0.2%	0.5%	0.1%
94.5%	94.9%	94.6%	94.7%	94.2%	93.9%
608,145	608,145	603,812	546,992	546,992	546,992
1,971	1,834	2,180	2,259	1,850	1,947
1,704	1,505	1,576	1,663	1,490	1,637
14,605	12,900	12,895	12,240	12,771	14,031
21	21	22	22	21	21
2,145	1,934	1,895	1,893	1,904	1,985
1,531	1,437	1,353	1,363	1,323	1,304
71.38%	74.30%	71.40%	72.00%	69.49%	65.69%
1,089	989	856	802	764	890
946	875	735	700	658	729
86.87%	88.47%	85.87%	87.28%	86.13%	81.91%

Piqua City School District

Operating Indicators - Teacher Base Salaries
Last Ten Years

Fiscal Year	2009	2010	2011	2012	2013
District Average Salary	53,788	54,891	55,761	55,346	53,947
County Average Salary	50,034	53,014	52,874	52,945	53,440
State Average Salary	55,583	56,995	57,904	58,119	57,966

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

Operating Indicators - Teachers by Education
Last Ten Years

Fiscal Year	2009	2010	2011	2012	2013
Bachelor's Degree	14	13	13	13	13
Bachelor + 15	10	5	1	3	7
Bachelor + 30	22	18	15	14	17
Masters Degree	91	97	102	99	92
Masters Degree + 10	49	46	48	41	37
Masters Degree + 30	20	22	23	22	22
Total	206	201	202	192	188

Source: District Treasurer's Office

2014	2015	2016	2017	2018
53,151	54,812	56,696	58,210	60,856
53,491	54,026	54,566	54,279	55,361
57,635	55,242	57,154	58,690	60,433

2014	2015	2016	2017	2018
14	17	21	26	26
3	7	7	3	2
20	13	12	16	18
90	85	91	83	83
35	35	42	54	51
18	22	17	18	20
180	179	190	200	200

Piqua City School District

Capital Asset Statistics by Building
Last Ten Years

	2009	2010	2011	2012
Secondary				
Piqua Senior High School				
Square Footage	185,375	185,375	185,375	185,375
Capacity (students)	1,200	1,200	1,200	1,200
Enrollment	1,189	1,139	1,100	1,116
Piqua Junior High School				
Square Footage	126,000	126,000	126,000	126,000
Capacity (students)	800	800	800	800
Enrollment	600	568	579	561
Intermediate				
Bennett Intermediate School				
Square Footage	48,739	48,739	48,739	48,739
Capacity (students)	800	800	800	800
Enrollment	245	293	292	332
Wilder Intermediate School				
Square Footage	47,651	47,651	47,651	47,651
Capacity (students)	800	800	800	800
Enrollment	297	299	281	260
Washington Intermediate School				
Square Footage	35,523	35,523	35,523	35,523
Capacity (students)	360	360	360	360
Enrollment	309	282	267	268
Central Intermediate School				
Square Footage	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
Primary				
Favorite Hill Primary School				
Square Footage	40,366	40,366	40,366	40,366
Capacity (students)	400	400	400	400
Enrollment	296	300	296	316
High Street Primary School				
Square Footage	20,816	20,816	20,816	20,816
Capacity (students)	360	360	360	360
Enrollment	302	271	272	291

2013	2014	2015	2016	2017	2018
185,375	185,375	186,244	186,244	186,244	186,244
1,200	1,200	1,200	1,200	1,200	1,200
1,133	1,110	1,040	1,015	1,046	1,004
126,000	126,000	113,159	113,159	113,159	113,159
800	800	800	800	800	800
554	525	548	539	557	567
48,739	48,739	N/A	N/A	N/A	N/A
800	800	N/A	N/A	N/A	N/A
345	301	N/A	N/A	N/A	N/A
47,651	47,651	N/A	N/A	N/A	N/A
800	800	N/A	N/A	N/A	N/A
265	282	N/A	N/A	N/A	N/A
35,523	35,523	N/A	N/A	N/A	N/A
360	360	N/A	N/A	N/A	N/A
256	293	N/A	N/A	N/A	N/A
N/A	N/A	105,579	105,579	105,579	105,579
N/A	N/A	859	859	859	859
N/A	N/A	822	818	797	794
40,366	40,366	N/A	N/A	N/A	N/A
400	400	N/A	N/A	N/A	N/A
321	298	N/A	N/A	N/A	N/A
20,816	20,816	N/A	N/A	N/A	N/A
360	360	N/A	N/A	N/A	N/A
288	245	N/A	N/A	N/A	N/A

(Continued)

Piqua City School District

Capital Asset Statistics by Building
Last Ten Years

	2009	2010	2011	2012
Springcreek Primary School (Old)				
Square Footage	25,326	25,326	25,326	25,326
Capacity (students)	360	360	360	360
Enrollment	229	238	255	274
Springcreek Primary School (New)				
Square Footage	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
Nicklin Avenue Learning Center				
Square Footage	21,519	21,519	21,519	21,519
Capacity (students)	375	375	375	375
Enrollment	313	302	296	290
Washington Primary School				
Square Footage	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
All Other				
Central Administration Building				
Square Footage	13,830	13,830	13,830	13,830
Transportation Building				
Square Footage	16,000	16,000	16,000	16,000
Maintenance Building				
Square Footage	27,000	27,000	27,000	27,000

Source: District Treasurer's Office

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

2013	2014	2015	2016	2017	2018
25,326	25,326	N/A	N/A	N/A	N/A
360	360	N/A	N/A	N/A	N/A
266	277	N/A	N/A	N/A	N/A
N/A	N/A	71,000	71,005	71,005	71,005
N/A	N/A	600	600	600	600
N/A	N/A	541	556	513	554
21,519	21,519	N/A	N/A	N/A	N/A
375	375	N/A	N/A	N/A	N/A
277	273	N/A	N/A	N/A	N/A
N/A	N/A	71,000	71,005	71,005	71,005
N/A	N/A	600	600	600	600
N/A	N/A	583	574	579	561
13,830	13,830	13,830	13,830	13,830	9,138
16,000	16,000	16,000	16,000	16,000	16,000
27,000	27,000	27,000	27,000	27,000	27,000

Piqua City School District

Educational and Operating Statistics
Last Ten Years

	2009	2010	2011	2012	2013
Cost per Student (ODE)					
Piqua (1)	8,345	9,377	9,905	9,613	9,475
Ohio (Average) (1)	9,990	10,253	10,571	10,697	10,149
Attendance Rate					
Piqua	95.20%	95.00%	95.30%	95.00%	94.50%
Ohio (Average) (1)	94.30%	94.30%	94.50%	94.50%	94.20%
Graduation Rate					
Piqua	90.40%	93.10%	93.80%	92.60%	88.50%
Ohio (Average) (1)	84.60%	83.00%	84.30%	81.30%	82.20%

Source:
District's Student Records and Ohio Department of Education
(1) ODE calculation is not based on GAAP financial reports.

2014	2015	2016	2017	2018
9,554	10,928	9,553	9,968	9,776
10,357	9,904	9,837	9,149	9,356
94.90%	94.60%	94.70%	94.20%	93.90%
94.30%	94.10%	94.10%	93.90%	93.70%
88.50%	90.40%	85.90%	87.50%	90.70%
82.20%	83.00%	83.00%	83.50%	84.10%

Dave Yost • Auditor of State

PIQUA CITY SCHOOL DISTRICT

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JANUARY 3, 2019

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