

# City of Piqua, Ohio

Comprehensive Annual Financial Report  
for the year ended December 31, 2010







# Dave Yost • Auditor of State

Members of Council  
City of Piqua  
201 West Water Street  
Piqua, Ohio 45356

We have reviewed the *Independent Auditors' Report* of the City of Piqua, Miami County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2010 through December 31, 2010. 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 City of Piqua is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

July 15, 2011

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***CITY OF PIQUA, OHIO***

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended December 31, 2010**

**Prepared by:  
Department of Finance  
Cynthia A. Holtzapple, Director**

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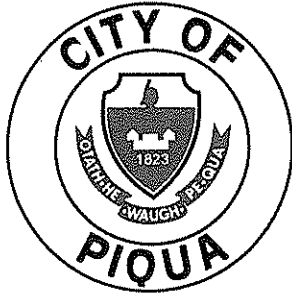
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## FINANCE DEPARTMENT

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May 27, 2011

Honorable Mayor Lucinda L. Fess, City Commission Members  
and Citizens of the City of Piqua, Ohio:

This Comprehensive Annual Financial Report is for the year ended December 31, 2010. We believe this report, prepared by the Department of Finance, presents financial and operating information about the City's activities during the year that should be useful to citizens, taxpayers and investors. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief the enclosed data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

### Reporting Entity

This report includes all funds of the City. The City provides a full range of services including police and fire protection, parks, recreation and cultural facilities, street maintenance, health programs, planning, zoning and general governmental services. In addition, the City owns and operates business-type activities, with the major ones consisting of a power system, a sewer system, a water system, a stormwater system and a waste disposal system.

Piqua, founded in 1807, celebrated its Bicentennial in 2007. Piqua operates and is governed by the laws of the State of Ohio and its own charter which was adopted by the electorate in 1929. The Charter provides for a commission-manager form of government. Legislative authority is vested in a five-member commission. All members are elected from wards for four-year terms and serve in a part-time capacity. The Commission determines compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriations and borrowings, licensing and regulating of businesses and trades, and other municipal purposes. The City's Chief Executive and Administrative Officer is the City Manager who is appointed by the City Commission.

### Local Economic Conditions and Outlook

The City of Piqua is a community (2010 Census 20,522) in Miami County, located in the west central part of the state, twenty-five miles north of Dayton. Inter and intra state highways I-75, Route 36 and Route 66 serve as the City's major transportation arteries. Edison Community College, with over 4,767 students, is located on the east side of the city.

The City does not depend on one firm for local employment; as many as seven companies employ in excess of 230 people each, lending to the City's diversification. The City has four industrial parks with plenty of room for expansion. The City's emphasis on economic retention and development are significant factors affecting the future economic strength of the community. Promoting Piqua as a good place for all types of businesses, new and existing, will continue to be one our highest priorities.



## **Major Initiatives**

**Current Year Projects:** During 2010 the City continued efforts to enhance and expand services provided to local residents.

The City continued supporting the Future Piqua Strategic Plan recommendations, including public access television and a quarterly community newsletter (financial support is shared between the City and the Chamber of Commerce).

The City is continuing its commitment to provide assistance to low and moderate income property owners by completing its ninth round and starting its tenth round of Federal Comprehensive Housing Improvement Programs in which local housing rehabilitation loans and grants totaling \$4,617,707 were given to some 347 qualified low and moderate income property owners. During 2011, the City anticipates awarding an additional \$332,300 in housing grants and mortgage assistance to 19 deserving families, while assisting Habitat for Humanities with \$40,000 in construction funding on two additional homes.

The following significant events took place in 2010:

- Redevelopment of the City's downtown and surrounding areas.
- Neighborhood improvements through the Neighborhood Associations and City's Neighborhood Improvement Team.
- Water source exploration and potential new Water Plant design and construction
- Selection and began implementation of a new municipal information system
- Continued phase in of the long range financial plan
- Began study and assessment for demolishing the Electric Power Plant
- Monitor and assess the Wastewater Equalization tank function to determine current performance and anticipated future needs.
- Continued the Storm Water Infiltration Study
- Continued implementation of a city-wide comprehensive plan for future development of the City of Piqua
- Began Broadway Phase II reconstruction project
- Implementation of a Storm Water Utility to address sanitary sewer overflow infiltration.
- Review, selection and begin implementation of a new records management system in co-operation with Miami County Communication Center

**Future Projects:** The city anticipates the following significant events to take place in 2011:

- Continue the redevelop of the City's downtown and surrounding areas. The redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights.
- Complete construction on the Goodrich Giles Park Boat Access Ramp.
- Continue neighborhood improvements through the Neighborhood Associations and City's Neighborhood Improvement Team.
- Begin initial phase of Ash Street Reconstruction.
- Continue study and assessment for demolishing the Electric Power Plant.
- Commence design and site work for the Power System's new service center.
- Continue water source exploration and potential new Water Plant design and construction.
- Implementation of a new municipal information system.
- Continue monitoring long range financial plan.
- Continue ICMA performance benchmarks for all City departments.

## Financial Information

Management of the City is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the government 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 accounting principles generally accepted in the United States of America ("GAAP"). 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 costs and benefits requires estimates and judgments by management.

**Budgetary System:** Detailed provisions regulating the City's budget, tax levies and appropriations are set forth in the City Charter and in the Ohio Revised Code. The City Manager is required to submit to the City Commission annually, an appropriation measure, which must be adopted by the first Commission meeting in January. The Miami County Auditor must certify that the City's appropriation measure does not exceed the amounts set forth in the County Budget Commission's Certificate of Estimated Resources.

The City maintains legal budgetary control utilizing GAAP at an object level (personnel/administrative support, operation and maintenance, capital expenditures and transfers) for all funds. Lower levels within each object level are accounted for and reported internally. Such lower levels are referred to as the suffix level. All purchases are properly approved through the legislative process or issuance of a purchase order.

Expenditures are controlled at the suffix level throughout the year and any budgetary adjustments (at the object level), if necessary, are with the approval of the City Commission.

**Accounting System:** The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are in accordance with GAAP and the number of individual funds established is determined by legal requirements and sound financial administration.

The City's records are maintained on modified accrual basis for all governmental and similar fiduciary fund types. Accordingly, revenues are recognized when susceptible to accrual (i.e. both measurable and available). Expenditures, other than interest on long-term debt, are recorded as liabilities when incurred. Proprietary funds utilize the accrual basis of accounting and the electric system employs the Federal Energy Commission's system of accounts. A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the Combined Financial Statements, located in the Financial Section of this report.

**Financial Reporting:** Beginning in 2002 the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments." As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion follows the Report of Independent Accountants, providing an assessment of the City's finances for 2010. During 2006, the City implemented GASB 44, Economic Condition Reporting and a Statistical Data Section. During 2009, the City implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, a year earlier than required.

## General Government

**General Fund Revenues:** The 2010 municipal income tax revenue of \$7,256,729 increased slightly as area employment rebounded; other taxes and the Kwh tax revenues dropped slightly. Interest revenue remained relatively the same and is expected to be similar in 2011 as rates remain low. Municipal income tax revenue has somewhat stabilized through April 2011 and is expected to be similar to 2010 levels. Grants were significantly higher in 2010 based on one time projects and are not expected to continue at that level in 2011.

**General Fund Expenditures:** The 2010 General Fund expenditures and other financing uses decreased 5.6% compared with 2009 as there were fewer capital, community development, and parks and recreation projects completed.

**General Fund Balances:** Current year activity contributed to a \$52,668 increase in the unassigned fund balance from 2009.

### **Business-Type Funds**

The City's utility operations, consisting of a power system, a water system, a wastewater system, a stormwater system, and a solid refuse system, account for over half of the total City revenues. The City also operates smaller enterprises such as a golf course, a swimming pool and a banquet/conference center.

During 2010 the area experienced more seasonal temperatures with increased moisture, contributing to a slight increase in electric usage and slight decrease in water usage. Rate increases allowed revenue to remain stable.

**Power System:** Total customer revenues were \$23.9 million with usage up 5% compared to 2009 levels. Revenues remained stable based on a slight rate increase. With operating costs relatively the same, revenues exceeded expenses in 2010 by \$718,814.

The system supplies electricity to more than 10,500 accounts within its service area. The power system, established in the 1930's, purchases power from power wholesalers, while supplementing power needs with fuel oil generation. The system is responsible for purchasing and generating power, transmitting and distributing electricity and providing all related services.

The City of Piqua obtains its power supply from various sources. Two megawatts of Power is available from the New York Power Authority (NYPA). A twenty-year transmission agreement with the Dayton Power & Light Company guarantees supply access. Alternative contracts and projects are being considered by the Power system. During 2006, the City entered into a contract with Dayton Power & Light and AMP Ohio to provide power at an economic price. Piqua Power participates in the American Public Power Association's Reliable Public Power Provider (RP3) program. In 2010 Piqua achieved a perfect score and Diamond level status, one of only six municipal electric systems in the country to reach Diamond level.

**Water System:** Customer revenues of \$3.3 million were slightly higher than 2009 levels even though usage was down 4.5% based on a small rate increase. Operating expenses of \$2.9 million were up slightly. Net income was \$414,768. More than 8,600 accounts are serviced by Piqua's municipal water system.

**Wastewater System:** Customer revenues of \$3.5 million were slightly higher than 2009 levels even though usage was down 4.9% based on a slight rate increase. Operating Expenses of \$3.0 million were up slightly generating a net profit of \$481,767 in 2010.

**Refuse System:** System revenues of \$1.8 million were similar to 2009 levels. Operating expenses of \$1.5 million remained at 2009 levels. Net income was \$245,132. Refuse service is provided to more than 7,740 customers.

## The Independent Audit

Piqua's City Charter requires an annual audit of the financial statements of the City by an independent auditor. The 2010 audit was completed by Clark, Schaefer, Hackett & Co. and represents the thirty-first consecutive year that an independent firm has performed the City's financial audit. All State of Ohio compliance and federal grant audit requirements are included as part of the independent annual engagement. See page 9 of the Financial Section of this report for their unqualified opinion.

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the nineteenth consecutive year a Certificate of Achievement for Excellence in Financial Reporting to the City of Piqua, Ohio, for its comprehensive annual financial report for the fiscal year ended December 31, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

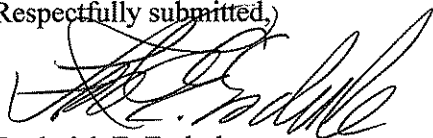
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Piqua, Ohio has received a Certificate of Achievement for twenty consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## Acknowledgments

To the many conscientious people who have contributed so much of their time and effort to the preparation of this report our sincere appreciation is extended. The Finance Department staff is commended for their commitment to professional excellence once again exemplified by the contents of this report. Timely preparation of this report was accomplished by the diligent efforts and contributions of the entire Finance Department working jointly with the engagement team representing the independent public accounting firm of Clark, Schaefer, Hackett & Co. Finally, contributions to the financial condition of the City of Piqua by the Mayor, members of City Commission, and Department Directors and Managers cannot be overlooked. Their support and guidance are invaluable factors necessary for the City to continue to successfully manage the financial affairs and reporting requirements of municipal government within the Piqua Community.

Respectfully submitted,



Frederick E. Enderle  
City Manager



Cynthia A. Holtzapple,  
Director of Finance

**Department of Finance Staff:** Lisa R. Cavender - Accounting Manager, Michael J. Fischbach - Accountant, Candace L. Etter, Beverly M. Yount and Stacy L. McClain

# **CITY OF PIQUA, OHIO**

## **CITY OFFICIALS**

Lucinda L. Fess, Mayor  
John J. Martin, Commissioner  
Julia A. Terry, Commissioner  
William D. Vogt, Commissioner  
Joseph H. Wilson, Commissioner

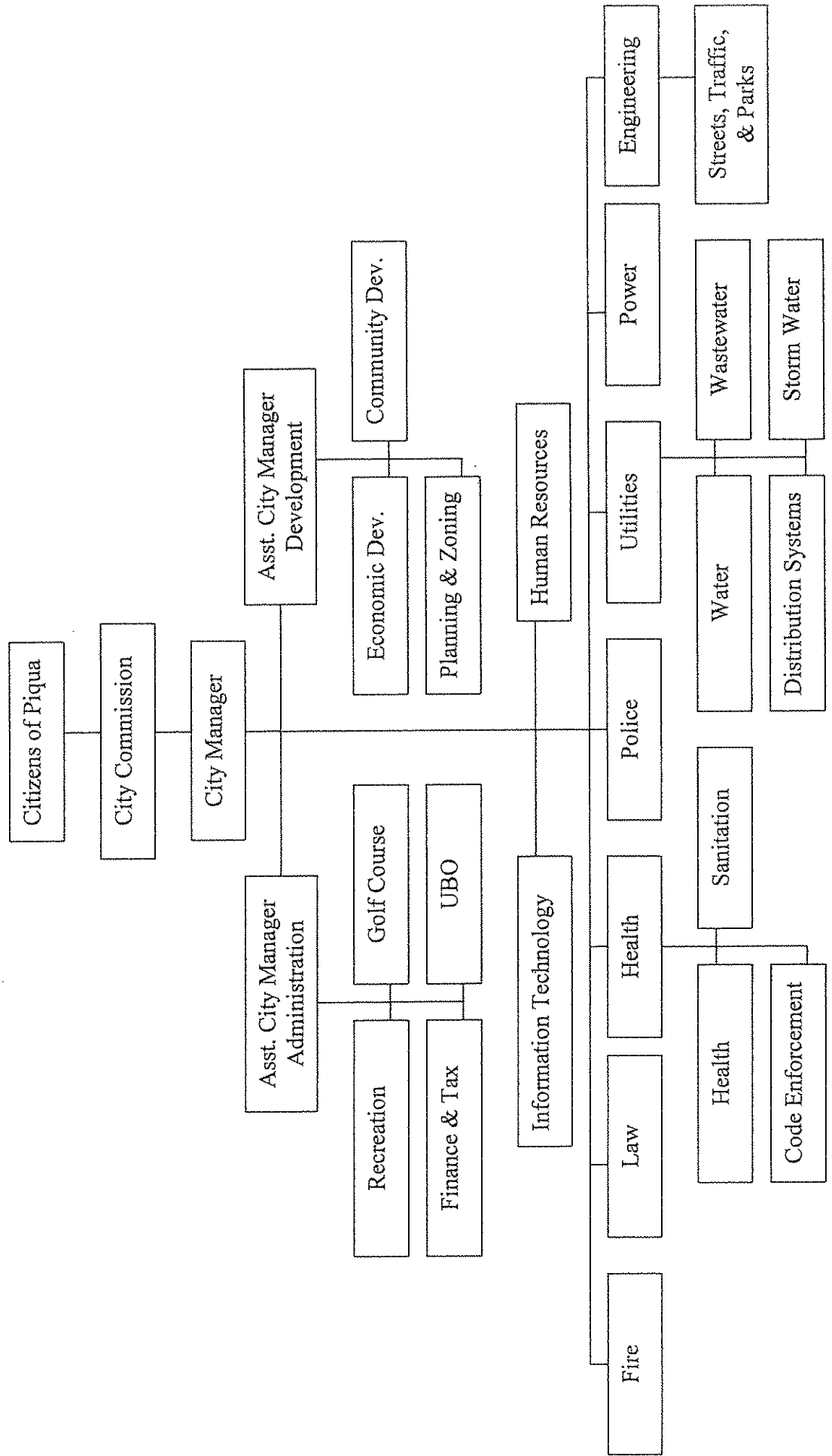
## **CITY MANAGER**

Frederick E. Enderle

## **INDEPENDENT AUDITORS**

Clark Schaefer Hackett & Co

# City of Piqua 2010 City Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Piqua  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

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



President

Executive Director



# **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor, City Commission  
and City Manager  
City of Piqua, Ohio

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Piqua's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Ohio, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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

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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.

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
May 27, 2011

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2010*  
*(Unaudited)*

The discussion and analysis of the City of Piqua's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

- The assets of the City exceeded its liabilities at December 31, 2010 by \$137.2 million (net assets). Of this amount, \$46.5 million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$25.8 million and may be used to meet the government's on-going obligations. The unrestricted net assets of the City's business-type activities are \$20.8 million and may be used to meet the on-going obligations of the City's business-type activities, including the water, wastewater, refuse, stormwater, and electricity enterprises.
- The City's total net assets increased by \$4.0 million in 2010. Net assets of the governmental activities increased \$1.7 million, which represents a 2.6 percent increase from 2009.
- The total cost of the City's programs increased \$0.5 million or 1.13 percent. The cost of governmental activities decreased \$0.4 million or 2.5 percent, while the cost of business-type activities increased \$0.9 million or 2.9 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$25.1 million. The combined governmental funds fund balance increased \$1.2 million from the prior year's ending fund balance. Approximately \$5.3 million of the \$25.1 million fund balance is considered unassigned at December 31, 2010.
- The general fund reported a fund balance of \$20.5 million at the end of the current fiscal year. The unassigned fund balance for the general fund was \$5.3 million or 48 percent of total general fund expenditures (including transfers out). There was a \$0.5 million increase in the total general fund balance for the year ended December 31, 2010.
- The City had \$1.6 million less in debt at December 31, 2010 than at December 31, 2009.
- Total costs of governmental services decreased by over \$0.4 million, while net costs of services decreased by over \$0.9 million for governmental activities.

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2010*  
*(Unaudited)*

**Using This Annual Financial Report**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Piqua's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Assets and the Statement of Activities (on pages 22-23) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail and start on page 24. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

**Reporting the City of Piqua as a Whole**

*Statement of Net Assets and the Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the City's net assets and the changes in those assets. This change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two types of activities:

- **Governmental Activities** – Most of the City's programs and services are reported here, including general government, public safety, street and maintenance, parks and recreation, and community development. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.
- **Business-Type Activities** – These services are provided on a fee basis to recover all of the expenses of the goods or services provided. The City's electric, water, refuse, wastewater, stormwater, golf, municipal pool and Fort Piqua Plaza activities are reported here.

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2010*  
*(Unaudited)*

## **Reporting the City of Piqua's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements begin on page 24 and provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Funds are established to help control and manage money for particular purposes or to show that the City is meeting legal responsibilities for using certain taxes, grants, and other money. The City of Piqua's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. On the government-wide statements, these funds are reported using the accrual method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of timing of related cash flows. The governmental fund statements, using a modified accrual system of accounting, provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements or on an accompanying schedule.
- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Piqua uses enterprise funds to account for its electric, water, refuse, wastewater, stormwater services, golf, municipal pool and Fort Piqua Plaza. Internal service funds are an accounting method used to accumulate and allocate costs internally among the City's various functions. The City of Piqua uses an internal service fund to account for its information technology and insurance activities. As these activities predominantly benefit governmental rather than business-type functions, they are shown within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, wastewater, refuse, and stormwater systems as well as golf, municipal pool and Fort Piqua Plaza, which are considered to be major funds of the City.
- *Fiduciary funds* – Funds used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the City's own programs.

### ***Notes to the basic financial statements***

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32 through 50 of this report.

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2010*  
*(Unaudited)*

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget. The City adopts an annual appropriation budget for its general fund and other major funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget. Required supplementary information can be found on pages 51 through 56 of this report.

The combining statements in connection with non-major governmental funds and internal service funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 57 through 71 of this report.

**The City of Piqua as a Whole**

Recall that the analysis of the Statement of Net Assets looks at the City as a whole. One of the most important questions to consider is, "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information to help answer this question. The Net Asset statement shows the difference between assets and liabilities, which is one way to measure the City's financial position. As reviewed over time, increases or decreases in the City's net assets are an indicator of whether the City's financial health is improving or deteriorating. However, other non-financial factors must also be considered such as changes in the property tax base of the city, the condition of the City's roads and neighborhoods, and the reputation of the public schools in order to assess the overall health of the City. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities for both 2010 and 2009.

The amount by which the City's assets exceed its liabilities is called net assets. Net Assets may serve over time as a useful indicator of a government's financial position. At year-end, the City's net assets were \$137.2 million compared to \$133.2 million in 2009, an increase of \$4.0 million. Net Assets for governmental activities increased \$1.7 million, while business-type activities increased \$2.3 million.

**Table 1**  
**Net Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 33,133,519	\$ 31,972,029	\$ 24,630,850	\$ 20,875,431	\$ 57,764,369	\$ 52,847,460
Capital assets	43,227,380	43,302,538	56,621,520	58,572,503	99,848,900	101,875,041
<i>Total assets</i>	<i>76,360,899</i>	<i>75,274,567</i>	<i>81,252,370</i>	<i>79,447,934</i>	<i>157,613,269</i>	<i>154,722,501</i>
Long-term debt	5,418,696	6,206,162	9,299,972	9,934,861	14,718,668	16,141,023
Other liabilities	3,018,415	2,862,829	2,660,014	2,469,518	5,678,429	5,332,347
<i>Total liabilities</i>	<i>8,437,111</i>	<i>9,068,991</i>	<i>11,959,986</i>	<i>12,404,379</i>	<i>20,397,097</i>	<i>21,473,370</i>
Net assets:						
Invested in capital assets, net of debt	41,743,160	41,217,679	48,473,160	49,657,889	90,216,320	90,875,568
Restricted by Legislation	18,638	20,665	-	-	18,638	20,665
Restricted by Debt Covenants	385,122	387,228	50,000	50,000	435,122	437,228
Unrestricted	25,776,868	24,580,004	20,769,224	17,335,666	46,546,092	41,915,670
<i>Total net assets</i>	<i>\$ 67,923,788</i>	<i>\$ 66,205,576</i>	<i>\$ 69,292,384</i>	<i>\$ 67,043,555</i>	<i>\$ 137,216,172</i>	<i>\$ 133,249,131</i>

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Of that amount, in 2010 approximately \$90.2 million (66%) was invested in capital assets, net of debt related to those assets. At year-end 2009 that amount was approximately \$90.9 million (68%). The largest portion of the City's net assets (66%) reflects investments in net capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

During the period 2007 – 2009 the City loaned \$4.3 million to the Piqua Investment Fund, LLC and \$3.975 million to the Fort Piqua Redevelopment Corporation for the hotel restoration project. The loan is for a period of thirty years making these funds unavailable for use in the near future.

For 2010 another \$.4 million (.3%) was subject to legislative and external restrictions upon its use. The remaining \$46.5 million (33.9%) in 2010 was unrestricted and available for future use. For 2009 \$.4 million (.3%) was subject to external restrictions and \$41.9 million (31.5%) was unrestricted.

At the end of the current year, the City of Piqua is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Our total net assets of the City's governmental activities increased \$1.7 million during the current year, primarily due to the increase in assets mentioned above. Unrestricted net assets increased by \$1.2 million, while restricted net assets did not change.

Total net assets of the City's business-type activities increased \$2.3 million during the current year; \$1.2 million due to decreased net capital assets and \$3.5 million due to an increase in unrestricted net assets.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.



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**Table 2**  
**Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for Services	\$ 1,548,134	\$ 1,733,019	\$ 33,076,860	\$ 32,319,346	\$ 34,624,994	\$ 34,052,365
Operating Grants/Contributions	1,414,559	460,718	97,588	155	1,512,147	460,873
Capital Grants/Contributions	392,849	534,122	-	65,000	392,849	599,122
<b>General revenues:</b>						
Property Taxes	1,402,952	1,349,521			1,402,952	1,349,521
Income Taxes	7,256,729	6,999,179			7,256,729	6,999,179
Other Taxes	4,165,866	4,527,095			4,165,866	4,527,095
Investment Earnings & Misc.	215,927	143,921	114,246	115,496	330,173	259,417
<b>Total Revenues</b>	<b>16,397,016</b>	<b>15,747,575</b>	<b>33,288,694</b>	<b>32,499,997</b>	<b>49,685,710</b>	<b>48,247,572</b>
<b>Program Expenses</b>						
General Government	1,893,928	2,099,961			1,893,928	2,099,961
Public Safety	7,797,867	7,859,160			7,797,867	7,859,160
Street and Maintenance	3,250,497	3,574,236			3,250,497	3,574,236
Parks and Recreation	548,724	685,518			548,724	685,518
Community Development	628,434	242,528			628,434	242,528
Interest on long-term debt	250,261	271,155			250,261	271,155
Electric			22,500,718	22,309,943	22,500,718	22,309,943
Wastewater			2,988,869	2,857,643	2,988,869	2,857,643
Water			2,920,323	2,793,284	2,920,323	2,793,284
Refuse			1,512,243	1,481,691	1,512,243	1,481,691
Stormwater			414,092	-	414,092	-
Golf			612,350	657,378	612,350	657,378
Ft. Piqua Plaza			229,821	185,207	229,821	185,207
Pool			170,542	190,158	170,542	190,158
<b>Total Expenses</b>	<b>14,369,711</b>	<b>14,732,558</b>	<b>31,348,958</b>	<b>30,475,304</b>	<b>45,718,669</b>	<b>45,207,862</b>
<b>Increase (Decrease) in Net Assets before Transfers &amp; Proceeds</b>	<b>2,027,305</b>	<b>1,015,017</b>	<b>1,939,736</b>	<b>2,024,693</b>	<b>3,967,041</b>	<b>3,039,710</b>
<b>Transfers</b>	<b>(309,093)</b>	<b>(300,798)</b>	<b>309,093</b>	<b>300,798</b>	<b>-</b>	<b>-</b>
<b>Increase(Decrease) in Net Assets</b>	<b>\$ 1,718,212</b>	<b>\$ 714,219</b>	<b>\$ 2,248,829</b>	<b>\$ 2,325,491</b>	<b>\$ 3,967,041</b>	<b>\$ 3,039,710</b>
<b>Net Assets Beginning</b>	<b>66,205,576</b>	<b>65,491,357</b>	<b>67,043,555</b>	<b>64,718,064</b>	<b>133,249,131</b>	<b>130,209,421</b>
<b>Net Assets Ending</b>	<b>\$ 67,923,788</b>	<b>\$ 66,205,576</b>	<b>\$ 69,292,384</b>	<b>\$ 67,043,555</b>	<b>\$ 137,216,172</b>	<b>\$ 133,249,131</b>

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**Governmental Activities**

Governmental activities increased the City's net assets by \$1,718,212, in 2010 as compared to an increase of \$714,219 during 2009, thereby accounting for 2.6 percent of growth in total net assets. Total revenues increase by \$649,441 due to increased operating grants, property taxes and income taxes. Our program expenses decreased by \$362,847 due to fewer street maintenance, infrastructure projects and parks and recreation projects.

Several types of revenues fund our governmental activities with city income tax being the largest contributor. The income tax revenue for 2010 was up slightly at \$7,256,729 compared to \$6,999,179 in 2009, an increase of 3.7 percent. The City's income tax rate was 1.75 percent for 2010, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.75 percent for those who pay income tax to another city.

General revenues from other taxes, such as Kilowatt-hour tax, Inheritance tax and Local Government Funds, are also revenue generators and in 2010, we received \$361,229 less than in 2009 due to a lower Kilowatt-hour tax. Program revenues saw a slight decrease of \$184,885 in charges for services while operating and capital grants increased \$812,568 as projects were started. Overall increase in program revenues was \$627,683 or 2.3%. With the combination of program revenues, property tax, income tax, intergovernmental funding and investment earnings, all expenses in the governmental activities are funded. The City monitors its source of revenues very closely for fluctuations.

Based on a collaborated effort, for the most part, all areas except community development saw a decrease in expenses. The increase in Community Development was due to new grant projects. The largest program function for the City relates to Public Safety, which accounts for 54.3 percent of total program expenses. Street Maintenance accounts for 22.6 percent of total program expenses, while General Government accounts for 13.2 percent. Street and Maintenance and parks and recreation cost of services decreased as projects were completed. Cost of services increased in community development due to the increase in number of projects.

The Statement of Activities reports the expenses of each of the governmental activities programs and the related program revenue that offsets the cost of each program. The amount by which the cost of a particular program exceeds its program revenue represents the extent to which that program must be subsidized by general revenues. The following table summarizes the net cost of each program:

**Table 3**  
**Government Activities**

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2010	2009	2010	2009	2010	2009
General Government	\$ 1,893,928	\$ 2,099,961	\$ 1,164,792	\$ 784,370	\$ 729,136	\$ 1,315,591
Public Safety	7,797,867	7,859,160	926,829	1,019,990	6,871,038	6,839,170
Street and Maintenance	3,250,497	3,574,236	608,036	433,705	2,642,461	3,140,531
Parks and Recreation	548,724	685,518	33,312	193,941	515,412	491,577
Community Development	628,434	242,528	622,573	295,853	5,861	(53,325)
Interest on long-term debt	250,261	271,155	-	-	250,261	271,155
<b>Total</b>	<b>\$ 14,369,711</b>	<b>\$ 14,732,558</b>	<b>\$ 3,355,542</b>	<b>\$ 2,727,859</b>	<b>\$ 11,014,169</b>	<b>\$ 12,004,699</b>

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**Business-Type Activities**

The Business-Type activities of the City, which include the City's Electric, Wastewater, Water, Refuse and Stormwater operations as well as Golf, Pool and Fort Piqua Plaza activities, increased the City's net assets by \$2,248,829 in 2010.

**Table 4**  
**Business-type Activities**

	Total Cost of Services		Program Revenues		Net Revenue (Expense) from Operations	
	2010	2009	2010	2009	2010	2009
Electric	\$ 22,500,718	\$ 22,309,943	\$ 23,219,532	\$ 23,374,930	\$ 718,814	\$ 1,064,987
Wastewater	2,988,869	2,857,643	3,470,636	3,258,977	481,767	401,334
Water	2,920,323	2,793,284	3,335,091	3,245,412	414,768	452,128
Refuse	1,512,243	1,481,691	1,757,375	1,767,803	245,132	286,112
Stormwater	414,092	-	651,694	-	237,602	-
Golf	612,350	657,378	536,211	594,385	(76,139)	(62,993)
Ft. Piqua Plaza	229,821	185,207	129,689	63,946	(100,132)	(121,261)
Pool	170,542	190,158	74,220	79,048	(96,322)	(111,110)
<b>Total</b>	<b>\$ 31,348,958</b>	<b>\$ 30,475,304</b>	<b>\$ 33,174,448</b>	<b>\$ 32,384,501</b>	<b>\$ 1,825,490</b>	<b>\$ 1,909,197</b>

For 2010 the Electric, Wastewater, Water, Refuse and Stormwater utilities all had operating revenues in excess of expenses. For the most part, increases in expenses closely parallel inflation and growth in the demand for services. Golf and Pool activity funds had expenses in excess of revenues of \$172,461 in 2010 as compared to \$174,103 in 2009. The Ft. Piqua Plaza activity funds have expenses in excess of revenues of \$100,132 in 2010 compared to \$121,261 in 2009.

**The City's Funds**

Information about the City's major funds starts on page 24. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues in 2010 of \$16.2 million compared to \$16.1 million in 2009. All governmental funds had expenditures in 2010 of \$14.8 million compared to \$16.0 million in 2009. The most significant fund is our general fund, which had an unassigned fund balance at year-end of \$5.3 million in 2010 as well as \$5.3 million in 2009. The General fund accounts for such activities as Police and Fire protection, and parks and recreation along with city administration. Within the General fund, revenues exceeded expenditures by \$1,742,563 in 2010 as compared to \$1,604,184 in 2009. The funds are monitored consistently with adjustments made to the budgets to accommodate yearly revenues.

Within the Street Maintenance Fund, revenues exceeded expenditures by \$533,014 in 2010 as compared to \$265,271 in 2009. Fund balance at year-end in 2010 was \$2,518,751 as compared to \$1,984,235 in 2009. The City was able to increase fund balance for use on planned construction needs in 2011.

Within the Street Levy Construction Fund, revenues exceeded expenditures by \$306,906 in 2010 compared to expenditures exceeding revenues by \$708,659 in 2009. Fund balance at year-end in 2010 was \$1,560,389 as compared to \$1,357,286 in 2009. The City was able to increase fund balance in anticipation of street maintenance needs in 2011.

Information about the Enterprise Funds starts on the Balance Sheet on page 27. These funds are accounted for on an accrual basis. All business type funds had operating revenues of \$33.6 million in 2010 and \$32.0 million in 2009. Operating expenses were \$31.0 million in 2010 and \$30.2 million in 2009.

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The enterprise fund balances increased \$2,200,567 with the Electric fund increasing \$0.8 million based on a planned rate stabilization program, Wastewater increasing \$0.5 million, Water increasing \$0.4 million and Refuse \$0.2 million based on increased rates. Stormwater was added as a new utility during 2010 and ended the year with a \$0.2 million fund balance. The other fund balances were similar to 2009. The City is consistent with reviews of these funds, and the necessary adjustments are made to ensure strength in our enterprise funds.

**General Fund Budgetary Highlights**

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the same basis as the entity reports. The most significant governmental budgeted fund is the General Fund. The Commission is provided with a detailed line item budget for all departments and after a discussion at a regularly held commission meeting, which is open to the public; the budget is adopted at an object level by City commission. Within each object, appropriations can be transferred between line items with the approval of the Finance Director and the respective department head. The Commission must approve any revisions in the budget that alter the object level totals or the total appropriations for any department or fund. During the course of fiscal 2010, the City amended its general fund budget during the middle and at end of the fiscal year. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the 2010 general fund, original budgeted revenues were \$10.3 million. The final budgeted revenue amount was \$10.7 million. Actual revenues were \$11.5 million. The increase in actual revenues compared to budget was due to higher income tax collections and state shared revenues. For the 2009 general fund, original budgeted revenues were \$12.2 million. The final budgeted revenue amount was \$14.0 million. Actual revenues collected were \$12.0 million. The decrease in actual revenues over budget for 2009 was due to lower municipal income tax collections.

For 2010, original general fund appropriations were budgeted at \$11.5 million. Mid year budget reductions totaled \$1 million. Final budgeted appropriations were \$10.5 million. Actual expenditures were \$9.8 million. This decrease was achieved through lower personnel costs and general government operating expenditures. For 2009, original general fund appropriations were budgeted at \$13.0 million. Final budgeted appropriations were \$13.2 million. Actual expenditures were \$10.4 million. This decrease was due to lower than expected personnel, general government operating expenditures and hotel investment costs.

**Capital Asset and Debt Administration**

**Table 5**  
**Capital Assets at December 31**  
**(Net of Accumulated Depreciation)**

	Governmental Activities		Business-Type Activities	
	2010	2009	2010	2009
Land and Land Improvements	\$ 4,528,378	\$ 4,528,378	\$ 1,525,735	\$ 1,369,449
Infrastructure Land	1,374,365	1,374,365		
Construction in Progress	1,093,773	1,235,372	2,080,322	5,502,526
Buildings and Improvements	8,954,862	8,863,469	20,999,014	18,398,421
Furniture, Fixtures and Equipment	2,427,591	2,505,126	30,478,125	31,663,066
Infrastructure	24,848,411	24,795,828		
Intangible Assets			1,538,324	1,639,041
<b>Total Capital Assets</b>	<b>\$ 43,227,380</b>	<b>\$ 43,302,538</b>	<b>\$ 56,621,520</b>	<b>\$ 58,572,503</b>

Total Capital Assets for the City of Piqua for the year ended December 31, 2010 were \$99,848,900, a decrease of \$2,026,141 over 2009. Additions in 2010 were \$3,489,204 less than in 2009 based on certain

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large projects completed in 2010. The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. Additional information concerning the City's capital assets can be found in Note G of the financial statements.

***Debt***

At December 31, 2010, the City of Piqua had \$1.6 million less in debt at \$11.8 million compared to \$13.4 million in debt outstanding at December 31, 2009.

**Table 6**  
**Outstanding Debt at December 31**

	Governmental Activities		Business-type Activities	
	2010	2009	2010	2009
General Obligation Bonds	\$ 325,000	\$ 875,000	\$ 1,529,281	\$ 2,021,437
Taxable Revenue Bonds	1,800,000	2,010,000		
Pension Bonds	295,000	315,000		
Special Assessment Bonds	95,665	62,602		
State Infrastructure Bank Note	1,159,221	1,209,859		
OWDA Loans			6,619,079	6,893,177
Capital Lease		-		
<b>Total</b>	<b>\$ 3,674,886</b>	<b>\$ 4,472,461</b>	<b>\$ 8,148,360</b>	<b>\$ 8,914,614</b>

The General Obligation Bonds in Governmental Activities are primarily for the 2001 construction of the municipal government complex. This debt was retired in 2010. This general obligation bond issue was paid through the General Obligation Bond Retirement Debt Service Fund with general city revenues and transfers from various funds. The Pension Bonds are paid with property tax revenues.

The General Obligation Bonds in Business-type Activities are comprised of various obligations in the City's Enterprise funds including Electric system, Municipal Pool and Golf Course improvements. They are paid from the operating revenues generated in each enterprise.

During 2003, \$5.2 million of General Obligation Bonds related to the Electric system, Municipal Pool and the Golf Course were refinanced resulting in lower interest rates for both issuances.

During 2007, the City issued Taxable Revenue Bonds of \$2.4 million to help finance the Hotel restoration project. The bonds are paid through the General Fund.

During 2009, the City issued General Obligation Bonds, Ohio Capital Asset Series 2009 to purchase a new fire truck. The bonds are paid through the General Fund.

The Special Assessment Bonds are paid from the collection of special assessments by the County Auditor from the specific property owners who primarily benefited from the projects.

The Street Construction Fund borrowed \$486,977 in 2008, \$722,882 in 2009, and \$17,824 in 2010 from the State Infrastructure Bank to help finance the County Road 25-A widening project which was completed in late 2009.

The Ohio Water Development Authority ("OWDA") Loans are paid semi-annually from wastewater revenues. Additional funds were borrowed in 2005 and 2006 to help fund the City's new hydropillar water tower.

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During 2009, \$3,919,940 was borrowed from the Ohio Water Development Authority ("OWDA 2009") to fund the Wastewater Sewer Equalization tank. In 2010 an additional \$409,936 was borrowed for the same project. The Wastewater Sewer project notes are paid with sewer utility revenues.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$35,086,740 on December 31, 2011.

Additional information concerning the City's debt can be found in Note H of the financial statements.

### **Economic Factors and Next Year's General Fund Budget**

The City's key objectives set for the 2011 budget were Economic development, job creation, safety, and long-term fiscal stability. With the uncertainty surrounding the economy, the City closely monitors and takes into consideration the impact on two primary revenue sources: income tax revenue and state shared revenue.

In the 2011 budget process City Commission decided that it was important to: 1) continue the City's investment in Economic development and job creation; 2) safety for the citizens of Piqua and City employees; and 3) adopt a budget designed to promote long-term fiscal stability. In order to meet the objectives of the 2011 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources.

General fund expenditure appropriations for 2011 have been approved by City Commission in the amount of \$10.9 million. This appropriation level is approximately \$1.1 million more than actual 2010 general fund budgetary basis expenditures (including transfers out). The appropriation level was set based on estimated revenues in the General Fund similar to 2010 levels.

### **Current Financial Related Activities**

The City anticipates the following significant events to take place in 2011:

- Continue Community Housing Improvement and Streetscaping programs.
- Begin initial phase of Ash Street reconstruction.
- Continue study and assessment of demolishing the Electric Power Plant.
- Commence design and site work for Power System's new service center.
- Continued implementation of a Storm Water Utility based on the feasibility study to address sanitary sewer overflow infiltration.
- Water Source exploration, land acquisition and potential new Water Plant design and construction.
- Implementation of a new municipal information system.

The City of Piqua has committed itself to financial excellence. The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence for nineteen consecutive years.

### **Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Cynthia A. Holtzapple, CPA, Director of Finance, City of Piqua, 201 West Water Street, Piqua, Ohio 45356, (937) 778-2065.

CITY OF PIQUA, OHIO

STATEMENT OF NET ASSETS  
DECEMBER 31, 2010

	Government Activities	Business Type Activities	Total Activities
<b>ASSETS:</b>			
Equity in pooled cash and cash equivalents	\$ 10,482,522	\$ 13,649,376	\$ 24,131,898
Equity in pooled investments	4,910,453	5,418,573	10,329,026
Accounts receivable	5,447,851	4,648,893	10,096,744
Allowance for Bad Debts	-	(351,410)	(351,410)
Interfund balances	(236,091)	236,091	-
Inventories	-	873,948	873,948
Prepaid items and other assets	13,331	155,379	168,710
Loans receivable, net of allowance	12,515,453	-	12,515,453
Capital assets not being depreciated	6,996,516	2,911,871	9,908,387
Capital assets being depreciated, net	36,230,864	53,709,649	89,940,513
Total assets	<u>76,360,899</u>	<u>81,252,370</u>	<u>157,613,269</u>
<b>LIABILITIES:</b>			
Accounts payable	353,243	2,208,730	2,561,973
Salary and benefits payable	496,077	103,024	599,101
Other accruals	286,209	346,535	632,744
Unearned revenue	1,882,885	1,725	1,884,610
Long-term debt:			
Due within one year	952,694	1,584,254	2,536,948
Due in more than one year	4,466,003	7,715,718	12,181,721
Total liabilities	<u>8,437,111</u>	<u>11,959,986</u>	<u>20,397,097</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	41,743,160	48,473,160	90,216,320
Restricted by: legislation	18,638	-	18,638
Restricted by: debt covenants	385,122	50,000	435,122
Unrestricted	25,776,868	20,769,224	46,546,092
Total net assets	<u>67,923,788</u>	<u>69,292,384</u>	<u>137,216,172</u>
Total liabilities and net assets	<u>\$ 76,360,899</u>	<u>\$ 81,252,370</u>	<u>\$157,613,269</u>

See accompanying notes to the basic financial statements

ADJUSTED ACTIVITY  
CITY OF PIQUA, OHIO

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>							
General government	\$ 1,893,928	\$ 630,460	\$ 534,332	\$ -	\$ (729,136)	\$ -	\$ (729,136)
Public safety	7,797,867	800,027	81,142	45,660	(6,871,038)	-	(6,871,038)
Streets and maintenance	3,250,497	68,198	193,664	346,174	(2,642,461)	-	(2,642,461)
Parks and recreation	548,724	31,297	1,000	1,015	(515,412)	-	(515,412)
Community development	628,434	18,152	604,421	-	(5,861)	-	(5,861)
Interest on long term debt	250,261	-	-	-	(250,261)	-	(250,261)
Total governmental activities	<u>14,369,711</u>	<u>1,548,134</u>	<u>1,414,559</u>	<u>392,849</u>	<u>(11,014,169)</u>	<u>-</u>	<u>(11,014,169)</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Electric	22,500,718	23,124,555	94,977	-	-	718,814	718,814
Wastewater	2,988,869	3,470,636	-	-	-	481,767	481,767
Refuse	1,512,243	1,757,375	-	-	-	245,132	245,132
Water	2,920,323	3,335,091	-	-	-	414,768	414,768
Storm Water	414,092	651,694	-	-	-	237,602	237,602
Golf	612,350	533,600	2,611	-	-	(76,139)	(76,139)
Ft. Piqua Plaza	229,821	129,689	-	-	-	(100,132)	(100,132)
Municipal Pool	170,542	74,220	-	-	-	(96,322)	(96,322)
Total business-type activities	<u>31,348,958</u>	<u>33,076,860</u>	<u>97,588</u>	<u>-</u>	<u>-</u>	<u>1,825,490</u>	<u>1,825,490</u>
Total	<u>\$ 45,718,669</u>	<u>\$ 34,624,994</u>	<u>\$ 1,512,147</u>	<u>\$ 392,849</u>	<u>\$ (11,014,169)</u>	<u>\$ 1,825,490</u>	<u>\$ (9,188,679)</u>
<b>GENERAL REVENUES:</b>							
Property taxes					1,402,952	-	1,402,952
State shared taxes					2,992,428	-	2,992,428
Income tax					7,256,729	-	7,256,729
Locally levied taxes					1,173,438	-	1,173,438
Investment earnings					159,445	114,246	273,691
Miscellaneous					56,482	-	56,482
Total general revenues					<u>13,041,474</u>	<u>114,246</u>	<u>13,155,720</u>
Transfers, in (out)					<u>(309,093)</u>	<u>309,093</u>	<u>-</u>
Change in net assets					1,718,212	2,248,829	3,967,041
Total net assets:							
Beginning of year					<u>66,205,576</u>	<u>67,043,555</u>	<u>133,249,131</u>
End of year					<u>\$ 67,923,788</u>	<u>\$ 69,292,384</u>	<u>\$ 137,216,172</u>

See accompanying notes to the basic financial statements



CITY OF PIQUA, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
<b>ASSETS</b>						
Equity in pooled cash and cash equivalents	\$ 5,164,227	\$ 2,315,463	\$ 1,516,382	\$ 289,097	\$ 161,970	\$ 9,447,139
Equity in pooled investments	2,121,630	51,699	-	95,666	-	2,268,995
Accounts receivable	3,305,882	725,942	754,823	255,359	179,891	5,221,897
Interfund receivable	143,289	-	-	-	-	143,289
Prepaid items and other assets	7,569	-	-	-	-	7,569
Loans Receivable, net of allowance	12,508,303	-	-	-	7,150	12,515,453
<b>Total Assets</b>	<b>\$ 23,250,900</b>	<b>\$ 3,093,104</b>	<b>\$ 2,271,205</b>	<b>\$ 640,122</b>	<b>\$ 349,011</b>	<b>\$ 29,604,342</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable	\$ 106,545	\$ 141,475	\$ 50,318	\$ -	\$ 42,804	\$ 341,142
Interfund payable	-	-	6,819	-	136,470	143,289
Salaries and benefits	470,142	16,765	-	-	4,309	491,216
Accruals	34,032	2,762	226,221	-	-	263,015
<b>Total Current Liabilities</b>	<b>610,719</b>	<b>161,002</b>	<b>283,358</b>	<b>-</b>	<b>183,583</b>	<b>1,238,662</b>
<b>LONG-TERM LIABILITIES:</b>						
Restricted deposits	23,201	-	-	-	-	23,201
Deferred revenue	2,097,121	413,351	427,458	255,000	42,848	3,235,778
<b>Total Long Term Liabilities</b>	<b>2,120,322</b>	<b>413,351</b>	<b>427,458</b>	<b>255,000</b>	<b>42,848</b>	<b>3,258,979</b>
<b>Total Liabilities</b>	<b>\$ 2,731,041</b>	<b>\$ 574,353</b>	<b>\$ 710,816</b>	<b>\$ 255,000</b>	<b>\$ 226,431</b>	<b>\$ 4,497,641</b>
<b>FUND BALANCES</b>						
Nonspendable fund balance	12,515,872	-	-	-	7,150	12,523,022
Restricted fund balance	18,638	2,276,323	1,434,873	385,122	115,427	4,230,383
Assigned fund balance	2,638,668	242,428	125,516	-	3	3,006,615
Unassigned fund balance	5,346,681	-	-	-	-	5,346,681
<b>Total fund balances</b>	<b>\$ 20,519,859</b>	<b>\$ 2,518,751</b>	<b>\$ 1,560,389</b>	<b>\$ 385,122</b>	<b>\$ 122,580</b>	<b>\$ 25,106,701</b>
<b>Total liabilities and fund balance</b>	<b>\$ 23,250,900</b>	<b>\$ 3,093,104</b>	<b>\$ 2,271,205</b>	<b>\$ 640,122</b>	<b>\$ 349,011</b>	

Amounts reported for governmental activities in the Statement of Net Assets (page 22) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 43,227,380
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	1,352,893
The following long-term liabilities are not due and payable in the current period and therefore are not reported as expenditures in the funds	
Bonds and notes payable	(3,674,886)
Sick leave benefits	(1,720,610)
Accrued interest on bonds payable	(19,345)
Internal service funds are used to charge the costs of certain activities, such as the city's health care costs, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets	3,651,655
Net assets of governmental activities	<u>\$ 67,923,788</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-- GOVERNMENTAL FUNDS  
FOR THE PERIOD ENDED DECEMBER 31, 2010

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
<b>REVENUES:</b>						
Municipal income tax	\$ 5,141,225	\$ 1,179,953	\$ 1,053,815	\$ -	\$ -	\$ 7,374,993
Property taxes	1,263,334	-	-	45,246	94,372	1,402,952
State shared revenues	1,666,606	1,087,492	-	-	10,471	2,764,569
Locally levied taxes	1,173,438	-	-	-	-	1,173,438
Licenses and permits, fees	1,050,689	2,749	-	-	1,020	1,054,458
Grants: capital	46,675	-	346,174	-	-	392,849
Grants: operating	74,899	-	193,664	-	594,668	863,231
Investment income	140,220	4,475	1,967	6,794	3,936	157,392
Increase in fair market value of investments	(22,591)	(287)	-	-	-	(22,878)
Donations:						
Capital	-	-	-	-	-	-
Operating	541,910	-	-	-	9,418	551,328
Other fines, rents, and reimbursements	447,568	36,490	28,959	-	11,978	524,995
<b>Total revenues</b>	<b>11,523,973</b>	<b>2,310,872</b>	<b>1,624,579</b>	<b>52,040</b>	<b>725,863</b>	<b>16,237,327</b>
<b>EXPENDITURES:</b>						
General government administration	1,278,817	-	-	-	-	1,278,817
Public safety	7,458,660	-	-	-	5,725	7,464,385
Public health	345,674	-	-	-	14,825	360,499
Street repairs and maintenance	9,339	1,713,186	360,132	-	110,109	2,192,766
Parks and recreation	461,977	-	-	-	-	461,977
Community planning and development	43,779	-	-	-	566,376	610,155
Other	-	-	-	9,217	45,826	55,043
Debt principal payment	-	-	-	871,353	-	871,353
Debt interest payment	-	-	17,824	231,145	-	248,969
Capital costs	183,164	64,672	939,717	-	53,224	1,240,777
<b>Total expenditures</b>	<b>9,781,410</b>	<b>1,777,858</b>	<b>1,317,673</b>	<b>1,111,715</b>	<b>796,085</b>	<b>14,784,741</b>
Excess (deficiency) of revenues over expenditures	1,742,563	533,014	306,906	(1,059,675)	(70,222)	1,452,586
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	-	-	17,824	-	55,953	73,777
Disposal of capital assets	54,980	1,502	-	-	-	56,482
Transfers, in	-	-	-	1,057,569	-	1,057,569
Transfers, out	(1,245,035)	-	(121,627)	-	-	(1,366,662)
<b>Total other financing sources (uses)</b>	<b>(1,190,055)</b>	<b>1,502</b>	<b>(103,803)</b>	<b>1,057,569</b>	<b>55,953</b>	<b>(178,834)</b>
Net change in fund balance	552,508	534,516	203,103	(2,106)	(14,269)	1,273,752
Fund balance-beginning of year-Restated	19,967,351	1,984,235	1,357,286	387,228	136,849	23,832,949
Fund balance-end of year	\$ 20,519,859	\$ 2,518,751	\$ 1,560,389	\$ 385,122	\$ 122,580	\$ 25,106,701

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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Total net change in fund balances Governmental funds	\$ 1,273,752
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures; however in the statement of activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays (\$1,240,777) exceed depreciation expense (\$1,599,191)	(358,414)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: (State shared taxes \$227,859, Income taxes (\$118,264), and Ems billings (\$31,319))	78,276
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	871,353
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Vacation and sick leave benefits	16,371
Interest payable	(1,292)
Proceeds from the issuance of bonds, capital lease or other debt instruments are not considered revenues on the Statement of Activities	(73,777)
The net book value of assets retired (the difference of original cost (\$157,033) and accumulated depreciation (\$148,443) is not recorded on the Governmental Fund Statements, but is recorded as a expense on the Statement of Activities	(8,590)
An Internal Service Fund is used by management to charge the cost of certain activities, such as the city's health care costs, to individual funds. The net revenue (expense) of the internal service fund related to governmental activities is reported with governmental activities	(79,467)
Change in the net assets of governmental activities on the statement of activities	<u>\$ 1,718,212</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

BALANCE SHEET  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2010

ASSETS	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Governmental Activities - Internal Service Funds
Current assets:										
Equity in pooled cash and cash equivalents	\$ 8,699,763	\$ 1,833,152	\$ 661,237	\$ 2,132,191	\$ 221,925	\$ 85,344	\$ 7,895	\$ 7,869	\$ 13,649,376	\$ 1,035,383
Equity in pooled investments	4,371,356	797,000	198,518	51,699	-	-	-	-	5,418,573	2,641,458
Accounts receivable	3,390,599	494,169	236,836	455,613	44,243	5,101	22,332	-	4,648,893	225,954
Allowance for uncollectible accounts	(234,657)	(44,190)	(23,845)	(44,551)	(4,167)	-	-	-	(351,410)	-
Inventories	724,881	-	-	131,901	-	17,166	-	-	873,948	-
Prepaid items and other assets	4,136	3,785	61,000	43,404	-	-	-	-	112,325	5,762
Total Current Assets	16,956,078	3,083,916	1,133,746	2,770,257	262,001	107,611	30,227	7,869	24,351,705	3,908,557
Noncurrent assets:										
Capital assets not being depreciated										
Land	68,661	212,302	17,949	162,293	-	370,344	-	-	831,549	-
Construction in process	1,424,701	630,288	-	25,333	-	-	-	-	2,080,322	302,334
Capital assets being depreciated										
Plant and equipment in service, net	29,155,491	12,431,154	288,993	10,432,694	23,438	1,117,084	-	260,795	53,709,649	91,762
Total Capital Assets	30,648,853	13,273,744	306,942	10,620,320	23,438	1,487,428	-	260,795	56,621,520	394,096
Deferred bond issuance costs	8,230	9,270	-	-	-	24,324	-	1,230	43,054	-
Total Noncurrent Assets	30,657,083	13,283,014	306,942	10,620,320	23,438	1,511,752	-	262,025	56,664,574	394,096
Total Assets	\$ 47,613,161	\$ 16,366,930	\$ 1,440,688	\$ 13,390,577	\$ 285,439	\$ 1,619,363	\$ 30,227	\$ 269,894	\$ 81,016,279	\$ 4,302,653

See accompanying notes to the basic financial statements

Continued

**CITY OF PIQUA, OHIO**

**BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2010**

	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Governmental Activities - Internal Service Funds
<b>LIABILITIES</b>										
Current liabilities:										
Accounts payable	\$ 1,831,260	\$ 124,885	\$ 65,598	\$ 145,432	\$ 31,665	\$ 8,689	\$ 13	\$ 1,188	\$ 2,208,730	\$ 12,101
Interfund payable	-	-	-	-	-	-	-	-	-	-
Salaries and benefits	39,574	18,902	10,478	20,587	5,448	8,035	-	-	103,024	4,861
Accrued vacation, personal, and sick leave	151,293	78,040	33,643	74,622	5,473	8,798	-	-	351,869	18,187
Accruals and prepaid memberships	40,471	281,434	-	1,710	54	6,166	18,150	275	348,260	3,849
Current portion of long term debt	389,779	585,477	-	127,129	-	123,760	-	6,240	1,232,385	-
<b>Total Current Liabilities</b>	<b>2,452,377</b>	<b>1,088,738</b>	<b>109,719</b>	<b>369,480</b>	<b>42,640</b>	<b>155,448</b>	<b>18,163</b>	<b>7,703</b>	<b>4,244,268</b>	<b>38,998</b>
Long-term liabilities:										
Accrued vacation, personal, and sick leave	394,079	175,693	58,211	145,322	9,451	16,987	-	-	799,743	47,620
Long term Debt	-	5,425,388	-	481,085	-	961,045	-	48,457	6,915,975	-
<b>Total Long-Term Liabilities</b>	<b>394,079</b>	<b>5,601,081</b>	<b>58,211</b>	<b>626,407</b>	<b>9,451</b>	<b>978,032</b>	<b>-</b>	<b>48,457</b>	<b>7,715,718</b>	<b>47,620</b>
<b>Total Liabilities</b>	<b>2,846,456</b>	<b>6,689,819</b>	<b>167,930</b>	<b>995,887</b>	<b>52,091</b>	<b>1,133,480</b>	<b>18,163</b>	<b>56,160</b>	<b>11,959,986</b>	<b>86,618</b>
<b>NET ASSETS</b>										
Invested in capital assets, net of related debt	30,259,074	7,262,879	306,942	10,012,106	23,438	402,623	-	206,098	48,473,160	394,096
Restricted by debt covenants	-	50,000	-	-	-	-	-	-	50,000	-
Unrestricted	14,507,631	2,364,232	965,816	2,382,584	209,910	83,260	12,064	7,636	20,533,133	3,821,939
<b>Total Net Assets</b>	<b>44,766,705</b>	<b>9,677,111</b>	<b>1,272,758</b>	<b>12,394,690</b>	<b>233,348</b>	<b>485,883</b>	<b>12,064</b>	<b>213,734</b>	<b>69,056,293</b>	<b>4,216,035</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 47,613,161</b>	<b>\$ 16,366,930</b>	<b>\$ 1,440,688</b>	<b>\$ 13,390,577</b>	<b>\$ 285,439</b>	<b>\$ 1,619,363</b>	<b>\$ 30,227</b>	<b>\$ 269,894</b>	<b>\$ 4,302,653</b>	
Adjustment to consolidate the internal service fund activities									236,091	
Total net assets per the government-wide Statement of Net Assets									<u>\$69,292,384</u>	

**CITY OF PIQUA, OHIO**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Business-type Activities							Total	Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza		
<b>OPERATING REVENUES:</b>									
Customer services	\$ 23,611,066	\$ 3,424,207	\$ 1,728,949	\$ 3,234,754	\$ 646,674	\$ 533,617	\$ 114,705	\$ 74,961	\$ 33,368,933
Penalty charges	157,454	39,536	22,128	36,602	5,020	-	-	-	260,740
Total operating revenues	23,768,520	3,463,743	1,751,077	3,271,356	651,694	533,617	114,705	74,961	33,629,673
<b>OPERATING EXPENSES:</b>									
Fossil fuels used for production	26,923	-	-	-	-	-	-	-	26,923
Purchased power	16,730,503	-	-	-	-	-	-	-	16,730,503
Salaries and employee benefits	1,677,809	957,942	491,340	1,129,216	173,441	222,515	-	64,638	4,716,901
Depreciation	1,678,367	923,917	27,349	381,726	397	81,498	-	36,818	3,130,072
Materials and supplies	331,197	102,348	27,118	214,121	37,764	126,479	10,482	21,775	871,284
Utilities	5,174	111,561	3,317	160,654	97	42,986	32,587	24,104	380,480
Outside services	1,151,764	336,220	816,318	430,502	164,592	16,232	156,313	5,354	3,077,295
Billing costs	425,759	228,599	93,894	267,443	13,803	-	-	-	1,029,498
Chemicals	-	7,503	-	171,073	-	32,682	-	10,288	221,546
Other	454,499	88,797	54,257	142,973	28,252	26,992	30,439	4,571	830,780
Total operating expenses	22,481,995	2,756,887	1,513,593	2,897,708	418,346	549,384	229,821	167,548	31,015,282
Operating income (loss)	1,286,525	706,856	237,484	373,648	233,348	(15,767)	(115,116)	(92,587)	2,614,391
<b>NON-OPERATING REVENUES(EXPENSES):</b>									
Interest on debt	(29,291)	(248,719)	-	(24,349)	-	(59,064)	-	(2,977)	(364,400)
Interest income	120,252	13,958	2,499	4,242	-	109	-	6	141,066
Net (decrease) in fair market value of investments	(37,640)	(4,849)	(1,582)	(287)	-	-	-	-	(44,358)
Other, net	(643,965)	6,893	6,298	63,735	-	(17)	14,984	(741)	(552,813)
Operating grants	94,977	-	-	-	-	2,611	-	-	97,588
Capital grants	-	-	-	-	-	-	-	-	-
Net non-operating revenues (expenses)	(495,667)	(232,717)	7,215	43,341	-	(56,361)	14,984	(3,712)	(722,917)
Transfers, in	-	-	-	-	-	127,360	112,196	69,537	309,093
Change in net assets	790,858	474,139	244,699	416,989	233,348	55,232	12,064	(26,762)	2,200,567
Total net assets-beginning of year	43,975,847	9,202,972	1,028,059	11,977,701	-	430,651	-	240,496	4,247,240
Total net assets-end of year	\$ 44,766,705	\$ 9,677,111	\$ 1,272,758	\$ 12,394,690	\$ 233,348	\$ 485,883	\$ 12,064	\$ 213,734	\$ 4,216,035
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds									48,262
Change in net assets of business-type activities									\$ 2,248,829

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-Type Activities										Total	Governmental Activities- Internal Service Funds	
	Electric	Water	Wastewater	Refuse	Storm Water	Golf	Piqa Plaza	Municipal Pool					
<b>OPERATING ACTIVITIES:</b>													
Cash received for services	\$ 23,919,500	\$ 3,279,562	\$ 3,409,847	\$ 1,747,662	\$ 611,618	\$ 532,744	\$ 107,791	\$ 75,004	\$ 33,683,728	\$ 3,192,886			
Cash paid to suppliers for goods or services	(18,852,507)	(1,456,401)	(669,385)	(1,001,113)	(213,437)	(252,070)	(219,618)	(67,939)	(22,732,470)	(3,024,205)			
Cash paid to employees for services	(1,878,171)	(1,113,963)	(939,629)	(487,983)	(152,421)	(224,971)	-	(63,300)	(4,860,438)	(256,310)			
Net cash provided by (used in) operating activities	3,188,822	709,198	1,800,833	258,566	243,760	55,703	(111,827)	(56,235)	6,090,820	(87,629)			
<b>NONCAPITAL FINANCING ACTIVITIES:</b>													
Transfers, in	-	-	-	-	-	127,360	112,196	69,537	309,093	-			
Net cash provided by (used in) noncapital financing activities	-	-	-	-	-	127,360	112,196	69,537	309,093	-			
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>													
Proceeds from issuance of bonds and notes	-	-	409,936	-	-	-	-	-	409,936	-			
Principal paid on bonds and notes	(374,779)	(122,825)	(561,210)	-	-	(111,742)	-	(5,635)	(1,176,191)	-			
Interest paid on bonds and notes	(30,810)	(24,349)	(248,719)	-	-	(59,566)	-	(3,003)	(366,447)	-			
Acquisition and construction of capital assets	(1,379,151)	(160,844)	(678,049)	-	(23,835)	-	-	(6,735)	(2,248,614)	(302,334)			
Disposals of capital assets	41,344	(246)	-	-	-	-	-	629	41,727	-			
Net cash provided by (used in) capital & related financing activities	(1,743,396)	(308,264)	(1,078,042)	-	(23,835)	(171,308)	-	(14,744)	(3,339,589)	(302,334)			
<b>INVESTING ACTIVITIES:</b>													
Purchases of investment securities	(3,228,461)	-	(1,000,250)	(300,100)	-	-	-	-	(4,528,811)	(2,550,950)			
Proceeds from sale or maturity of investment securities	1,877,961	-	450,000	100,000	-	-	-	-	2,427,961	1,220,000			
Interest received	123,376	4,453	16,467	1,635	-	110	-	6	146,047	63,437			
Net cash provided by (used in) investing activities	(1,227,124)	4,453	(533,783)	(198,465)	-	110	-	6	(1,934,803)	(1,267,513)			
<b>INCREASE, (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	218,302	405,387	189,008	60,101	221,925	11,865	369	(1,436)	1,105,521	(1,657,476)			
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	8,481,461	1,726,804	1,644,144	601,136	-	73,479	7,526	9,305	12,543,855	2,692,859			
<b>CASH AND CASH EQUIVALENTS - End of year</b>	\$ 8,699,763	\$ 2,132,191	\$ 1,833,152	\$ 661,237	\$ 221,925	\$ 85,344	\$ 7,895	\$ 7,869	\$ 13,649,376	\$ 1,035,383			
<b>OPERATING INCOME (LOSS)</b>	\$ 1,286,525	\$ 373,648	\$ 706,856	\$ 237,484	\$ 233,348	\$ (15,767)	\$ (115,116)	\$ (92,587)	\$ 2,614,391	\$ (74,169)			
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:													
Depreciation	1,678,367	381,726	923,917	27,349	397	81,498	-	36,818	3,130,072	10,489			
(Increase)/Decrease in Accounts Receivable	(336,806)	(55,528)	(62,969)	(9,713)	(40,076)	(5,004)	(21,898)	-	(531,994)	(211,491)			
(Increase)/Decrease in Inventory	(35,169)	(3,351)	-	623	-	-	-	-	(37,897)	-			
(Increase)/Decrease in Prepaids	(107)	(1,127)	(87)	-	-	-	-	-	(1,321)	164,789			
Increase/(Decrease) in Accounts Payable	16,737	(74,156)	210,227	(2,923)	31,719	(6,497)	10,203	120	185,430	2,007			
Increase/(Decrease) in Accrued Wages and Benefits	91,488	17,548	13,816	71	20,372	(3,280)	-	-	140,015	20,252			
(Increase)/Decrease in Deferred Revenues	-	-	-	-	-	(1,535)	-	-	(1,535)	-			
Net (Increase)/Decrease in Other Operating Net Assets	487,787	70,438	9,073	6,298	-	5,665	14,984	(586)	593,659	494			
Net cash provided by (used in) operating activities	\$ 3,188,822	\$ 709,198	\$ 1,800,833	\$ 258,566	\$ 243,760	\$ 55,703	\$ (111,827)	\$ (56,235)	\$ 6,090,820	\$ (87,629)			
<b>SUPPLEMENTAL INFORMATION:</b>													
Noncash activities:													
Change in fair value of investments	(37,640)	(287)	(4,849)	(1,582)	-	-	-	-	(44,358)	(23,744)			

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2010**

<b>ASSETS:</b>	<u>Private Purpose Centennial Trust</u>	<u>Agency Funds</u>
Equity in pooled cash and cash equivalents	\$ 465	\$ 16,185
Total Assets	<u>\$ 465</u>	<u>\$ 16,185</u>
 <b>LIABILITIES:</b>		
Withholdings payable		\$ 15,108
Undistributed monies		<u>1,077</u>
Total Liabilities		<u>\$ 16,185</u>
 <b>NET ASSETS</b>		
Held in trust for other purposes	<u>\$ 465</u>	

**STATEMENT OF CHANGES IN  
FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>ADDITIONS</b>	
Interest income	<u>\$ -</u>
Total additions	<u>\$ -</u>
Change in net assets	\$ -
Total net assets-beginning of year	<u>\$ 465</u>
Total net assets-end of year	<u>\$ 465</u>

See accompanying notes to the basic financial statements



**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**—The City of Piqua, Ohio, (the “City”) was incorporated in 1823 and operates under a Commission-Manager form of government. The following services are provided by the City: public safety (police and fire), highways and streets, electricity, water, wastewater, refuse, storm water, parks and recreation, public improvements, planning and zoning, public health and general governmental administrative services.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. No separate government units meet the criteria for inclusion as a component unit.

***BASIS OF PRESENTATION***

**Government-Wide Statements**—The statement of net assets and the statement of activities display information about the primary government. Eliminations have been made to minimize the double counting of internal activities. Inter-fund receivables and payables between governmental and business type activities have been eliminated in the Government-wide Statement of Net Assets. These eliminations minimize the duplicating effect on assets and liabilities within governmental and business type activities total column. Internal service fund balances, whether positive or negative, have been eliminated against the expenses and program revenues shown in the governmental activities Statement of Activities. Governmental activities, which normally are supported through taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business type activities, which rely to a significant extent on fees and charges for support. The government-wide financial statements do not include the assets and liabilities of the City’s fiduciary funds.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City’s governmental activities. Direct expenses are those that are specifically associated with a program or a function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed. When expenditure is incurred for purposes for which amounts in an unrestricted fund balance classification could be used it is the government’s policy to use assigned resources first, and then unassigned amounts as they are needed.

**Fund Financial Statements**—The fund financial statements provide information about the City’s funds. Separate statements for each fund category—governmental, agency, and business type—are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds.

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

The City reports the following major governmental funds:

**General Fund** is the general operating fund of the City. It is used to account for all financial resources traditionally associated with government, which are not required to be accounted for in another fund.

**Street Maintenance Fund**—This fund accounts for the portion of gasoline tax and motor vehicle license fees restricted for maintenance of streets.

**Street Levy Construction Fund**—This fund accounts for a .25% levied income tax restricted for the specific purpose of street construction.

**Debt Service Funds** are used to account for the resources received and used to pay principal and interest on long-term general obligation debt of governmental funds. Revenues and financing resources are derived primarily from property taxes.

**Enterprise Funds (Business type funds)** are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (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 City reports the following major enterprise funds: electric, water, wastewater, refuse, storm water, golf, Fort Piqua Plaza and municipal pool.

The City, in its business type funds, accounts for all recurring type revenues, including all revenues, which the City controls through statutory pricing or regulatory authority, as operating revenue and all recurring type expenses as operating expense. Non-recurring revenues such as gains on sales of assets and revenues over which the City has minimal or no control, primarily interest earnings, are accounted for as nonoperating revenues. Interest expense and other non-recurring expenses over which the City has minimal or no control are reported as non-operating expense.

**Internal Service Funds** are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities and information technology functions. Because these activities predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

**Fiduciary Fund Types** are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organization, other governments, and/or other funds. The City reports the following agency and/or trust funds: Unclaimed funds, Employee flexible spending fund, and a private purpose centennial trust fund.

**Basis of Accounting** - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

Government-wide and business type fund financial statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains and losses using the economic resources measurements focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds are accounted for using a current financial resources measurement focus and are reported on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to use to pay liabilities of the current period which, for the City's purposes, is considered to be 60 days after year end. Revenues considered susceptible to accrual are community development block grants, delinquent property taxes, income taxes, kwh taxes, hotel/motel taxes, franchise fees, emergency service billings, and interest on investments. Property taxes levied before year end are not recognized as revenue until the next calendar year. The fiscal period for which property taxes are levied at year-end in the State of Ohio is the succeeding calendar year.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on unmatured general long-term debt, and on special assessment indebtedness collateralized by special assessment levies, which are recognized when payment is due. Inventory and prepaid expenditures are recognized when used.

Pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, are followed in both the government-wide and business type fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent FASB guidance for their business-type activities and enterprise funds, subject to this same limitation; however, the City has elected not to follow subsequent FASB guidance.

**Cash and Cash Equivalents and Investments**—City funds are pooled and invested to improve cash management. Each fund type's portion of the pool is shown on the Statement of Net Assets as "cash and cash equivalents" and "investments". For purposes of the statement of cash flows, the business type funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The City's investment policy authorizes the City to invest in obligations of the United States Government or other investments where the principal and interest are collateralized by the full faith and credit of the United States Government, and bonds of other states, cities and political subdivisions.

**Receivables**—Receivables primarily consist of municipal income taxes, state shared revenue taxes, property taxes, kwh taxes, hotel/motel taxes, franchise fees, emergency service billings, and utility charges.

**Inventory**—Inventory is valued at average cost. The business type fund inventories are capitalized or expensed when used.

**Prepaid Expenses**—Payments made to vendors for services that will benefit beyond year-end are recorded as prepaid items.

**Capital Assets**—Capital assets are recorded based on historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value at the date

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The City defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Buildings	34 – 50 years
Land improvements other than buildings	25 – 75 years
Machinery and equipment	10 – 30 years
Vehicles	7 – 10 years
Computer equipment	5 years
Public domain infrastructure	45 years
Rolling stock	5 years
Sewer and water lines and underground piping	34 – 50 years

***Fund Balance Classifications***—Fund balance is reported as restricted when constraints placed on the use of resources are either: a. externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b. imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Commission enacts legislation requiring specific revenue to be used for a special purpose. The City Commission can modify or rescind that legislation at any time through additional legislation.

Fund balance is reported as assigned when a revenue source is not previously restricted or committed but the management of the City in their professional opinion determines that the assigning of the revenue is the desire of the City Commission and in the best interest of the City.

***Use of Estimates***—The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

***Deferred Revenue***— Pertains to the City’s adoption of Bulletin 96-013 from the Auditor of State which deals with the recognition of entitlements and state shared revenues, as well as locally levied, income and estate taxes.

***Grants and Other Intergovernmental Revenues***—Federal grants, assistance awards made on the basis of entitlement periods, are recorded as intergovernmental receivables and revenues when entitlement occurs and other reimbursement-type grants are recorded as intergovernmental receivables and revenues when eligible expenditures/expenses are incurred.

***Compensated Absences***—City employees are granted vacation, personal and sick leave. These leave benefits are accrued as a liability using the vesting method. The liability is based on the leave accumulated at December 31 by those employees who are currently eligible to receive termination payments as well as leave accumulated by those employees expected to become eligible to receive termination benefits in the future. In the event of

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
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termination, an employee may be reimbursed for accumulated vacation, personal and sick leave at various rates based on years of service. Vested vacation, personal, and sick leave is recorded as an expense in the government-wide statements for the period in which the leave was earned. For governmental fund type employees, an expenditure is recorded in the governmental funds' statements for only the portion of vested vacation, personal and sick leave that is expected to be liquidated with expendable available resources in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board-Recognition and Measurement of Certain Liabilities and Expenditure in Government Fund Financial Statements.

Vested vacation, personal, and sick leave is recorded as an expense in both the government wide statements and statements for all business type funds. Payment of vacation, personal and sick leave recorded in the government-wide financial statements is dependent upon many factors; therefore, timing of future payments is not readily determinable. Management believes that sufficient resources will be made available when payment is due.

#### **B. POOLED CASH DEPOSITS AND INVESTMENTS**

In 2005, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 40 "Deposit and Investment Risk Disclosures-an amendment of GASB Statement No. 3."

*Deposits*—Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. At December 31, 2010 the City had cash on hand in the amount of \$4,675.

At December 31, 2010, the carrying amount of the City's deposits was \$21,224,826 while the balance as shown by the bank statements was \$21,699,728. As of December 31, 2010, \$19,438,530 of the City's bank balance was exposed to custodial risk as discussed above, while \$2,261,198 was covered by Federal Deposit Insurance.

*Investments*—The ORC, the City's charter, and the City's investment policy authorize the City to invest in the State Treasury Asset Reserve of Ohio (STAR Ohio), certificates of deposit, repurchase agreements, United States treasury bills and notes, notes issued by United States agencies, bankers' acceptances and commercial paper of the highest rating. All investments are reported at fair value which is based on quoted market prices.

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 Securities Exchange Commission as an investment company but does operate in a manner similar to rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at the pool's share price, which is the price for which the investment could be sold for on December 31, 2010.

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of a failure of a depository institution or counterparty to a transaction, the City will be unable to recover the value of deposits, investments or collateral securities in the possession of an outside party. Except in regards to repurchase agreements, the City's investment policy does not address custodial credit risk. At December 31, 2010, all investments were registered in the name of the City.

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
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**Foreign Currency Risk** – Foreign currency risk is the risk that changes in exchange rates between the U.S. Dollar and foreign currencies could adversely affect an investment’s fair value. The City does not have a formal investment policy regarding foreign currency risk. The City had no exposure to foreign currency risk at year end.

**Credit Risk** – Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The City does not have a formal investment policy regarding exposure to credit risk. The City’s exposure to credit risk, based on both Moody’s and Standard & Poor’s Credit Ratings, is as follows:

<u>Investment Type</u>	<u>Quality Rating</u>	<u>Fair Value</u>
City of Piqua Bonds	Non-Rated	\$ 390,665
U.S. Government Agency Obligations	AAA	8,438,359
STAR Ohio	AAAm	<u>4,419,051</u>
Total		<u>\$13,248,075</u>

**Concentration of Credit Risk** – Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by lack of diversification. The following table includes the percentage to total of each investment type held by the City at December 31, 2010.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
City of Piqua Bonds	\$ 390,665	2.95%
FHLB	5,979,564	45.14%
FNMA	2,458,795	18.56%
STAR Ohio	<u>4,419,051</u>	<u>33.35%</u>
Total	<u>\$13,248,075</u>	<u>100.00%</u>

Except for investments in STAR Ohio, no more than 15% of the City’s total investment portfolio will be invested in a single security type or with a single financial institution. Contrary to the City’s policy, the City maintained greater than 15% of its investment portfolio in FHLB securities and FNMA securities at December 31, 2010

**Interest Rate Risk** – Interest rate risk is the risk that an interest rate change could adversely affect an investment’s fair value. According to the City’s investment policy, the maximum maturity for any single security may not exceed 5 years.

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>			<u>Total Fair Value</u>
	<u>Less than 1</u>	<u>1 - 5</u>	<u>Greater than 5</u>	
City of Piqua Bonds & Notes	\$ 35,965	\$ 166,376	\$ 188,324	\$ 390,665
FHLB		5,979,564		5,979,564
FNMA		2,458,795		2,458,795
STAR Ohio	<u>4,419,051</u>			<u>4,419,051</u>
Total	<u>\$4,455,016</u>	<u>\$8,604,735</u>	<u>\$ 188,324</u>	<u>\$13,248,075</u>

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

**C. PROPERTY TAXES**

Property tax revenues include amounts collected for all real, public utility and tangible (used in business) property located in the City. Property taxes are levied each January 1 on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor for real and public utility property at 35% of appraised market value, and for tangible property at 25% of appraised market value (excluding the first \$10,000 of value). Property values are required to be updated every three years and revalued every six years. A revaluation was completed in 2007.

The property tax calendar is as follows:

Levy date	January 1, 2009
Lien date	January 1, 2010
Tax bill mailed	January 20, 2010
First installment payment due	February 20, 2010
Second installment payment due	July 20, 2010

The assessed values for the City at January 1, 2010 were as follows:

Real estate	\$ 331,920,190
Tangible personal property	<u>2,239,240</u>
Total	<u>\$ 334,159,430</u>

The County Treasurer collects property taxes on behalf of taxing districts, including the City of Piqua. The County Auditor periodically remits to the City its portion of taxes collected. Property taxes may be paid on either an annual or semiannual basis. Although total property tax collections for the next fiscal year are measurable, amounts to be received are not available at December 31, 2010, nor are they intended to finance 2010 operations. Therefore, the City has recorded property taxes receivable with a corresponding amount as deferred revenue.

Ohio law prohibits taxation of property in excess of \$10 per \$1,000 (10.0 mills) of assessed value without a vote of the citizens. The City's share is currently \$3.70 (3.7 mills) of assessed value. In 2010, the City also received an additional 0.60 mills to fund the Pension Refunding Bonds, and 0.12 mills for costs of the Miami Conservancy District.

House Bill 66 phases out the tax on tangible personal property. The tax is phased out by reducing the assessment rate on the property each year. In the first five years, the City is fully reimbursed for the lost revenue. Reimbursements to the City are then phased out in the following seven years.

**D. INCOME TAXES**

The City levies a 1.75% income tax on all income earned within the City. Income tax in excess of 1% is voter approved. Income tax is allocated by fund in accordance with voter and commission authorizations. In addition, City residents pay City tax on income earned outside the City; however, a credit is allowed for income taxes paid to other municipalities.

Employers within the City withhold income tax on employee compensation and remit payments at least quarterly. Corporations and other individual taxpayers pay estimated taxes quarterly and file an annual declaration.

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

**E. OTHER TAXES**

The caption "State Shared Taxes" on the Statement of Activities is comprised of taxes levied by the State or the County and distributed to the City. The components of the number are as follows:

Estate taxes	\$ 348,320
Local government revenue assistance	963,802
Gasoline taxes	726,015
Vehicle license taxes	423,618
Miscellaneous other taxes	<u>530,673</u>
	<u>\$ 2,992,428</u>

The City has two locally issued taxes; a KWH tax totaling \$1,122,997 which is recognized based upon sales of electrical services, and a hotel/motel tax totaling \$50,441 which is recognized based upon 3% of gross receipts.

**F. RECEIVABLES**

Governmental receivables at year end, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investment, accounts and notes receivable. Loans receivable represent an economic development loan in the amount of \$12,508,303 for the restoration of the historic Fort Piqua Hotel into a library and conference/banquet center; and real estate second mortgages which are partially forgivable over five to fifteen year periods netted by an estimated allowance for forgiveness or amounts uncollectible. The real estate second mortgages are \$1,092,740 with an estimated allowance for forgiveness of \$1,085,590.

Business type receivables at year end consisted primarily of billed and unbilled utility revenues, and interest receivable on investments.



**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

**G. CAPITAL ASSETS**

A summary of changes in general capital assets is as follows:

	Beginning Balance	Increases	Decreases	Construction In Process Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 4,528,378	\$ -	\$ -	\$ -	\$ 4,528,378
Infrastructure land	1,374,365	-	-	-	1,374,365
Construction in progress	<u>1,235,372</u>	<u>1,307,429</u>	<u>-</u>	<u>(1,449,028)</u>	<u>1,093,773</u>
Assets not depreciated	<u>7,138,115</u>	<u>1,307,429</u>	<u>-</u>	<u>(1,449,028)</u>	<u>6,996,516</u>
Capital assets being depreciated:					
Buildings and improvements	11,377,929	-	-	339,536	11,717,465
Furniture, fixtures and equipment	11,246,932	235,683	(157,034)	352,369	11,677,950
Infrastructure	<u>31,736,053</u>	<u>-</u>	<u>-</u>	<u>757,123</u>	<u>32,493,176</u>
Depreciated capital assets	54,360,914	235,683	(157,034)	1,449,028	55,888,591
Accumulated depreciation:					
Buildings and improvements	(2,514,460)	(248,143)	-	-	(2,762,603)
Furniture, fixtures and equipment	(8,741,806)	(656,997)	148,444	-	(9,250,359)
Infrastructure	<u>(6,940,225)</u>	<u>(704,540)</u>	<u>-</u>	<u>-</u>	<u>(7,644,765)</u>
Total accumulated depreciation	<u>(18,196,491)</u>	<u>(1,609,680)</u>	<u>148,444</u>	<u>-</u>	<u>(19,657,727)</u>
Net capital assets being depreciated	<u>\$36,164,423</u>	<u>\$(1,373,997)</u>	<u>\$ (8,590)</u>	<u>\$ 1,449,028</u>	<u>\$36,230,864</u>
Net capital assets	<u>\$ 43,302,538</u>	<u>\$ (66,568)</u>	<u>\$ (8,590)</u>	<u>\$ -</u>	<u>\$ 43,227,380</u>

\* Depreciation expense was charged to governmental functions as follows:

General governmental	\$ 219,994
Public safety	259,748
Street repairs and maintenance	1,039,100
Parks	78,226
Community Development	<u>2,123</u>
Governmental functions depreciation expense	1,599,191
Information technology (internal service fund)	<u>10,489</u>
Total depreciation expense	<u>\$1,609,680</u>

**CITY OF PIQUA, OHIO**  
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A summary of changes in enterprise fund capital assets is as follows:

	Beginning Balance	Increases	Decreases	Construction In Process Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 653,022	\$ -	\$ -	\$ 178,527	\$ 831,549
Construction in progress	<u>5,502,526</u>	<u>1,672,194</u>	<u>-</u>	<u>(5,094,398)</u>	<u>2,080,322</u>
Assets not depreciated	<u>6,155,548</u>	<u>1,672,194</u>	<u>-</u>	<u>(4,915,871)</u>	<u>2,911,871</u>
Capital assets being depreciated:					
Land improvements	1,461,318	-	-	-	1,461,318
Buildings and improvements	34,945,457	-	(6,580)	3,646,935	38,585,812
Furniture, fixtures and equipment	83,591,839	576,420	(1,593,708)	1,268,936	83,843,487
Intangible assets	<u>2,770,781</u>	<u>-</u>	<u>(31,351)</u>	<u>-</u>	<u>2,739,430</u>
Depreciated capital assets	122,769,395	576,420	(1,631,639)	4,915,871	126,630,047
Accumulated depreciation:					
Land improvements	(744,891)	(22,241)	-	-	(767,132)
Buildings and improvements	(16,547,036)	(1,045,713)	5,951	-	(17,586,798)
Furniture, fixtures and equipment	(51,928,773)	(1,979,073)	542,484	-	(53,365,362)
Intangible assets	<u>(1,131,740)</u>	<u>(83,045)</u>	<u>13,679</u>	<u>-</u>	<u>(1,201,106)</u>
Total accumulated depreciation	<u>(70,352,440)</u>	<u>(3,130,072)</u>	<u>562,114</u>	<u>-</u>	<u>(72,920,398)</u>
Net capital assets being depreciated	<u>52,416,955</u>	<u>(2,553,652)</u>	<u>(1,069,525)</u>	<u>4,915,871</u>	<u>53,709,649</u>
Net capital assets	<u>\$ 58,572,503</u>	<u>\$ (881,458)</u>	<u>\$(1,069,525)</u>	<u>\$ -</u>	<u>\$ 56,621,520</u>

\* Depreciation expense was charged to enterprise functions as follows:

Electric	\$ 1,678,367
Water	381,726
Wastewater	923,917
Refuse	27,349
Storm Water	397
Golf	81,498
Municipal Pool	<u>36,818</u>
Total depreciation expense	<u>\$ 3,130,072</u>

There was no capitalized interest for the fiscal year 2010.

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**H. LONG-TERM LIABILITIES**

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

Long-term liability activity for the year ended December 31, 2010 was as follows:

	<b>Maturity Dates</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Governmental activities:</b>						
Ohio Capital Asset Series 2009 3.53%	12/1/2018	\$ 360,000	-	\$ 35,000	\$ 325,000	\$ 35,000
Building facility bonds, 5.97%	12/1/2010	<u>515,000</u>	-	<u>515,000</u>	-	-
Total governmental general obligation bonds		875,000	-	550,000	325,000	35,000
Taxable revenue bonds, 7.12%	12/1/2017	2,010,000	-	210,000	1,800,000	220,000
Special assessment bonds, 9% (See note below)*	12/15/2021	62,602	55,953	22,891	95,664	15,965
State Infrastructure Bank Note, 3%	4/29/2020	1,209,859	17,824	68,462	1,159,221	140,020
Compensated absences		1,717,158	731,641	728,189	1,720,610	521,709
Restricted deposits		16,543	6,658	-	23,201	-
Other—Pension refunding bonds, 6.25%	12/01/2020	<u>315,000</u>	-	<u>20,000</u>	<u>295,000</u>	<u>20,000</u>
Total governmental long-term liabilities		<u>\$ 6,206,162</u>	<u>\$ 812,076</u>	<u>\$ 1,599,542</u>	<u>\$ 5,418,696</u>	<u>\$ 952,694</u>

\* Special assessment bonds mature annually on 12/15 through 2021.

**Business-Type Activities:**

Electric G.O. bonds, 2.0%-3.4%	11/15/2011	\$ 764,558	\$ -	\$ 374,779	\$ 389,779	\$ 389,779
OWDA Loan-1995, 4.56%	1/1/2015	2,242,199	-	408,901	1,833,298	427,760
OWDA Loan-2009, 3.52%	1/1/2030	3,919,940	409,936	152,309	4,177,567	157,717
OWDA Loan-2005, 3.5%	7/1/2015	659,295	-	110,708	548,587	114,616
OWDA Loan-2006, 3.25%	7/1/2015	71,743	-	12,116	59,627	12,513
Recreational facility bonds G.O., 2.0%-4.1%	11/15/2018	1,256,879	-	117,377	1,139,502	130,000
Compensated Absences		<u>1,020,247</u>	<u>423,006</u>	<u>291,641</u>	<u>1,151,612</u>	<u>351,869</u>
Total long-term liabilities		<u>\$ 9,934,861</u>	<u>\$ 832,942</u>	<u>\$ 1,467,831</u>	<u>\$ 9,299,972</u>	<u>\$ 1,584,254</u>

The terms of the various bonds include certain covenants, which provide for, among other things, minimum debt coverage ratios, maintenance of insurance and restrictions regarding disposal of property.

The full faith and credit of the City are pledged as collateral for all General Obligation Bonds.

Ohio Water Development Authority (“OWDA 1995”) Wastewater Sewer Project Notes are issued under a cooperative agreement for construction, maintenance and operation of a state sewer project. Payments to the OWDA will be made from the utility’s pledged future revenues. The total principal and interest remaining to be paid on the note is \$2,026,147. Principal and interest paid for the current year and total customer net revenues were \$506,537 and \$1,651,624, respectively.

Ohio Water Development Authority (“OWDA 2009”) Wastewater Sewer Project Notes are issued under a cooperative agreement for construction, maintenance and operation of a state sewer project. Payments to the

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OWDA will be made from the utility's pledged future revenues. The total principal and interest payments remaining to be paid on the note is \$5,764,445. Principal and interest paid for the current year and total customer net revenues were \$303,392 and \$1,651,624, respectively.

Ohio Water Development Authority ("OWDA 2005" & "OWDA 2006") drinking water assistance notes are issued under a cooperative agreement for construction maintenance and operation of the City's Hydropillar Water Tower. Payments to the OWDA will be made from the utility's pledged future revenues. The total principal and interest remaining to be paid on the notes is \$662,274. Principal and interest paid for the current year and total customer net revenues were \$147,172 and \$823,351, respectively.

State Infrastructure Bank Revenue Note was issued to finance a joint city/county road widening project. The city's .25% income tax revenues from the Street construction fund and county highway use funds have been pledged for a ten year period ending in 2020. The total principal and interest remaining to be paid on the note is \$1,303,156. The city's .25% income tax levy will pay two thirds of the principal and interest with the remaining one third from county highway use funds. The estimated annual principal and interest payments represent 11.5% of the estimated net revenues from this tax levy.

Taxable Economic Development Bonds were issued to facilitate the rehabilitation of Fort Piqua Hotel complex. Net project revenues and non tax revenues will be used for the repayment of the bonds. Principal and interest paid for the current year totaled \$353,112.

The Special Assessment Bonds which are held for investment by other City funds were issued annually to finance the public's costs associated with various street reconstruction projects. The total principal and interest remaining to be paid on the bonds is \$127,350. Principal and interest paid for the current year and total net revenue were \$28,525 and 42,144 respectively.

Restricted deposits are confiscated funds held under court order until released by judicial authority.

The annual requirements to pay principal and interest on long-term obligations at December 31, 2010 are listed as follows:

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Year Ending December 31	General Obligation Bonds				Notes Payable			
	Governmental Activities		Business Type Activities		Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	35,000	12,650	507,155	59,150	140,020	33,734	712,606	244,495
2012	35,000	11,513	122,376	41,170	144,252	29,502	742,391	214,710
2013	40,000	10,463	127,376	36,310	148,612	25,142	773,442	183,659
2014	40,000	9,063	132,374	31,130	153,104	20,650	806,019	151,081
2015	40,000	7,563	150,000	25,620	157,731	16,023	253,670	123,308
2016—2020	135,000	12,036	490,000	40,310	415,502	18,884	1,007,992	508,967
2021—2025	-	-	-	-	-	-	1,200,130	316,829
2026—2030	-	-	-	-	-	-	1,122,829	90,737
<b>Total</b>	<b>\$ 325,000</b>	<b>\$ 63,288</b>	<b>\$ 1,529,281</b>	<b>\$ 233,690</b>	<b>\$ 1,159,221</b>	<b>\$ 143,935</b>	<b>\$ 6,619,079</b>	<b>\$ 1,833,786</b>

Year Ending December 31	Pension Bonds		Special Assessment Bonds		Taxable Revenue Bonds Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
	2011	20,000	18,438	15,965	8,610	220,000
2012	25,000	17,188	17,223	7,173	235,000	112,496
2013	25,000	15,625	17,220	5,623	245,000	95,764
2014	25,000	14,062	13,971	4,073	255,000	78,320
2015	30,000	12,500	12,962	2,816	275,000	60,164
2016—2020	170,000	33,437	17,214	3,291	570,000	61,232
2021—2025	-	-	1,109	100	-	-
2026—2030	-	-	-	-	-	-
<b>Total</b>	<b>\$ 295,000</b>	<b>\$ 111,250</b>	<b>\$ 95,664</b>	<b>\$ 31,686</b>	<b>\$ 1,800,000</b>	<b>\$ 536,136</b>

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

<u>Obligation</u>	<u>Fund</u>
General obligation bonds	General Fund, Electric, Golf, Pool, and Debt Service
Pension refunding bonds	General Fund and Debt Service
Taxable revenue bonds	General Fund and Debt Service
Special assessment bonds	Debt Service
Ohio water development authority notes	Water, Wastewater, and Debt Service
Restricted deposits	General Fund
Compensated absences	General Fund, Street Maintenance, Community Development, Electric, Water, Wastewater, Refuse, Storm Water, Golf, and Information Technology
State infrastructure bank notes	Street Construction Fund and Debt Service

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**I. INTERFUND TRANSACTIONS**

During the course of normal operations, the City has numerous transactions among funds which caused interfund balances from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund receivable and payable balances at December 31, 2010 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 143,289	\$ -
Street Levy Construction	-	6,819
Non-major Governmental Funds	-	136,470
	<u>\$ 143,289</u>	<u>\$ 143,289</u>

Transfers are used to move revenues; from the fund that statute or budget requires to collect them, to the fund that the statute or budget requires to expend them; or moving unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; or to provide additional resources for current operations or debt service. Interfund transfers for the year ended December 31, 2010 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental		
General Fund	\$ -	\$ 1,245,035
Street Levy Construction	-	121,627
Debt Service	1,057,569	-
Proprietary		
Golf	127,360	-
Fort Piqua Plaza	112,196	-
Municipal Pool	69,537	-
	<u>\$ 1,366,662</u>	<u>\$ 1,366,662</u>

Transfers out of the Street Levy Construction fund was used to reimburse the City's debt service funds.

**J. PENSION PLAN OBLIGATIONS**

Both the Ohio Police and Fire Pension Fund ("OP&F") and the Ohio Public Employees Retirement System ("OPERS") are reported using GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers". Substantially all City employees are covered by one of the two cost-sharing multiple-employer defined benefit pension plans, namely, the Ohio Police and Fire Pension Fund ("OP&F") or the Ohio Public Employees Retirement System ("OPERS"). The systems provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

**Police and Fire Disability Pension Fund Plan**—Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available

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financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively for police officers and firefighters. The contribution requirements for the years ended December 31, 2010, 2009 and 2008 were \$1,370,792, \$1,370,823 and \$1,407,327, which consisted of \$937,064, \$937,247 and \$962,921 from the City and \$433,728, \$433,576, and \$444,405 from the employees, respectively, or 55% of the required contributions for 2010 and 75% of the required contributions for 2009 and 77% of the required contributions for 2008. The unpaid portion of \$242,312 is reported as liability in the respective funds.

***Public Employees Retirement System***—Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-PERS (7377).

OPERS administers three separate pension plans as described below:

The Traditional Pension Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan.

The Member-Directed Plan (MD) – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

The Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

The Ohio Revised Code also provides statutory authority for member and employer contributions. For 2010, member and employer contribution rates were consistent across all three plans (TP, MD, and CO).

Plan members are required to contribute 10% of their annual covered salary and the City is required to contribute 14%. The City's contributions to the plan for the years ending December 31, 2010, 2009 and 2008 were \$1,711,042, \$1,744,218, and \$1,843,620 respectively, equal to the required contributions for the year.

#### **K. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Both the OPERS and the OP&F provide post-retirement health care coverage as defined by GASB Statement No. 45 "Accounting by employers for post-employment benefits other than pension". For both systems, the Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions.

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***Police and Firemen's Disability Pension Fund OPEB***—The fund provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 28. The Ohio Revised Code provides that health care costs paid shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll.

The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer health care coverage to all eligible employees and is administrated as an Internal Revenue Code 401(h) account within the defined benefit pension plan. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.75% of covered payroll in 2010 and 2009 respectively. Beginning in 2001, active members do not make contributions to the OPEB, all retirees and survivors make monthly health care contributions.

The number of participants eligible to receive health care benefits statewide as of December 31, 2009, the date of the last actuarial valuation available, was 14,797 for police and 10,915 for firemen. OP&F's total health care expense for the year ending December 31, 2009, the date of the last actuarial valuation available, was \$168,744,032, which was net of member contributions of \$59,148,831. The City's contributions that were used to pay post employment benefits by Ohio Police and Fire for the years ended December 31, 2010, 2009, and 2008 were \$292,766, \$292,473, and \$299,776 respectively.

***Public Employees Retirement System OPEB***— OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to OPERS (See Note J) is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority for employer contributions and for requiring public employers to fund pension and post-retirement health care through their contributions to OPERS. The 2010 employer contribution rate for local government employer units was 14% of covered payroll, of which 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010 was used to fund health care for the year.

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) - a defined contribution plan; and the Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

***Health Care:*** OPERS post employment health care plan was established under, and is administrated in accordance with internal revenue code 401(h). Each year, the OPERS Board of Trustee determines the portion of the employer contribution rate (14% in 2010) that will be set aside for funding of post employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan



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was 5.5% from January 1 through February 28, 2010 and 5% from March 1 through December 31, 2010. The portion of employer contribution allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. The OPERS board of trustee is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions that were used to pay post employment benefits by Ohio Public Employee Retirement System for the years ended December 31, 2010, 2009, and 2008 were \$362,094, \$424,707, and \$537,720 respectively.

The Health Care preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective on January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, to 2008, which allowed additional funds to be allocated to the health care plan.

**L. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code ("IRC") Section 457. The plan, which is available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

**M. OHIO PROFESSIONAL FIRE FIGHTERS DEFERRED COMPENSATION PROGRAM**

In addition to the Ohio Public Employees Deferred Compensation Program; the City offers its sworn fire officers an optional deferred compensation plan created in accordance with Internal Revenue Code ("IRC") Section 457. The plan which is only available to sworn fire officers permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**N. CONTINGENCIES**

Certain claims and suits have been filed or are pending against the City. Management believes that the liability, if any, which may result would not have a material adverse effect on the financial position of the City.

The City participates in several federally assisted programs, which are subject to program compliance audits by the grantors or their representatives. A single financial and compliance audit of the City has been completed with no findings for recovery. The grantor agencies, at their option, may perform economy and efficiency audits, program results audits or conduct monitoring visits. Such audits and visits could lead to reimbursement to the grantor agencies. Management believes such reimbursements, if any, would not be material.

**O. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In 2002, the City joined a joint insurance pool, Miami Valley Risk Management Association, Inc. ("MVRMA") with other local cities. The pool has been operational since December 1988, and was formed in accordance with Section 2744.081 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public officials liability coverage

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up to the limits stated below. Membership in MVRMA is intended to provide broad-based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty-member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. Management is provided by an executive director, who is assisted by a claims manager, a full-time loss control manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.

The City pays an annual member contributions premium to MVRMA for this coverage. The agreement provides that MVRMA will be self-sustaining through member contributions premiums and the purchase of excess insurance and reinsurance. The city's deductible per occurrence for all types of claims is \$2,500. During 2010, MVRMA'S per-occurrence retention limit for property was \$500,000, with the exception of boiler and machinery for which there was a \$5,000 per occurrence retention limit.

Excess insurance and/or reinsurance will cover up to the limits stated below:

General Liability (including law enforcement)	\$10,000,000 per occurrence/ excess \$1,000,000 sir
Automobile Liability	\$10,000,000 per occurrence/excess \$1,000,000 sir
Police Professional Liability	\$10,000,000 excess \$1,000,000 (\$10,000,000 aggregate per city)
Boiler and Machinery	\$100,000,000 per occurrence
Property	\$1,000,000,000 per occurrence
Flood and Earthquake	\$25,000,000 per occurrence and annual aggregate
Employment Practices Liability and Public Officials Liability	\$10,000,000 excess \$1,000,000 (\$10,000,000 annual combined aggregate per city)

The City joined a workers' compensation group rating plan, which allows local governments to group the experience of employers for workers' compensation rating purposes. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries.

The City employee's health plan is provided through a fully insured plan with United Healthcare and is accounted for and financed through an internal service fund.

**P. RELATED PARTY DISCLOSURES**

The current City Manager, Fred Enderle, is the Vice-President of the Fort Piqua Redevelopment Corporation, which is the general partner of the City of Piqua Downtown Redevelopment Project, L.P. The City of Piqua Downtown Redevelopment Project L.P. restored the historical Fort Piqua Hotel into a library and conference/banquet center. To date the City has loaned the project \$12,508,303 which will be funded 75% from donations, grants, and state tax credits reimbursements.

**Q. PURCHASED POWER**

The City's electric distribution system during 2010 purchased wholesale electric power from American Municipal Power Inc. Amp provides the remaining power requirements with purchases from various sources

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including the New York Power Authority. In 2007, the city entered into two long term purchased power commitment contracts with Amp. These are the Prairie State Energy Campus Project (20 megawatts), and the Ohio River Hydroelectric Project (6 megawatts). These projects when completed in 2012 will provide firm power commitments through American Municipal Power Inc.

**R. FUND RECLASSIFICATION & RESTATEMENT OF FUND BALANCE**

The changes to beginning fund balance are as follows:

	<u>General Fund</u>	<u>Other Governmental</u>
Fund Balance, December 31, 2009	\$19,525,144	\$579,056
Adjustments:		
Reclassification of Hotel Note Receivable	<u>442,207</u>	<u>(442,207)</u>
Fund Balance, December 31, 2009	<u>\$19,967,351</u>	<u>\$136,849</u>

**S. FUND BALANCE COMPONENTS**

Under the guidelines of GASB statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions"; the City has reported non spendable fund balance of \$12,523,022. This is comprised of amounts in non-spendable form for non-current loans receivable for the Fort Piqua Plaza of \$12,508,303, low income mortgage assistance loans of \$7,150, and prepaid items of \$7,569. The City reported restricted fund balance of \$4,230,383, which is comprised of debt restrictions of \$385,122, donor restrictions of \$21,376, grant restrictions of \$45,454, and legislative restrictions of \$3,778,431. The City reported assigned fund balance of \$3,006,615, which is comprised of amounts management has set aside for; future equipment purchases of \$348,969, encumbrances of \$444,702, and managerially assigned assets of \$2,212,944. The City reported un-assigned fund balance of \$5,346,681.

**REQUIRED SUPPLEMENTAL  
INFORMATION**

CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION  
 BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND  
 FOR YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Municipal income tax	\$ 5,019,429	\$ 5,019,429	\$ 5,141,225	\$ 121,796
Property taxes	1,244,052	1,267,625	1,263,334	(4,291)
State shared revenues	1,437,044	1,550,258	1,666,606	116,348
Locally levied taxes	1,148,500	1,149,453	1,173,438	23,985
Licenses, permits, fees	956,935	982,961	1,050,689	67,728
Grants-capital	250,097	102,193	46,675	(55,518)
Grants-operating	23,919	49,155	74,899	25,744
Interest income	111,115	93,520	140,220	46,700
Increase in fair value of investments	-	-	(22,591)	(22,591)
Donations:				
Capital	9,891	9,000	-	(9,000)
Operating	-	8,910	541,910	533,000
Other fines, rents, and reimbursements	98,601	437,900	447,568	9,668
Total revenues	<u>10,299,583</u>	<u>10,670,404</u>	<u>11,523,973</u>	<u>853,569</u>
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT ADMINISTRATION:</b>				
City building:				
Personal services/administrative support	21,474	10,065	580	9,485
Operating expenditures	73,635	93,025	80,512	12,513
Total city building	<u>95,109</u>	<u>103,090</u>	<u>81,092</u>	<u>21,998</u>
City commission:				
Personal services/administrative support	34,123	34,045	33,889	156
Operating expenditures	44,913	43,615	37,760	5,855
Total city commission	<u>79,036</u>	<u>77,660</u>	<u>71,649</u>	<u>6,011</u>
Office of city manager:				
Personal services/administrative support	60,818	57,146	56,353	793
Operating expenditures	5,443	6,399	5,265	1,134
Total office of city manager	<u>66,261</u>	<u>63,545</u>	<u>61,618</u>	<u>1,927</u>
Purchasing department:				
Personal services/administrative support	1,806	1,618	1,596	22
Operating expenditures	110	100	96	4
Total purchasing department	<u>1,916</u>	<u>1,718</u>	<u>1,692</u>	<u>26</u>
Law department:				
Personal services/administrative support	77,711	75,569	73,781	1,788
Operating expenditures	6,782	7,536	6,461	1,075
Total law department	<u>84,493</u>	<u>83,105</u>	<u>80,242</u>	<u>2,863</u>
Finance department:				
Personal services/administrative support	179,486	162,927	151,241	11,686
Operating expenditures	7,607	7,346	6,203	1,143
Total finance department	<u>187,093</u>	<u>170,273</u>	<u>157,444</u>	<u>12,829</u>

See notes to required supplemental information

(Continued)

**CITY OF PIQUA, OHIO**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND**  
**FOR YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Human resources department:				
Personal services/administrative support	25,908	22,863	22,816	47
Operating expenditures	2,674	1,998	1,608	390
Total human resources department	<u>28,582</u>	<u>24,861</u>	<u>24,424</u>	<u>437</u>
Engineering department:				
Personal services/administrative support	63,730	62,508	58,724	3,784
Operating expenditures	5,756	5,285	4,937	348
Total engineering department	<u>69,486</u>	<u>67,793</u>	<u>63,661</u>	<u>4,132</u>
Income tax department:				
Personal services/administrative support	200,012	167,252	160,908	6,344
Operating expenditures	180,097	177,174	159,927	17,247
Total income tax department	<u>380,109</u>	<u>344,426</u>	<u>320,835</u>	<u>23,591</u>
Planning and zoning:				
Personal services/administrative support	179,288	170,888	160,765	10,123
Operating expenditures	34,868	17,118	14,980	2,138
Total planning and zoning	<u>214,156</u>	<u>188,006</u>	<u>175,745</u>	<u>12,261</u>
General government:				
Operating expenditures	207,705	264,922	225,739	39,183
Total general government	<u>207,705</u>	<u>264,922</u>	<u>225,739</u>	<u>39,183</u>
Civil Service Commission:				
Operating expenditures	16,300	15,125	14,676	449
Total civil service commission	<u>16,300</u>	<u>15,125</u>	<u>14,676</u>	<u>449</u>
Pro Piqua:				
Operating expenditures	42,497	45,575	41,500	4,075
Total pro piqua	<u>42,497</u>	<u>45,575</u>	<u>41,500</u>	<u>4,075</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>1,472,743</u>	<u>1,450,099</u>	<u>1,320,317</u>	<u>129,782</u>
<b>FORT PIQUA PLAZA RECONSTRUCTION:</b>				
Operating expenditures	-	2,280	2,279	1
Total fort piqua plaza reconstruction	<u>-</u>	<u>2,280</u>	<u>2,279</u>	<u>1</u>
<b>PUBLIC SAFETY:</b>				
Fire department:				
Personal services/administrative support	3,271,165	3,243,770	3,185,495	58,275
Operating expenditures	384,633	344,029	312,645	31,384
Capital	329,980	40,000	23,138	16,862
Total fire department	<u>3,985,778</u>	<u>3,627,799</u>	<u>3,521,278</u>	<u>106,521</u>
Police department:				
Personal services/administrative support	3,958,214	3,733,588	3,497,306	236,282
Operating expenditures	588,124	575,723	463,214	112,509
Capital	198,300	180,600	158,983	21,617
Total police department	<u>4,744,638</u>	<u>4,489,911</u>	<u>4,119,503</u>	<u>370,408</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>8,730,416</u>	<u>8,117,710</u>	<u>7,640,781</u>	<u>476,929</u>

See notes to required supplemental information

(Continued)

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>NEIGHBORHOOD IMPROVEMENT TEAM:</b>				
Personal services/administrative support	4,424	3,771	3,769	2
Operating expenditures	21,876	6,628	5,490	1,138
Total neighborhood improvement team	<u>26,300</u>	<u>10,399</u>	<u>9,259</u>	<u>1,140</u>
<b>HEALTH:</b>				
Personal services/administrative support	346,431	265,118	254,730	10,388
Operating expenditures	104,177	91,889	81,685	10,204
Total health department	<u>450,608</u>	<u>357,007</u>	<u>336,415</u>	<u>20,592</u>
<b>PIQUA TREE DONATIONS:</b>				
Operating expenditures	11,517	13,439	9,339	4,100
Total Piqua Tree Donations department	<u>11,517</u>	<u>13,439</u>	<u>9,339</u>	<u>4,100</u>
<b>PARKS AND RECREATION:</b>				
Personal services/administrative support	432,941	358,947	302,348	56,599
Operating expenditures	253,907	221,847	159,629	62,218
Capital	101,000	12,000	1,043	10,957
Total parks and recreation	<u>787,848</u>	<u>592,794</u>	<u>463,020</u>	<u>129,774</u>
Total expenditures	<u>11,479,432</u>	<u>10,543,728</u>	<u>9,781,410</u>	<u>762,318</u>
Excess (deficiency) of revenues over expenditures:	(1,179,849)	126,676	1,742,563	1,615,887
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposal of fixed assets	-	54,273	54,980	707
Transfers out	(1,352,304)	(1,348,342)	(1,245,035)	103,307
Total other financing sources (uses)	<u>(1,352,304)</u>	<u>(1,294,069)</u>	<u>(1,190,055)</u>	<u>104,014</u>
Net change in fund balance	<u>(2,532,153)</u>	<u>(1,167,393)</u>	<u>552,508</u>	<u>1,719,901</u>
Fund balance- January 1, 2010-Restated	<u>19,967,351</u>	<u>19,967,351</u>	<u>19,967,351</u>	-
Fund balance December 31, 2010	<u>\$17,435,198</u>	<u>\$18,799,958</u>	<u>\$20,519,859</u>	<u>\$ 1,719,901</u>

See notes to required supplement information

(Concluded)

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE  
STREET MAINTENANCE FUND  
FOR YEAR ENDED DECEMBER 31, 2010**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Municipal income tax	\$ 1,152,000	\$ 1,152,000	\$ 1,179,953	\$ 27,953
State shared revenues	1,067,155	1,049,972	1,087,492	37,520
Licenses, permits, fees	4,950	3,000	2,749	(251)
Interest income	9,500	4,675	4,475	(200)
Increase in fair value of investments	-	-	(287)	(287)
Other fines, rents, and reimbursements	38,600	36,518	36,490	(28)
Total revenues	<u>2,272,205</u>	<u>2,246,165</u>	<u>2,310,872</u>	<u>64,707</u>
<b>EXPENDITURES:</b>				
Personal services/administrative support	948,448	899,885	823,549	76,336
Operating expenditures	1,093,139	1,017,839	889,637	128,202
Capital costs	130,200	132,200	64,672	67,528
Total expenditures	<u>2,171,787</u>	<u>2,049,924</u>	<u>1,777,858</u>	<u>272,066</u>
Excess (deficiency) of revenues over expenditures	100,418	196,241	533,014	336,773
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposal of capital assets	-	-	1,502	1,502
Total other financing sources (uses)	-	-	1,502	1,502
Net change in fund balance	100,418	196,241	534,516	338,275
Fund balance- January 1, 2010	<u>1,984,235</u>	<u>1,984,235</u>	<u>1,984,235</u>	<u>-</u>
Fund balance December 31, 2010	<u>\$ 2,084,653</u>	<u>\$ 2,180,476</u>	<u>\$ 2,518,751</u>	<u>\$ 338,275</u>



CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION  
 BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE  
 STREET LEVY CONSTRUCTION FUND  
 FOR YEAR ENDED DECEMBER 31, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Municipal income tax	\$ 1,028,571	\$ 1,028,571	\$ 1,053,815	\$ 25,244
Grants-capital	525,000	341,640	346,174	4,534
Grants-operating	200,000	255,593	193,664	(61,929)
Interest income	7,500	2,280	1,967	(313)
Other fines, rents , and reimbursements	-	-	28,959	28,959
Total revenues	<u>1,761,071</u>	<u>1,628,084</u>	<u>1,624,579</u>	<u>(3,505)</u>
<b>EXPENDITURES:</b>				
Operating expenditures	276,083	474,918	360,132	114,786
Debt interest payment	17,769	17,824	17,824	-
Capital costs	<u>1,690,399</u>	<u>1,160,080</u>	<u>939,717</u>	<u>220,363</u>
Total expenditures	<u>1,984,251</u>	<u>1,652,822</u>	<u>1,317,673</u>	<u>335,149</u>
Excess (deficiency) of revenues over expenditures	<u>(223,180)</u>	<u>(24,738)</u>	<u>306,906</u>	<u>331,644</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	17,769	17,824	17,824	-
Transfers out	<u>(92,775)</u>	<u>(121,627)</u>	<u>(121,627)</u>	<u>-</u>
Total other financing sources (uses)	<u>(75,006)</u>	<u>(103,803)</u>	<u>(103,803)</u>	<u>-</u>
Net change in fund balance	(298,186)	(128,541)	203,103	331,644
Fund balance January 1, 2010	<u>1,357,286</u>	<u>1,357,286</u>	<u>1,357,286</u>	<u>-</u>
Fund balance December 31, 2010	<u>\$ 1,059,100</u>	<u>\$ 1,228,745</u>	<u>\$ 1,560,389</u>	<u>\$ 331,644</u>

**CITY OF PIQUA, OHIO**  
**Notes to the Required Supplemental Information**  
**December 31, 2010**

**BUDGETS AND BUDGETARY ACCOUNTING**—The City follows procedures prescribed by State law in establishing the budgetary data shown in the financial statements, as follows:

- The City must submit a budget of estimated revenues and expenditures for all governmental funds to the County Budget Commission by July 20 of each year for the following calendar year.
- The County Budget Commission certifies its actions by September 1, and issues a “Certificate of Resources” limiting the maximum amount the City may expend from a given fund during the year.
- On approximately January 1, this Certificate is amended to include any unencumbered balances from the preceding year. The City must prepare its appropriations so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Resources.
- Before the first Commission meeting in January, a permanent appropriation measure must be passed for the period January 1 through December 31. The permanent appropriation may not exceed estimated resources certified by the County Budget Commission.
- Unused appropriations lapse at year-end and are re-appropriated in the following year’s budget.
- All funds have annual budgets, which are prepared in accordance with generally accepted accounting principles and are legally adopted by the City Commission.

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Commission on an annual basis. Public hearings are held to obtain taxpayer comments. The Commission enacts the budget through passage of an appropriations ordinance. The appropriations ordinance controls expenditures in each fund at the object levels of personal services/administrative support, operating expenditures, transfers, and capital outlay. Amendments to object totals of appropriations require Commission approval. The City Manager has the authority to allocate and amend appropriations at the account level, provided that fund totals appropriated by ordinance are not adjusted. Earnings of the Power, Water, Wastewater, Storm Water and Refuse systems may not be appropriated for other City uses.

The budget process is controlled by both the State of Ohio Revised Code and the City Charter and is prepared based on anticipated revenues and appropriated expenditures.

The City’s financial position, results of operations and changes in fund balances, as well as the budgetary basis as provided by law, are reported on the basis of GAAP.

**FUND RECLASSIFICATION & RESTATEMENT OF FUND BALANCE**

The changes to beginning fund balance are as follows:

	<u>General Fund</u>	<u>Other Governmental</u>
Fund Balance, December 31, 2009	\$19,525,144	\$579,056
Adjustments: Reclassification of Hotel Note Receivable	<u>442,207</u>	<u>(442,207)</u>
Fund Balance, December 31, 2009	<u>\$19,967,351</u>	<u>\$136,849</u>

**OTHER  
SUPPLEMENTAL DATA**

# CITY OF PIQUA, OHIO

## NON-MAJOR FUNDS

Revolving Loan/Federal Program Income	To account for micro-enterprise loans, USDA loans and home mortgages resulting from federal grant activities
Community Development	To account for activities for social, economic, and other special development of the community
Trust	To account for resources recovered or held through legislation or enforcement activities.
Conservancy	To account for receipts and disbursements for the city's share of the district's operation and maintenance.
Federal Grants	To account for federal funds available for FEMA, comprehensive housing, and block grants.

# CITY OF PIQUA, OHIO

## NON-MAJOR INTERNAL SERVICE/FIDUCIARY FUNDS

### Internal Service Funds

Worker Compensation	To account for funds set aside for possible future retrospective rating plan
Liability Insurance	To account for assets reserved for future self-insurance options
Health Insurance	To account for an internally financed and self-insured health insurance program.
Information Technology	To account for centralized communication, networking, and data processing services for all city departments

### Fiduciary Funds

Unclaimed Funds	To account for unclaimed liabilities of the city.
Private-Purpose Centennial Trust	To account for assets of a centennial escrow as established by legislation.
Employee Flexible Spending	To account for assets held for the employee's cafeteria plan.

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- NON MAJOR FUNDS  
DECEMBER 31, 2010**

<b>ASSETS:</b>	Revolving Loan/Federal Program Income	Community Development	Trust
Equity in pooled cash and cash equivalents	\$ 44,815	\$ 59,923	\$ 15,222
Equity in pooled investments	-	-	-
Accounts receivable	639	70,716	-
Interfund receivable	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	7,150	-	-
<b>Total Assets</b>	<b>\$ 52,604</b>	<b>\$ 130,639</b>	<b>\$ 15,222</b>
<b>LIABILITIES AND FUND BALANCE:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	-	42,804	-
Interfund payable	-	70,715	-
Salaries and benefits	-	4,309	-
Accruals	-	-	-
Total Current Liabilities	-	117,828	-
<b>LONG-TERM LIABILITIES:</b>			
Restricted deposits	-	-	-
Deferred revenue	-	-	-
Total Long Term Liabilities	-	-	-
Total Liabilities	-	117,828	-
<b>FUND BALANCES:</b>			
Nonspendable fund balance	7,150	-	-
Restricted fund balance	45,454	12,811	15,222
Assigned fund balance	-	-	-
Unreserved	-	-	-
Total fund balances	52,604	12,811	15,222
<b>Total liabilities and fund balance</b>	<b>\$ 52,604</b>	<b>\$ 130,639</b>	<b>\$ 15,222</b>

(Continued)

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- NON MAJOR FUNDS  
DECEMBER 31, 2010**

<b>ASSETS:</b>	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
Equity in pooled cash and cash equivalents	\$ 41,940	\$ 70	\$ 161,970
Equity in pooled investments	-	-	-
Accounts receivable	42,848	65,688	179,891
Interfund receivable	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	-	-	7,150
	<u>84,788</u>	<u>65,758</u>	<u>349,011</u>
<b>Total Assets</b>			
	<u>84,788</u>	<u>65,758</u>	<u>349,011</u>
<b>LIABILITIES AND FUND BALANCE:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	-	-	42,804
Interfund payable	-	65,755	136,470
Salaries and benefits	-	-	4,309
Accruals	-	-	-
Total Current Liabilities	-	65,755	183,583
<b>LONG-TERM LIABILITIES:</b>			
Restricted deposits	-	-	-
Deferred revenue	42,848	-	42,848
Total Long Term Liabilities	42,848	-	42,848
Total Liabilities	42,848	65,755	226,431
<b>FUND BALANCES:</b>			
Nonspendable fund balance	-	-	7,150
Restricted fund balance	41,940	-	115,427
Assigned fund balance	-	3	3
Unreserved	-	-	-
Total fund balances	41,940	3	122,580
<b>Total liabilities and fund balance</b>	<u>\$ 84,788</u>	<u>\$ 65,758</u>	<u>\$ 349,011</u>

(Concluded)

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCE NON MAJOR FUNDS  
FOR YEAR ENDED DECEMBER 31, 2010**

	Revolving Loan/Federal Program Income	Community Development	Trust
<b>REVENUES:</b>			
Property taxes	\$ -	\$ 59,116	\$ -
State shared revenues	-	-	-
Licenses, permits, fees	870	150	-
Grants: capital	-	-	-
Grants: operating	90,000	122,362	-
Interest	3,893	7	3
Donations: operating	-	9,418	-
Other fines, rents, and reimbursements	11,883	10	85
Total revenues	<u>106,646</u>	<u>191,063</u>	<u>88</u>
<b>EXPENDITURES:</b>			
Personal services/administrative support	-	300	-
Operation and maintenance	117,315	240,473	9,865
Capital	-	-	-
Total expenditures	<u>117,315</u>	<u>240,773</u>	<u>9,865</u>
Excess (deficiency) of revenues over expenditures	<u>(10,669)</u>	<u>(49,710)</u>	<u>(9,777)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of debt	-	55,953	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>55,953</u>	<u>-</u>
Net change in fund balance	(10,669)	6,243	(9,777)
Fund balance January 1, 2010	<u>63,273</u>	<u>6,568</u>	<u>24,999</u>
Fund balance December 31, 2010	<u>\$ 52,604</u>	<u>\$ 12,811</u>	<u>\$ 15,222</u>

(Continued)



**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCE NON MAJOR FUNDS  
FOR YEAR ENDED DECEMBER 31, 2010**

	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
<b>REVENUES:</b>			
Property taxes	\$ 35,256	\$ -	\$ 94,372
State shared revenues	10,471	-	10,471
Licenses, permits, fees	-	-	1,020
Grants; capital	-	-	-
Grants; operating	-	382,306	594,668
Interest	33	-	3,936
Donations operating	-	-	9,418
Other fines, rents, and reimbursements	-	-	11,978
Total revenues	<u>45,760</u>	<u>382,306</u>	<u>725,863</u>
<b>EXPENDITURES:</b>			
Personal services/administrative support	-	5,725	6,025
Operation and maintenance	45,826	323,357	736,836
Capital	-	53,224	53,224
Total expenditures	<u>45,826</u>	<u>382,306</u>	<u>796,085</u>
Excess (deficiency) of revenues over expenditures	<u>(66)</u>	<u>-</u>	<u>(70,222)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of debt	-	-	55,953
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>55,953</u>
Net change in fund balance	(66)	-	(14,269)
Fund balance January 1, 2010	<u>42,006</u>	<u>3</u>	<u>136,849</u>
Fund balance December 31, 2010	<u>\$ 41,940</u>	<u>\$ 3</u>	<u>\$ 122,580</u>

(Concluded)

**CITY OF PIQUA, OHIO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (GAAP BUDGET) NON MAJOR FUNDS  
FOR YEAR ENDED DECEMBER 31, 2010**

	Revolving Loan / Federal Program Income			Community Development		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 59,056	\$ 59,116	\$ 60
State shared revenues	-	-	-	-	-	-
Licenses, permits, fees	940	870	(70)	450	150	(300)
Grants: capital	-	-	-	-	-	-
Grants: operating	90,000	90,000	-	199,903	122,362	(77,541)
Interest	3,163	3,893	730	5	7	2
Donations operating	-	-	-	9,418	9,418	-
Other	11,730	11,883	153	-	10	10
Total revenues	<u>105,833</u>	<u>106,646</u>	<u>813</u>	<u>268,832</u>	<u>191,063</u>	<u>(77,769)</u>
<b>EXPENDITURES:</b>						
Personal services	-	-	-	600	300	300
Operation and maintenance	117,315	117,315	-	334,338	240,473	93,865
Capital	-	-	-	-	-	-
Total expenditures	<u>117,315</u>	<u>117,315</u>	<u>-</u>	<u>334,938</u>	<u>240,773</u>	<u>94,165</u>
Excess (deficiency) of revenues over expenditures	(11,482)	(10,669)	813	(66,106)	(49,710)	16,396
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	-	-	-	71,379	55,953	(15,426)
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,379</u>	<u>55,953</u>	<u>(15,426)</u>
Net change in fund balance	(11,482)	(10,669)	813	5,273	6,243	970
Fund balance January 1, 2010	<u>63,273</u>	<u>63,273</u>	<u>-</u>	<u>6,568</u>	<u>6,568</u>	<u>-</u>
Fund balance December 31, 2010	<u>\$ 51,791</u>	<u>\$ 52,604</u>	<u>\$ 813</u>	<u>\$ 11,841</u>	<u>\$ 12,811</u>	<u>\$ 970</u>

(Continued)

CITY OF PIQUA, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL (GAAP BUDGET) NON MAJOR FUNDS  
 FOR YEAR ENDED DECEMBER 31, 2010

	Trust			Conservancy		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 35,251	\$ 35,256	\$ 5
State shared revenues	-	-	-	11,479	10,471	(1,008)
Licenses, permits, fees	-	-	-	-	-	-
Grants: capital	-	-	-	-	-	-
Grants: operating	-	-	-	-	-	-
Interest	3	3	-	25	33	8
Donations operating	-	-	-	-	-	-
Other	35,065	85	(34,980)	-	-	-
Total revenues	<u>35,068</u>	<u>88</u>	<u>(34,980)</u>	<u>46,755</u>	<u>45,760</u>	<u>(995)</u>
<b>EXPENDITURES:</b>						
Personal services	-	-	-	-	-	-
Operation and maintenance	35,000	9,865	25,135	46,665	45,826	839
Capital	11,678	-	11,678	-	-	-
Total expenditures	<u>46,678</u>	<u>9,865</u>	<u>36,813</u>	<u>46,665</u>	<u>45,826</u>	<u>839</u>
Excess (deficiency) of revenues over expenditures	<u>(11,610)</u>	<u>(9,777)</u>	<u>1,833</u>	<u>90</u>	<u>(66)</u>	<u>(156)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(11,610)	(9,777)	1,833	90	(66)	(156)
Fund balance January 1, 2010	<u>24,999</u>	<u>24,999</u>	<u>-</u>	<u>42,006</u>	<u>42,006</u>	<u>-</u>
Fund balance December 31, 2010	<u>\$ 13,389</u>	<u>\$ 15,222</u>	<u>\$ 1,833</u>	<u>\$ 42,096</u>	<u>\$ 41,940</u>	<u>\$ (156)</u>

(Continued)

CITY OF PIQUA, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL (GAAP BUDGET) NON MAJOR FUNDS  
 FOR YEAR ENDED DECEMBER 31, 2010

	Federal Grants			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 94,307	\$ 94,372	\$ 65
State shared revenues	-	-	-	11,479	10,471	(1,008)
Licenses, permits, fees	-	-	-	1,390	1,020	(370)
Grants: capital	-	-	-	-	-	-
Grants: operating	579,694	382,306	(197,388)	869,597	594,668	(274,929)
Interest	-	-	-	3,196	3,936	740
Donations operating	-	-	-	9,418	9,418	-
Other	-	-	-	46,795	11,978	(34,817)
Total revenues	<u>579,694</u>	<u>382,306</u>	<u>(197,388)</u>	<u>1,036,182</u>	<u>725,863</u>	<u>(310,319)</u>
<b>EXPENDITURES:</b>						
Personal services	5,725	5,725	-	6,325	6,025	300
Operation and maintenance	468,569	323,357	145,212	1,001,887	736,836	265,051
Capital	85,400	53,224	32,176	97,078	53,224	43,854
Total expenditures	<u>559,694</u>	<u>382,306</u>	<u>177,388</u>	<u>1,105,290</u>	<u>796,085</u>	<u>309,205</u>
Excess (deficiency) of revenues over expenditures	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>(69,108)</u>	<u>(70,222)</u>	<u>(1,114)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issurance of debt	-	-	-	71,379	55,953	(15,426)
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,379</u>	<u>55,953</u>	<u>(15,426)</u>
Net change in fund balance	20,000	-	(20,000)	2,271	(14,269)	(16,540)
Fund balance January 1, 2010	<u>3</u>	<u>3</u>	<u>-</u>	<u>136,849</u>	<u>136,849</u>	<u>-</u>
Fund balance December 31, 2010	<u>\$ 20,003</u>	<u>\$ 3</u>	<u>\$ (20,000)</u>	<u>\$ 139,120</u>	<u>\$ 122,580</u>	<u>\$ (16,540)</u>

(Concluded)

**CITY OF PIQUA, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (GAAP BUDGET)-DEBT SERVICE FUND  
FOR YEAR ENDED DECEMBER 31, 2010**

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>			
Property taxes	\$ 45,246	\$ 45,246	\$ -
Interest income	7,687	6,794	(893)
Total revenues	<u>52,933</u>	<u>52,040</u>	<u>(893)</u>
<b>EXPENDITURES:</b>			
Operating expenditures	69,070	9,217	59,853
Debt principal payment	871,353	871,353	-
Debt interest payment	231,385	231,145	240
Total expenditures	<u>1,171,808</u>	<u>1,111,715</u>	<u>60,093</u>
Excess (deficiency) of revenues over expenditures	<u>(1,118,875)</u>	<u>(1,059,675)</u>	<u>59,200</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	1,057,569	1,057,569	-
Total other financing sources (uses)	<u>1,057,569</u>	<u>1,057,569</u>	<u>-</u>
Net change in fund balance	(61,306)	(2,106)	59,200
Fund balance January 1, 2010	<u>387,228</u>	<u>387,228</u>	<u>-</u>
Fund balance December 31, 2010	<u>\$ 325,922</u>	<u>\$ 385,122</u>	<u>\$ 59,200</u>

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- INTERNAL SERVICE FUNDS  
DECEMBER 31, 2010**

<b>ASSETS:</b>	<u>Workers Compensation</u>	<u>Liability Insurance</u>	<u>Health Insurance</u>	<u>Information Technology</u>	<u>Total</u>
<b>Current assets:</b>					
Equity in pooled cash and cash equivalents	\$ 344,236	\$ 130,240	\$ 289,376	\$ 271,531	\$1,035,383
Equity in pooled investments	1,230,834	517,293	893,331	-	2,641,458
Accounts receivable	4,910	216,996	\$4,042	6	225,954
Prepaid items and other assets	-	-	5,762	-	5,762
<b>Total Current Assets</b>	<u>1,579,980</u>	<u>864,529</u>	<u>1,192,511</u>	<u>271,537</u>	<u>3,908,557</u>
<b>Noncurrent assets:</b>					
<b>Capital assets not being depreciated</b>					
Construction in process				302,334	302,334
<b>Capital assets being depreciated</b>					
Plant and equipment in service, net	-	-	-	91,762	91,762
<b>Total Capital Assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>394,096</u>	<u>394,096</u>
<b>Total Assets</b>	<u><u>\$ 1,579,980</u></u>	<u><u>\$ 864,529</u></u>	<u><u>\$ 1,192,511</u></u>	<u><u>\$ 665,633</u></u>	<u><u>\$4,302,653</u></u>
<b>LIABILITIES AND FUND BALANCE:</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	-	-	310	11,791	12,101
Salaries and benefits	-	-	-	4,861	4,861
Accrued vacation, personal and sick leave	-	-	-	18,187	18,187
Accruals	-	-	3,849	-	3,849
<b>Total Current Liabilities</b>	<u>-</u>	<u>-</u>	<u>4,159</u>	<u>34,839</u>	<u>38,998</u>
<b>NONCURRENT LIABILITIES:</b>					
Accrued vacation, personal and sick leave	-	-	-	47,620	47,620
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,620</u>	<u>47,620</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>4,159</u>	<u>82,459</u>	<u>86,618</u>
<b>FUND BALANCES:</b>					
Invested in capital assets, net of related debt				394,096	394,096
Unreserved	1,579,980	864,529	1,188,352	189,078	3,821,939
<b>Total Net Assets</b>	<u>1,579,980</u>	<u>864,529</u>	<u>1,188,352</u>	<u>583,174</u>	<u>4,216,035</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,579,980</u></u>	<u><u>\$ 864,529</u></u>	<u><u>\$ 1,192,511</u></u>	<u><u>\$ 665,633</u></u>	<u><u>\$4,302,653</u></u>

CITY OF PIQUA, OHIO

COMBINING STATEMENT OF REVENUES,  
EXPENSES, AND CHANGES IN NET ASSETS- INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Total
<b>OPERATING REVENUES:</b>					
Customer services	\$ 17,997	\$ 153,960	\$ 2,740,718	\$ 491,207	\$ 3,403,882
Penalty charges	-	-	-	-	-
Total operating revenues	17,997	153,960	2,740,718	491,207	3,403,882
<b>OPERATING EXPENSES:</b>					
Salaries and Employee benefits	265,310	-	2,695,108	276,562	3,236,980
Depreciation	-	-	-	10,489	10,489
Outside Services	-	102,297	39,560	88,725	230,582
Total operating expenses	265,310	102,297	2,734,668	375,776	3,478,051
Operating income (loss)	(247,313)	51,663	6,050	115,431	(74,169)
<b>NON-OPERATING REVENUES(EXPENSES):</b>					
Interest income	37,330	19,447	8,925	511	66,213
market value of investments	(13,596)	(3,029)	(7,119)	-	(23,744)
Other, net	-	-	-	495	495
Net non-operating revenues(expenses)	23,734	16,418	1,806	1,006	42,964
Change in net assets	(223,579)	68,081	7,856	116,437	(31,205)
Total net assets-beginning of year	1,803,559	796,448	1,180,496	466,737	4,247,240
Total net assets-end of year	<u>\$ 1,579,980</u>	<u>\$ 864,529</u>	<u>\$ 1,188,352</u>	<u>\$ 583,174</u>	<u>\$ 4,216,035</u>

CITY OF PIQUA, OHIO

COMBINING STATEMENT OF CASH FLOWS-INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Workers Compensation	Liability Insurance	City Health Insurance	Information Technology	Totals
<b>OPERATING ACTIVITIES:</b>					
Receipts from interfund services	\$ 17,997	\$ (59,693)	\$ 2,742,881	\$ 491,701	\$ 3,192,886
Cash paid to suppliers for goods or services	(265,310)	(102,297)	(2,568,517)	(88,081)	(3,024,205)
Cash paid to employees for services	-	-	-	(256,310)	(256,310)
Net cash provided by (used in) operating activities	(247,313)	(161,990)	174,364	147,310	(87,629)
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	-	-	-	(302,334)	(302,334)
Disposals of capital assets	-	-	-	-	-
Net cash provided by (used in) capital & related financing activities	-	-	-	(302,334)	(302,334)
<b>INVESTING ACTIVITIES:</b>					
Purchases of investment securities	(1,200,500)	-	(1,350,450)	-	(2,550,950)
Proceeds from sale or maturity of investment securities	770,000	-	450,000	-	1,220,000
Interest received	38,436	19,447	5,042	512	63,437
Net cash provided by (used in) investing activities	(392,064)	19,447	(895,408)	512	(1,267,513)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(639,377)	(142,543)	(721,044)	(154,512)	(1,657,476)
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	983,613	272,783	1,010,420	426,043	2,692,859
<b>CASH AND CASH EQUIVALENTS - End of year</b>	\$ 344,236	\$ 130,240	\$ 289,376	\$ 271,531	1,035,383
<b>OPERATING INCOME (LOSS)</b>	\$ (247,313)	\$ 51,663	\$ 6,050	\$ 115,431	(74,169)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	10,489	10,489
(Increase)/Decrease in Accounts Receivable	-	(213,653)	2,163	-	(211,491)
(Increase)/Decrease in Prepaids	-	-	164,789	-	164,789
Increase/(Decrease) in Accounts Payable	-	-	1,362	645	2,007
Increase/(Decrease) in Accrued Wages and Benefits	-	-	-	20,252	20,252
Net (Increase)/Decrease in Other Operating Net Assets	-	-	-	494	494
Net cash provided by (used in) operating activities	\$ (247,313)	\$ (161,990)	\$ 174,364	\$ 147,310	\$ (87,629)
<b>SUPPLEMENTAL INFORMATION:</b>					
Noncash activities:					
Change in fair value of investments	(13,596)	(3,029)	(7,119)	-	(23,744)



**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
DECEMBER 31, 2010**

	<u>Unclaimed Funds</u>	<u>Employee Flexible Spending</u>	<u>Total</u>
<b>ASSETS:</b>			
Equity in pooled cash and cash equivalents	\$ 1,077	\$ 15,108	\$ 16,185
Total Assets	<u>\$ 1,077</u>	<u>\$ 15,108</u>	<u>\$ 16,185</u>
<b>LIABILITIES:</b>			
Withholdings payable	\$ -	\$ 15,108	\$ 15,108
Undistributed monies	<u>1,077</u>	<u>-</u>	<u>1,077</u>
Total Liabilities	<u>\$ 1,077</u>	<u>\$ 15,108</u>	<u>\$ 16,185</u>

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR YEAR ENDED DECEMBER 31, 2010**

	Balance at January 1, 2010	Additions	Deductions	Balance at December 31, 2010
<b>Unclaimed Funds</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 662	\$ 428	\$ 13	\$ 1,077
Total Assets	<u>\$ 662</u>	<u>\$ 428</u>	<u>\$ 13</u>	<u>\$ 1,077</u>
<b>LIABILITIES</b>				
Undistributed monies	\$ 662	\$ 428	\$ 13	1,077
Total Liabilities	<u>\$ 662</u>	<u>\$ 428</u>	<u>\$ 13</u>	<u>\$ 1,077</u>
<b>Employee Flexible Spending</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 12,654	\$ 143,443	\$ 140,989	\$ 15,108
Total Assets	<u>\$ 12,654</u>	<u>\$ 143,443</u>	<u>\$ 140,989</u>	<u>\$ 15,108</u>
<b>LIABILITIES</b>				
Withholdings payable	\$ 12,654	\$ 143,443	\$ 140,989	\$ 15,108
Total Liabilities	<u>\$ 12,654</u>	<u>\$ 143,443</u>	<u>\$ 140,989</u>	<u>\$ 15,108</u>
<b>Total- All AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 13,316	\$ 143,871	\$ 141,002	\$ 16,185
Total Assets	<u>\$ 13,316</u>	<u>\$ 143,871</u>	<u>\$ 141,002</u>	<u>\$ 16,185</u>
<b>LIABILITIES</b>				
Withholdings payable	\$ 12,654	\$ 143,443	\$ 140,989	\$ 15,108
Undistributed monies	662	428	13	1,077
Total Liabilities	<u>\$ 13,316</u>	<u>\$ 143,871</u>	<u>\$ 141,002</u>	<u>\$ 16,185</u>

# **STATISTICAL SECTION**

## Statistical Section

This part of the City of Piqua, Ohio'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 City's overall financial health.

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b>	<b>73-77</b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>78-80</b>
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax, and the municipal income tax.	
<b>Debt Capacity</b>	<b>81-83</b>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	<b>84-86</b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	<b>87-90</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

CITY OF PIQUA, OHIO

Table 1

NET ASSETS BY COMPONENT  
LAST NINE YEARS  
(accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Government Activities</b>									
Invested in capital assets, net of related debt	\$ 41,743,160	\$ 41,217,679	\$ 41,291,151	\$ 41,254,589	\$ 36,547,835	\$ 35,515,425	\$ 35,501,878	\$ 34,348,207	\$ 33,775,146
Restricted by: legislation	18,638	20,665	14,684	33,231					
Restricted by: debt covenants	385,122	387,228	394,408	394,825	418,841	740,702	1,571,115	976,604	814,300
Unrestricted	25,776,868	24,580,004	23,791,114	20,257,699	18,315,439	12,523,508	10,506,442	10,846,109	9,322,261
Total governmental activities net assets	67,923,788	66,205,576	65,491,357	61,940,344	55,282,115	48,779,635	47,579,435	46,170,920	43,911,707
<b>Business-Type Activities</b>									
Invested in capital assets, net of related debt	48,473,160	49,657,889	50,518,920	50,298,375	49,706,237	49,323,165	48,803,820	48,428,042	48,765,023
Restricted by: legislation	-	-	-	727					
Restricted by: debt covenants	50,000	50,000	50,000	50,000	58,910	66,588	303,180	168,888	173,379
Unrestricted	20,769,224	17,335,666	14,149,144	13,063,211	13,525,087	10,862,242	10,196,051	10,926,471	10,526,551
Total business-type activities net assets	69,292,384	67,043,555	64,718,064	63,412,313	63,290,234	60,251,995	59,303,051	59,523,401	59,464,953
<b>Primary government</b>									
Invested in capital assets, net of related debt	90,216,320	90,875,568	91,810,071	91,552,964	86,254,072	84,838,590	84,305,698	82,776,249	82,540,169
Restricted by: legislation	18,638	20,665	14,684	33,958					
Restricted by: debt covenants	435,122	437,228	444,408	444,825	477,751	807,290	1,874,295	1,145,492	987,679
Unrestricted	46,546,092	41,915,670	37,940,258	33,320,910	31,840,526	23,385,750	20,702,493	21,772,580	19,848,812
Total primary government activities net assets	\$ 137,216,172	\$ 133,249,131	\$ 130,209,421	\$ 125,352,657	\$ 118,572,349	\$ 109,031,630	\$ 106,882,486	\$ 105,694,321	\$ 103,376,660

Source: City of Piqua Finance Department  
GASB 34 implemented 2002, 2001 data not available

CITY OF PIQUA, OHIO

Table 2

CHANGES IN NET ASSETS  
LAST NINE YEARS  
(accrual basis of accounting)

Expenses	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Government activities</b>									
General government	\$ 1,893,928	\$ 2,099,961	\$ 2,960,257	\$ 2,891,558	\$ 2,252,448	\$ 1,985,407	\$ 1,797,660	\$ 1,859,642	\$ 2,217,319
Public safety	7,797,867	7,859,160	7,796,876	7,878,066	7,784,475	7,667,665	7,363,799	6,844,602	6,539,055
Streets and maintenance	3,250,497	3,574,236	5,143,056	3,168,720	2,855,826	3,456,870	2,787,428	2,424,531	2,824,036
Parks and recreation	548,724	685,518	915,284	702,284	741,577	716,795	636,230	561,058	593,878
Community development	628,434	242,528	618,328	343,948	617,750	1,287,935	721,741	604,099	667,877
Interest on long term debt	250,261	271,155	289,387	197,747	184,603	216,710	234,029	246,298	288,383
Total governmental activities expenses	14,369,711	14,732,558	17,723,188	15,182,323	14,436,679	15,331,382	13,540,887	12,540,230	13,130,548
<b>Business-type Activities</b>									
Electric	22,500,718	22,309,943	23,953,783	22,477,649	15,844,446	16,945,700	17,123,814	16,962,240	17,699,925
Wastewater	2,988,869	2,857,643	2,845,460	2,831,444	2,998,639	2,842,163	2,814,171	2,800,775	2,737,680
Refuse	1,512,243	1,481,691	1,523,263	1,440,545	1,429,689	1,363,145	1,340,265	1,291,240	1,293,568
Water	2,920,323	2,793,284	2,850,285	2,754,437	2,564,675	2,589,854	2,408,664	2,205,581	2,503,948
Stormwater	414,092	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golf	612,350	657,378	688,377	729,467	710,890	699,461	738,514	674,858	621,579
Fort Piqua Plaza	229,821	185,207	42,372	n/a	n/a	n/a	n/a	n/a	n/a
Municipal Pool	170,542	190,158	199,277	191,162	171,160	175,944	161,821	160,093	159,458
Total business-type activities expenses	31,348,958	30,475,304	32,102,817	30,424,704	23,719,499	24,616,267	24,587,249	24,094,787	25,016,158
Total Primary Government activities expenses	\$ 45,718,669	\$ 45,207,862	\$ 49,826,005	\$ 45,607,027	\$ 38,156,178	\$ 39,947,649	\$ 38,128,136	\$ 36,635,017	\$ 38,146,706
<b>Program revenues</b>									
<b>Government activities</b>									
Charges for Services:									
General government	\$ 630,460	\$ 692,334	\$ 624,510	\$ 465,664	\$ 1,436,056	\$ 298,340	\$ 264,426	\$ 212,377	\$ 323,247
Public safety	800,027	876,722	772,244	909,784	566,672	311,871	328,505	240,543	238,819
Streets and maintenance	68,198	33,705	93,392	28,295	49,462	63,390	50,637	76,011	26,050
Parks and recreation	31,297	109,577	88,900	25,355	31,346	31,798	20,415	15,706	20,557
Community development	18,152	20,681	26,146	19,974	7,042	67,397	73,226	9,712	25,024
Operating grants and contributions	1,414,559	460,718	1,219,765	2,301,314	3,208,242	739,860	742,628	640,700	759,557
Capital grants and contributions	392,849	534,122	1,822,124	3,978,896	859,305	60,487	596,094	737,223	2,367,605
Total governmental activities program revenues	3,355,542	2,727,859	4,647,081	7,729,282	6,172,053	1,559,215	2,075,931	1,932,272	3,760,859
<b>Business-type Activities</b>									
Charges for Services:									
Electric	23,124,555	23,374,930	24,242,210	21,135,872	18,181,498	18,415,430	16,702,913	16,745,273	17,346,946
Wastewater	3,470,636	3,258,977	3,098,853	2,715,642	2,698,928	2,671,979	2,643,578	2,620,654	3,113,672
Refuse	1,757,375	1,767,803	1,659,648	1,530,335	1,408,455	1,340,537	1,281,780	1,261,666	1,222,548
Water	3,335,091	3,180,412	3,051,532	2,791,370	2,722,614	2,586,120	2,565,055	2,542,575	2,933,493
Stormwater	651,694	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golf	533,600	594,230	605,828	625,414	599,742	623,714	591,972	533,654	501,279
Fort Piqua Plaza	129,689	63,946	18,200	n/a	n/a	n/a	n/a	n/a	n/a
Municipal Pool	74,220	79,048	92,746	89,109	89,373	95,138	73,923	75,478	90,855
Operating grants and contributions	97,588	155	-	2,548	261	271	-	-	-
Capital grants and contributions	-	65,000	-	726,507	688,466	13,073	64,276	66,651	-
Total business-type activities program revenues	33,174,448	32,384,501	32,769,017	29,616,797	26,389,337	25,746,262	23,923,497	23,845,951	25,228,793
Total primary government program revenues	\$ 36,529,990	\$ 35,112,360	\$ 37,416,098	\$ 37,346,079	\$ 32,561,390	\$ 27,305,477	\$ 25,999,428	\$ 25,778,223	\$ 28,989,652
<b>Net revenue (expense)</b>									
Governmental activities	\$ (11,014,169)	\$ (12,004,699)	\$ (13,076,107)	\$ (7,453,041)	\$ (8,264,626)	\$ (13,772,167)	\$ (11,464,956)	\$ (10,607,958)	\$ (9,369,689)
Business-type activities	1,825,490	1,909,197	666,200	(807,907)	2,669,838	1,129,995	(663,752)	(248,836)	212,635
Total primary government net revenue (expense)	\$ (9,188,679)	\$ (10,095,502)	\$ (12,409,907)	\$ (8,260,948)	\$ (5,594,788)	\$ (12,642,172)	\$ (12,128,708)	\$ (10,856,794)	\$ (9,157,054)

(Continued)

CITY OF PIQUA, OHIO

Table 2

CHANGES IN NET ASSETS  
LAST NINE YEARS  
(accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General revenues and other changes in net assets</b>									
Governmental activities									
Property taxes	\$1,402,952	\$1,349,521	\$1,452,709	\$1,466,214	\$1,505,317	\$1,525,944	\$1,452,019	\$1,503,856	\$1,516,613
State Shared taxes	2,992,428	3,404,050	3,443,434	2,522,305	2,953,529	3,280,931	2,431,261	2,786,967	2,441,040
Income tax	7,256,729	6,999,179	10,275,491	8,351,952	8,611,614	8,378,103	7,338,490	7,364,357	6,913,931
Locally levied taxes	1,173,438	1,123,045	1,259,107	1,291,091	1,309,110	1,249,360	1,095,211	1,057,683	1,084,235
Investment earnings	159,445	134,406	388,469	661,171	578,256	289,066	177,473	199,911	529,466
Miscellaneous	56,482	9,515	1,852	18,468	6,383	385,572	73,018	93,971	-
Transfers	(309,093)	(300,798)	(193,942)	(199,931)	(197,103)	(136,609)	(230,861)	(139,574)	(51,281)
Total governmental activities general revenues and other changes in net assets	12,732,381	12,718,918	16,627,120	14,111,270	14,767,106	14,972,367	12,336,611	12,867,171	12,434,004
Business-type Activities									
Investment earnings	114,246	115,496	445,609	730,055	603,404	287,164	173,763	167,710	559,412
Special item	-	-	-	-	(432,106)	(604,824)	-	-	-
Transfers	309,093	300,798	193,942	199,931	197,103	136,609	230,861	139,574	51,281
Total business-type activities general revenues and other changes in net assets	423,339	416,294	639,551	929,986	368,401	(181,051)	404,624	307,284	610,693
Total primary government general revenues and other changes in net assets	13,155,720	13,135,212	17,266,671	15,041,256	15,135,507	14,791,316	12,741,235	13,174,455	13,044,697
Change in net assets									
Governmental activities	1,718,212	714,219	3,551,013	6,658,229	6,502,480	1,200,200	871,655	2,259,213	3,064,315
Business-type activities	2,248,829	2,325,491	1,305,751	122,079	3,038,239	948,944	(259,128)	58,448	823,328
Total primary government activities	\$3,967,041	\$3,039,710	\$4,856,764	\$6,780,308	\$9,540,719	\$2,149,144	\$612,527	\$2,317,661	\$3,887,643

(Continued)

Source: City of Piqua Finance Department  
GASB 34 implemented 2002, 2001 data not available  
Fort Piqua Plaza enterprise began in October 2008  
Storm Water enterprise began in April 2010

**CITY OF PIQUA, OHIO**  
**GOVERNMENTAL FUND BALANCES**  
**LAST TEN YEARS**  
(modified accrual basis of accounting)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>General Fund</b>										
Nonspendable	\$ 12,515,872	\$ 12,514,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	18,638	20,665	-	-	-	-	-	-	-	-
Assigned	2,638,668	2,138,600	-	-	-	-	-	-	-	-
Reserved	-	-	10,834,537	9,926,096	4,039,446	413,703	867,692	181,424	967,139	146,648
Unassigned	5,346,681	5,294,013	7,987,100	6,674,596	8,594,514	7,675,124	5,827,239	6,961,400	4,694,765	5,550,783
<b>Total General Fund</b>	<b>20,519,859</b>	<b>19,967,351</b>	<b>18,821,637</b>	<b>16,600,692</b>	<b>12,633,960</b>	<b>8,088,827</b>	<b>6,694,931</b>	<b>7,142,824</b>	<b>5,661,904</b>	<b>5,697,431</b>
<b>Street Maintenance Fund</b>										
Restricted	2,276,323	1,754,063	-	-	-	-	-	-	-	-
Assigned	242,428	230,172	-	-	-	-	-	-	-	-
Reserved	-	-	359,365	50,166	163,780	10,766	4,121	1,432	230,919	131,131
Unassigned	-	-	1,374,925	1,433,773	1,003,903	610,379	435,921	282,168	15,563	237,945
<b>Total Street Maintenance Fund</b>	<b>2,518,751</b>	<b>1,984,235</b>	<b>1,734,290</b>	<b>1,483,939</b>	<b>1,167,683</b>	<b>621,145</b>	<b>440,942</b>	<b>283,600</b>	<b>246,482</b>	<b>369,076</b>
<b>Street Levy Fund</b>										
Restricted	1,434,873	1,311,585	-	-	-	-	-	-	-	-
Assigned	125,516	45,701	-	-	-	-	-	-	-	-
Reserved	-	-	197,384	409,802	45,903	86,492	30,642	228,872	438,821	568,447
Unassigned	-	-	1,145,679	384,273	410,922	227,390	207,500	95,817	(327,053)	31,341
<b>Total Street Levy Fund</b>	<b>1,560,389</b>	<b>1,357,286</b>	<b>1,343,063</b>	<b>794,075</b>	<b>456,825</b>	<b>313,882</b>	<b>238,142</b>	<b>324,689</b>	<b>111,768</b>	<b>599,788</b>
<b>Other Governmental Funds</b>										
Nonspendable	7,150	7,150	-	-	-	-	-	-	-	-
Restricted	115,427	511,724	-	-	-	-	-	-	-	-
Assigned	3	65,522	-	-	-	-	-	-	-	-
Reserved	-	-	1,025,223	949,265	863,657	642,604	430,985	360,451	446,431	389,446
Unassigned reported in:										
Revolving Loan/Program Income	-	-	33,117	72,554	49,165	52,846	51,418	38,357	37,361	-
Community Development	-	(19,999)	(130,314)	11,504	17,092	461,290	429,535	480,370	13,541	13,828
Trust	-	-	3,172	22,417	27,974	-	35,435	40,449	34,036	1,894
Conservancy	-	-	42,144	40,625	41,127	-	56,060	51,677	45,595	37,885
Safety Pension	-	-	-	72,456	60,676	39,106	26,771	107,463	73,886	41,339
Federal Grants	-	(40,320)	4,109	(103,727)	(5,410)	(152,714)	7,954	(43,177)	291,280	346,659
<b>Total All Other Governmental Funds</b>	<b>122,580</b>	<b>524,077</b>	<b>977,451</b>	<b>1,065,094</b>	<b>1,034,281</b>	<b>1,043,132</b>	<b>1,038,158</b>	<b>1,034,590</b>	<b>942,130</b>	<b>831,051</b>
<b>All Governmental Funds</b>										
Nonspendable	12,523,022	12,521,223	-	-	-	-	-	-	-	-
Restricted	3,845,261	3,598,037	-	-	-	-	-	-	-	-
Assigned	3,006,615	2,479,995	-	-	-	-	-	-	-	-
Reserved	-	-	12,416,509	11,335,329	5,112,786	1,153,565	1,333,440	772,179	2,083,310	1,235,672
Unassigned	5,346,681	5,233,694	10,459,932	8,608,471	10,199,963	8,913,421	7,077,833	8,013,524	4,878,974	6,261,674
<b>Total All Governmental Funds</b>	<b>\$ 24,721,579</b>	<b>\$ 23,832,949</b>	<b>\$ 22,876,441</b>	<b>\$ 19,943,800</b>	<b>\$ 15,312,749</b>	<b>\$ 10,066,986</b>	<b>\$ 8,411,273</b>	<b>\$ 8,785,703</b>	<b>\$ 6,962,284</b>	<b>\$ 7,497,346</b>

Source: City of Piqua Finance Department



**CITY OF PIQUA, OHIO**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(modified accrual basis of accounting)**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>REVENUES</b>										
Municipal income tax	\$ 7,374,993	\$ 7,002,778	\$ 10,267,939	\$ 8,260,918	\$ 8,300,977	\$ 8,378,103	\$ 7,338,490	\$ 7,364,357	\$ 6,913,931	\$ 7,075,879
Property taxes	1,402,952	1,349,521	1,452,709	1,466,214	1,505,317	1,525,944	1,452,019	1,503,856	1,464,328	1,462,538
State shared revenues	2,764,569	3,781,537	3,199,733	2,530,167	3,192,533	3,086,008	2,440,954	2,309,931	2,428,657	2,627,852
Locally levied taxes	1,173,438	1,123,045	1,259,107	1,291,091	1,309,110	1,249,360	1,095,211	1,057,683	1,084,235	651,078
Licenses and permits, fees	1,054,458	1,020,519	949,578	1,073,084	574,837	314,412	358,178	282,538	351,468	354,595
Grants: capital	392,849	512,522	1,766,624	3,975,696	208,958	3,365	402,414	665,148	-	2,039,813
Grants: operating	863,231	372,788	765,164	1,954,777	600,798	713,537	714,033	623,044	3,053,192	-
Investment income	157,392	109,066	253,369	420,761	420,761	249,393	150,072	176,014	241,329	445,017
Increase in fair market value of investments	(22,878)	(11,293)	55,323	12,071	18,769	(33,256)	(29,936)	(78,911)	8,739	58,807
Donations: capital	-	21,600	55,500	3,200	650,347	57,122	193,680	72,075	73,627	-
Donations: operating	551,328	180,976	361,555	346,537	2,607,444	26,321	28,595	17,656	343	-
Other fines, rents, and reimbursements	524,995	716,342	657,330	325,783	1,518,010	444,458	367,119	271,811	249,637	538,842
<b>Total revenues</b>	<b>16,237,327</b>	<b>16,179,401</b>	<b>21,043,931</b>	<b>21,732,155</b>	<b>20,907,861</b>	<b>16,014,767</b>	<b>14,510,829</b>	<b>14,265,202</b>	<b>15,869,486</b>	<b>15,254,421</b>
<b>EXPENDITURES</b>										
General government administration	1,278,817	1,287,163	1,501,156	1,694,424	1,356,040	1,115,766	1,147,891	1,109,423	1,258,233	1,211,362
Public safety	7,464,385	7,506,391	7,775,613	7,676,395	7,567,735	7,117,151	7,134,397	6,442,819	6,142,233	6,038,913
Public health	360,499	435,469	496,914	521,419	393,863	331,834	318,869	301,939	273,225	342,946
Street repairs and maintenance	2,192,766	2,639,293	4,137,209	2,221,531	1,936,590	2,591,792	1,941,396	1,680,773	2,260,992	1,567,061
Parks and recreation	461,977	609,908	828,421	633,438	661,920	637,044	573,008	514,476	514,476	628,026
Community planning and development	610,155	321,094	942,424	544,972	749,395	1,281,353	703,930	593,528	637,002	639,101
Other	55,043	55,521	112,288	78,846	106,092	160,982	103,674	142,634	65,991	95,230
Capital improvements	1,240,777	2,123,231	1,581,034	5,093,251	1,991,144	1,306,288	2,407,139	2,105,214	4,516,303	9,557,507
Debt service:										
Principal	871,353	802,604	737,596	683,457	524,404	805,840	448,413	415,805	381,299	353,333
Interest	248,969	273,818	293,522	192,915	184,195	217,845	231,512	248,143	268,308	51,448
Payment of pension liability	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>14,784,741</b>	<b>16,054,492</b>	<b>18,406,177</b>	<b>19,340,648</b>	<b>15,471,378</b>	<b>15,565,895</b>	<b>15,010,229</b>	<b>13,549,908</b>	<b>16,318,062</b>	<b>20,484,927</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,452,586</b>	<b>124,909</b>	<b>2,637,754</b>	<b>2,391,507</b>	<b>5,436,483</b>	<b>448,872</b>	<b>(499,400)</b>	<b>715,294</b>	<b>(448,576)</b>	<b>(5,230,506)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Issuance of debt	73,777	1,122,882	486,977	2,421,007	-	474,842	236,037	99,155	-	-
Disposal of capital assets	56,482	9,515	1,852	18,468	6,383	385,572	73,018	93,971	-	-
Transfers in	1,057,569	1,024,720	1,051,982	689,718	657,677	899,980	1,258,438	2,430,459	4,931,844	3,640,573
Transfers out	(1,366,662)	(1,325,518)	(1,245,924)	(889,649)	(854,780)	(1,036,588)	(1,489,298)	(1,490,406)	(4,983,125)	(3,835,315)
Total other financing sources (uses)	(178,834)	831,599	294,887	2,239,544	(190,720)	723,806	78,195	1,133,179	(51,281)	(194,742)
<b>Net change in fund balances</b>	<b>\$ 1,273,752</b>	<b>\$ 956,508</b>	<b>\$ 2,932,641</b>	<b>\$ 4,631,051</b>	<b>\$ 5,245,763</b>	<b>\$ 1,172,678</b>	<b>\$ (421,205)</b>	<b>\$ 1,848,473</b>	<b>\$ (499,857)</b>	<b>\$ (5,425,248)</b>
Debt service as a percentage of Noncapital expenditures	8.3%	7.7%	6.1%	6.2%	5.3%	7.2%	5.4%	5.8%	5.5%	3.7%

Source: City of Piqua Finance Department

**CITY OF PIQUA, OHIO**

**Table 5**

**INCOME TAX REVENUE BY TYPE  
LAST TEN YEARS  
(cash basis)**

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2010	1.75%	\$ 7,531,133	\$ 5,910,484	79%	\$ 1,004,631	13%	\$ 616,018	8%
2009	1.75%	\$ 8,772,129	\$ 6,659,669	76%	\$ 533,486	6%	\$ 1,578,974	18%
2008	1.75%	\$ 9,299,939	\$ 6,635,823	71%	\$ 1,070,972	12%	\$ 1,593,144	17%
2007	1.75%	\$ 8,278,497	\$ 6,441,487	78%	\$ 1,279,369	15%	\$ 557,641	7%
2006	1.75%	\$ 8,304,428	\$ 6,300,579	76%	\$ 1,458,825	18%	\$ 545,024	6%
2005	1.75%	\$ 8,285,031	\$ 6,394,175	77%	\$ 1,316,266	16%	\$ 574,590	7%
2004	1.75%	\$ 7,291,145	\$ 5,858,601	80%	\$ 872,733	12%	\$ 559,811	8%
2003	1.75%	\$ 7,377,796	\$ 5,773,887	78%	\$ 1,030,707	14%	\$ 573,202	8%
2002	1.75%	\$ 6,987,530	\$ 5,911,906	85%	\$ 594,701	9%	\$ 480,923	6%
2001	1.75%	\$ 7,080,816	\$ 5,836,282	82%	\$ 655,647	9%	\$ 588,887	9%

Source: City of Piqua Income Tax Department

**INCOME TAX COLLECTIONS BY INCOME RANGE  
LAST SIX YEARS**

Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2009	0-20,000	3,853	44.03%	31,893,835	9.70%
2009	20,001-40,000	2,222	25.39%	64,796,876	19.71%
2009	40,001-60,000	1,201	13.72%	58,741,763	17.87%
2009	60,001-80,000	673	7.69%	46,361,870	14.10%
2009	80,001-100,000	350	4.00%	30,959,276	9.42%
2009	over 100,000	452	5.17%	95,978,422	29.20%
	Total	<u>8,751</u>		<u>328,732,042</u>	
2008	0-20,000	3,239	40.84%	26,422,402	6.00%
2008	20,001-40,000	2,039	25.71%	59,730,456	13.57%
2008	40,001-60,000	1,154	14.55%	56,625,342	12.86%
2008	60,001-80,000	688	8.67%	47,651,794	10.82%
2008	80,001-100,000	347	4.37%	30,879,337	7.01%
2008	over 100,000	465	5.86%	218,983,220	49.74%
	Total	<u>7,932</u>		<u>440,292,551</u>	
2007	0-20,000	2,861	42.94%	22,686,532	7.99%
2007	20,001-40,000	1,629	24.45%	47,858,984	16.86%
2007	40,001-60,000	1,001	15.02%	48,988,779	17.25%
2007	60,001-80,000	545	8.18%	37,537,791	13.22%
2007	80,001-100,000	270	4.05%	23,909,330	8.42%
2007	over 100,000	357	5.36%	102,965,400	36.26%
	Total	<u>6,663</u>		<u>283,946,816</u>	
2006	0-20,000	2,887	43.04%	23,417,853	8.42%
2006	20,001-40,000	1,685	25.12%	49,085,205	17.65%
2006	40,001-60,000	996	14.85%	48,996,734	17.61%
2006	60,001-80,000	551	8.21%	37,597,868	13.52%
2006	80,001-100,000	270	4.03%	23,845,560	8.57%
2006	over 100,000	319	4.75%	95,221,726	34.23%
	Total	<u>6,708</u>		<u>278,164,946</u>	
2005	0-20,000	2,840	43.57%	23,206,195	8.58%
2005	20,001-40,000	1,655	25.39%	48,441,662	17.92%
2005	40,001-60,000	941	14.43%	46,343,589	17.14%
2005	60,001-80,000	517	7.93%	35,318,776	13.06%
2005	80,001-100,000	262	4.02%	23,149,682	8.56%
2005	over 100,000	304	4.66%	93,934,318	34.74%
	Total	<u>6,519</u>		<u>270,394,222</u>	
2004	0-20,000	2,917	42.98%	24,164,308	8.07%
2004	20,001-40,000	1,793	26.41%	52,604,328	17.56%
2004	40,001-60,000	975	14.36%	48,039,364	16.03%
2004	60,001-80,000	558	8.22%	38,117,997	12.72%
2004	80,001-100,000	260	3.83%	23,025,891	7.68%
2004	over 100,000	285	4.20%	113,682,534	37.94%
	Total	<u>6,788</u>		<u>299,634,422</u>	

Source: City of Piqua, Ohio Income Tax Department-certain amounts may be estimates-years are tax years. The City instituted a mandatory filing requirement in 2008. Comparisons between 2008 and prior years may be exaggerated. Prior to 2008 the number of filers does not equal total taxpayers due to taxpayers paying city taxes through employer withholding without a filing requirement. Tax years 2003, 2002, 2001, and 2000 information is not available.

CITY OF PIQUA, OHIO

Table 7

AD VALOREM-- PROPERTY TAX LEVIES,  
COLLECTIONS, REAL, PERSONAL, AND UTILITY ASSESSED VALUES  
LAST TEN YEARS

Levy Year	Total Levy	Current Collection	Percent of Total Levy Collected	Cumulative Delinquency	Real Property Assessed Value	Personal and Utilities Property Assessed Value	Total Assessed Value	Estimated Total Property Value of City
2009	\$1,488,065	\$1,442,184	96.92	\$100,176	\$331,920,190	\$2,239,240	\$334,159,430	\$1,137,054,885
2008	1,483,596	1,431,473	96.49	113,228	326,538,330	18,107,090	344,645,420	1,005,395,017
2007	1,558,181	1,510,445	96.94	178,881	326,748,650	35,134,860	361,883,510	1,074,107,011
2006	1,545,521	1,485,097	96.09	115,635	301,859,760	52,758,960	354,618,720	1,073,492,297
2005	1,550,670	1,512,109	97.51	92,928	296,243,040	63,527,520	359,770,560	1,100,518,766
2004	1,581,499	1,544,095	97.63	91,922	291,828,330	65,159,360	356,987,690	1,073,492,297
2003	1,533,847	1,492,929	97.33	80,678	277,754,750	70,142,460	347,897,210	1,094,432,669
2002	1,543,196	1,501,773	97.32	80,815	275,053,010	76,389,910	351,442,920	1,091,425,383
2001	1,549,860	1,511,981	97.56	69,998	270,749,680	73,192,390	343,942,070	1,066,340,074
2000	1,487,288	1,430,444	96.18	79,820	256,052,460	72,293,270	328,345,730	1,020,751,537

Source: Miami County Auditor's Office  
1) Amounts do not include delinquent collections

CITY OF PIQUA, OHIO

Table 8

RATIO OF OUTSTANDING DEBT BY TYPE AND RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Governmental activities</b>										
General obligation bonds	\$ 325,000	\$ 875,000	\$ 1,000,000	\$ 1,455,000	\$ 1,898,347	\$ 2,315,740	\$ 2,713,133	\$ 3,083,620	\$ 3,434,107	\$ 3,764,594
Special assessment bonds	95,664	62,602	91,397	124,250	136,089	175,960	193,654	186,042	180,571	171,664
Pension refunding bonds	295,000	315,000	335,000	355,000	375,000	390,000	405,000	420,000	435,000	450,000
Taxable revenue bonds	1,800,000	2,010,000	2,210,000	2,400,000	-	149,000	-	-	-	-
Promissory Notes	1,159,221	1,209,859	486,977	-	149,000	149,000	-	-	-	-
Capital Leases	-	-	28,809	68,551	106,815	158,955	208,865	-	-	-
<b>Total gross governmental activities indebtedness</b>	<b>3,674,885</b>	<b>4,472,461</b>	<b>4,152,183</b>	<b>4,402,801</b>	<b>2,665,251</b>	<b>3,189,655</b>	<b>3,520,652</b>	<b>3,689,662</b>	<b>4,049,678</b>	<b>4,386,258</b>
<b>Business type activities</b>										
General obligation bonds	1,529,281	2,021,437	2,498,590	2,960,745	3,634,555	4,294,317	4,944,078	5,821,380	6,080,893	6,645,406
Mortgage revenue bonds	-	-	-	-	-	-	-	-	-	-
Promissory Notes	6,619,079	6,893,177	3,482,775	3,971,061	4,401,095	4,615,594	4,233,098	4,907,971	5,456,063	6,051,687
<b>Total gross business-type activities indebtedness</b>	<b>8,148,360</b>	<b>8,914,614</b>	<b>5,981,365</b>	<b>6,931,806</b>	<b>8,035,650</b>	<b>8,909,911</b>	<b>9,177,176</b>	<b>10,729,351</b>	<b>11,536,956</b>	<b>12,697,093</b>
<b>Total gross primary government indebtedness</b>	<b>11,823,245</b>	<b>13,387,075</b>	<b>10,133,548</b>	<b>11,334,607</b>	<b>10,700,901</b>	<b>12,099,566</b>	<b>12,697,828</b>	<b>14,419,013</b>	<b>15,586,634</b>	<b>17,083,351</b>
Percent of personal income	3.60%	3.04%	2.09%	2.34%	2.21%	2.50%	2.62%	2.97%	3.21%	3.52%
Per capita	\$ 575	\$ 646	\$ 489	\$ 547	\$ 516	\$ 583	\$ 612	\$ 695	\$ 752	\$ 824
<b>Less debt outside limitations:</b>										
Less debt service fund balance	4,100	52,509	71,080	82,573	77,135	66,779	63,193	49,208	50,472	55,885
Exempt self-supporting obligation debt:	\$1,529,281	\$2,021,437	\$2,498,590	\$2,960,745	\$3,634,555	\$4,294,317	\$4,944,078	\$5,821,380	\$6,080,893	\$6,645,406
Pension refunding bonds	295,000	315,000	335,000	355,000	375,000	390,000	405,000	420,000	435,000	450,000
Exempt self-supporting tax revenue bonds	1,800,000	2,010,000	2,210,000	2,400,000	-	175,960	193,654	186,042	180,571	171,664
Special assessment bonds	95,664	62,602	91,397	124,250	136,089	175,960	193,654	186,042	180,571	171,664
Exempt self-supporting notes	7,778,300	8,103,036	3,969,752	3,971,061	4,550,095	4,764,594	4,233,098	4,907,971	5,456,063	6,051,687
Net debt within limitation for both Voted and Unvoted debt	320,900	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635	3,708,709
Percent of estimated actual property value	0.10%	0.24%	0.26%	0.41%	0.54%	0.67%	0.82%	0.86%	0.98%	1.13%
Per capita	\$ 16	\$ 40	\$ 46	\$ 69	\$ 93	\$ 116	\$ 138	\$ 146	\$ 163	\$ 179
<b>Debt limitation for both voted and unvoted debt</b>										
10.5% of assessed valuation	35,086,740	36,187,769	37,997,769	37,234,966	37,775,909	37,483,707	36,529,207	36,901,507	36,113,917	34,476,302
<b>Legal debt margin for voted and unvoted debt</b>	<b>34,765,840</b>	<b>35,365,278</b>	<b>37,040,040</b>	<b>35,793,988</b>	<b>35,847,882</b>	<b>35,075,791</b>	<b>33,670,402</b>	<b>33,867,095</b>	<b>32,730,282</b>	<b>30,767,593</b>
<b>Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit</b>	<b>0.91%</b>	<b>2.27%</b>	<b>2.52%</b>	<b>3.87%</b>	<b>5.10%</b>	<b>6.42%</b>	<b>7.83%</b>	<b>8.22%</b>	<b>9.37%</b>	<b>10.76%</b>
<b>Net debt within limitation for both voted and unvoted limitation</b>										
Net debt within limitation for both voted and unvoted limitation	320,900	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635	3,708,709
Less voted debt	-	-	-	-	-	-	-	-	-	-
<b>Net debt with limitation for unvoted debt</b>	<b>320,900</b>	<b>822,491</b>	<b>957,729</b>	<b>1,440,978</b>	<b>1,928,027</b>	<b>2,407,916</b>	<b>2,858,805</b>	<b>3,034,412</b>	<b>3,383,635</b>	<b>3,708,709</b>
<b>Debt limitation for Unvoted debt</b>										
5.5% of assessed valuation	18,378,769	18,955,498	19,903,593	19,504,030	19,787,381	19,634,323	19,134,347	19,329,361	18,916,814	18,059,015
<b>Legal debt margin for unvoted debt</b>	<b>18,057,869</b>	<b>18,133,007</b>	<b>18,945,864</b>	<b>18,063,052</b>	<b>17,859,354</b>	<b>17,226,407</b>	<b>16,275,542</b>	<b>16,294,949</b>	<b>15,533,179</b>	<b>14,350,306</b>
<b>Net debt within limitation for unvoted debt as a percentage of debt limit</b>	<b>1.75%</b>	<b>4.34%</b>	<b>4.81%</b>	<b>7.39%</b>	<b>9.74%</b>	<b>12.26%</b>	<b>14.94%</b>	<b>15.70%</b>	<b>17.89%</b>	<b>20.54%</b>

Source: City of Piqua Finance Department

COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
DECEMBER 31, 2010

	<u>Gross Debt</u>	<u>Debt Service</u>	<u>Net Debt</u>	Percent Applicable to City (1)	<u>City's Share</u>
Piqua School District	\$ 7,724,990	\$ 759,379	\$ 6,965,611	79.76%	\$ 5,555,771
Upper Valley Joint Vocational School	6,575,000	224,661	6,350,339	10.35	657,260
Miami County	<u>18,290,000</u>	<u>43,696</u>	<u>18,246,304</u>	15.46	<u>2,820,878</u>
Total overlapping debt	32,589,990	1,027,736	31,562,254		9,033,909
City of Piqua	325,000	4,100	320,900	100.00%	320,900
Total net direct and overlapping debt	<u>\$32,914,990</u>	<u>\$ 1,031,836</u>	<u>\$ 31,883,154</u>		<u>\$ 9,354,809</u>

(1) Assessed valuation of City of Piqua divided by assessed valuation of each taxing district.

Source: Individual Jurisdictions

CITY OF PIQUA, OHIO

Table 10

DEBT COVERAGE  
BUSINESS TYPE ACTIVITIES  
LAST TEN YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Power</b>										
Gross revenues	\$ 24,367,582	\$ 23,275,187	\$ 24,078,303	\$ 21,488,905	\$ 18,725,494	\$ 18,393,373	\$ 16,768,510	\$ 16,872,661	\$ 17,648,101	\$ 17,411,299
Direct operating expenses	20,803,628	20,383,460	21,765,513	20,643,787	14,259,799	15,533,778	15,403,238	15,151,271	15,639,200	12,375,133
Net revenue available for debt service	3,563,954	2,891,727	2,312,790	845,118	4,465,695	2,839,595	1,365,272	1,721,390	2,008,901	5,036,166
General obligation debt service requirements	405,590	406,690	410,259	408,495	410,539	402,880	403,789	488,902	449,075	448,375
Revenue obligation debt service requirements	-	-	-	-	-	-	-	-	-	-
Debt service coverage	879	711	564	207	1,088	705	338	352	447	1,123
<b>Wastewater</b>										
Gross revenues	\$ 3,484,594	\$ 3,261,068	\$ 3,112,707	\$ 2,756,313	\$ 2,730,291	\$ 2,690,664	\$ 2,650,812	\$ 2,640,767	\$ 2,673,074	\$ 2,675,182
Direct operating expenses	1,832,970	1,864,562	1,767,872	1,678,005	1,832,516	1,629,290	1,588,385	1,532,618	1,414,830	1,340,327
Net revenue available for debt service	1,651,624	1,396,506	1,344,835	1,078,308	897,775	1,061,374	1,062,427	1,108,150	1,258,244	1,334,855
General obligation debt service requirements	275,305	-	-	176,963	188,925	200,888	212,850	224,813	236,775	248,738
Revenue obligation debt service requirements	506,537	506,537	506,537	506,537	506,537	820,578	824,628	824,628	824,628	824,628
Debt service coverage	211	276	265	158	129	104	102	106	119	124
<b>Water</b>										
Gross revenues	\$ 3,339,333	\$ 3,125,486	\$ 3,004,270	\$ 2,751,678	\$ 2,673,640	\$ 2,545,102	\$ 2,516,706	\$ 2,505,710	\$ 2,531,566	\$ 2,551,938
Direct operating expenses	2,515,982	2,316,503	2,321,310	2,246,806	2,109,256	2,185,363	2,025,244	1,845,434	2,116,968	1,896,951
Net revenue available for debt service	823,351	808,983	682,960	504,872	564,384	359,739	491,462	660,276	414,598	654,987
General obligation debt service requirements	-	-	-	50,947	52,910	50,238	48,281	50,468	52,578	51,003
Revenue obligation debt service requirements	147,172	147,172	147,172	135,122	223,753	66,411	-	-	-	663,390
Debt service coverage	559	550	464	271	204	308	1,018	1,308	789	92
<b>Golf</b>										
Gross revenues	\$ 536,337	\$ 596,423	\$ 608,369	\$ 623,722	\$ 600,967	\$ 625,511	\$ 594,655	\$ 562,643	\$ 504,753	\$ 564,183
Direct operating expenses	467,903	502,379	523,446	568,058	550,122	539,118	541,073	467,023	390,479	380,037
Net revenue available for debt service	68,434	94,044	84,923	55,664	50,845	86,393	53,582	95,620	114,274	184,146
General obligation debt service requirements	171,308	170,118	168,385	180,231	177,532	180,205	265,233	215,598	230,774	230,747
Debt service coverage	40	55	49	31	29	48	20	44	50	80
<b>Pool</b>										
Gross revenues	\$ 74,967	\$ 80,052	\$ 93,172	\$ 89,708	\$ 90,075	\$ 96,102	\$ 74,383	\$ 77,338	\$ 91,672	\$ 72,303
Direct operating expenses	131,471	148,190	155,035	150,393	130,650	134,709	120,242	118,075	116,283	119,179
Net revenue available for debt service	(56,504)	(68,138)	(61,863)	(60,685)	(40,575)	(38,607)	(45,859)	(40,737)	(24,611)	(46,876)
General obligation debt service requirements	8,637	8,577	8,490	8,622	8,493	8,603	12,932	10,410	11,156	11,169
Debt service coverage	(654)	(794)	(729)	(704)	(478)	(449)	(355)	(391)	(221)	(420)

Gross revenues include operating revenue, interest income, and non operating income  
Direct operating expenses exclude depreciation  
Annual debt service requirement includes principal and interest

Source: City of Piqua Finance Department

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2010**

<u>NAME OF EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL EMPLOYMENT</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Industry Products	Manufacturer of die cutting equipment	351	3.9%
Walmart Stores Inc.	Retail store	345	3.8%
Piqua City Schools	Public school district	316	3.5%
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	285	3.1%
Tailwind Technologies Inc.	Manufacturer of aircraft propellers	268	2.9%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	240	2.6%
Upper Valley JVS	Regional joint vocational school	235	2.6%
City of Piqua	Municipal government	195	2.1%
Edison Community College	State community college	161	1.8%
Jackson Tube Service Inc.	Manufacturer of steel tubing	160	1.8%
Total available employment		9,095	

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2001**

<u>NAME OF EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL EMPLOYMENT</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	655	7.2%
Jackson Tube Service Inc.	Manufacturer of steel tubing	350	3.8%
Charter Corporation	Manufacturer of aircraft propellers	313	3.4%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	300	3.3%
Industry Products	Manufacturer of die cutting equipment	283	3.1%
City of Piqua	Municipal government	238	2.6%
Piqua City Schools	Public school district	218	2.4%
Upper Valley JVS	Regional joint vocational school	185	2.0%
Piqua Technologies Inc.	Manufacturer of automotive gaskets	185	2.0%
Edison Community College	State community college	174	1.9%
Total available employment		9,661	

Source: City of Piqua Income Tax Office



CITY OF PIQUA, OHIO

Table 12

PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2010  
LAST EIGHT YEARS

Name of Taxpayer	Nature of Business	2010 Assessed Valuation	Percent of Total Assessed Valuation	2009		2008		2007		2006		2005		2004		2003	
				Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	Assessed Valuation	
Midanco	Shopping mall	\$ 6,473,830	1.94%	\$ 9,302,280	\$ 8,964,070	\$ 8,973,950	\$ 8,819,110	\$ 8,792,120	\$ 9,677,310	\$ 9,677,310	\$ 9,677,310	\$ 9,677,310	\$ 9,677,310	\$ 9,677,310	\$ 9,677,310	\$ 9,677,310	\$ 9,677,310
Harvey Tolson Real Estate	Shopping mall	3,724,630	1.11%	4,284,110	4,284,110	4,284,110	-	-	-	-	-	-	-	-	-	-	-
Walmart Stores Inc.	Retailer of consumer goods	3,180,870	0.95%	3,180,870	3,644,050	3,230,090	3,804,410	-	-	-	-	-	-	-	-	-	-
HCF Inc.	Nursing home	2,822,910	0.84%	2,822,910	2,863,080	2,863,080	2,863,080	2,863,080	2,606,780	2,606,780	2,606,780	2,606,780	2,606,780	2,606,780	2,606,780	2,606,780	2,606,780
Miami Valley Steel	Manufacturer of split rolled steel	2,374,010	0.70%	2,374,010	2,951,210	3,002,120	4,086,600	6,144,020	5,404,790	5,404,790	5,404,790	5,404,790	5,404,790	5,404,790	5,404,790	5,404,790	5,404,790
Spalding & Evenflo Co., Inc.	Manufacturer of juvenile furniture	2,161,150	0.65%	2,161,150	3,325,430	4,739,550	6,838,690	7,502,000	8,650,400	8,650,400	8,650,400	8,650,400	8,650,400	8,650,400	8,650,400	8,650,400	8,650,400
Home Depot Inc.	Hardware retailer	2,084,010	0.62%	2,084,010	2,408,880	2,819,960	3,071,200	3,240,210	3,240,210	3,240,210	3,240,210	3,240,210	3,240,210	3,240,210	3,240,210	3,240,210	3,240,210
Jackson Tube Service Inc.	Manufacturer of steel tubing	1,960,000	0.59%	3,045,220	4,144,950	5,959,740	8,455,350	9,498,430	9,099,760	9,099,760	9,099,760	9,099,760	9,099,760	9,099,760	9,099,760	9,099,760	9,099,760
Ohio Bell Telephone	Telephone utility	1,884,000	0.56%	1,884,000	2,050,540	2,218,070	1,540,980	1,779,290	2,215,480	2,215,480	2,215,480	2,215,480	2,215,480	2,215,480	2,215,480	2,215,480	2,215,480
Centro NP Residential Pool	Shopping mall	1,234,770	0.37%	1,234,770	2,342,310	2,120,300	1,313,880	1,215,880	1,607,140	1,607,140	1,607,140	1,607,140	1,607,140	1,607,140	1,607,140	1,607,140	1,607,140
TOTAL		\$ 27,850,180	8.33%	\$ 32,323,330	\$ 36,978,630	\$ 40,210,970	\$ 40,793,300	\$ 41,035,030	\$ 42,501,870	\$ 42,501,870	\$ 42,501,870	\$ 42,501,870	\$ 42,501,870	\$ 42,501,870	\$ 42,501,870	\$ 42,501,870	\$ 42,501,870
TOTAL ASSESSED VALUATION		\$ 334,159,430		\$ 344,645,420	\$ 361,883,510	\$ 354,618,720	\$ 359,770,560	\$ 356,987,690	\$ 347,897,210	\$ 347,897,210	\$ 347,897,210	\$ 347,897,210	\$ 347,897,210	\$ 347,897,210	\$ 347,897,210	\$ 347,897,210	\$ 347,897,210

**CITY OF PIQUA, OHIO**

**Table 13**

**DEMOGRAPHIC AND  
ECONOMIC STATISTICS  
LAST TEN YEARS**

Year	Population	Estimated Total Personal Income of City	Per capita Personal Income	Miami County Unemployment rate	Household Median Income	Avg Sale Price for a Single Family Home
	1	2	2	3	2	4
2010	20,552	\$ 421,768,144	\$ 20,552	9.6%	\$ 42,226	\$ 91,387
2009	20,738	478,499,000	23,074	12.2	44,347	101,200
2008	20,738	484,937,000	23,384	8.1	44,566	
2007	20,738	481,080,000	23,198	6.3	44,212	
2006	20,738	477,264,000	23,014	5.4	43,861	
2005	20,738	461,109,000	22,235	5.4	42,378	
2004	20,738	445,514,000	21,483	6.4	40,945	
2003	20,738	430,459,000	20,757	5.8	39,560	
2002	20,738	415,901,000	20,055	6.1	38,222	
2001	20,738	401,840,000	19,377	4.8	36,930	

Source:

(1) 2000-2010 United State Census Bureau

(2) 2009 American Community Survey

(3) Ohio Department of Jobs and Family Services LMI

(4) Miami County Ohio, Auditors office

**FULL TIME EMPLOYEES BY PROGRAM/DEPARTMENT  
LAST TEN YEARS**

PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>GOVERNMENTAL ACTIVITIES</b>										
General Government:										
City Building	0.50	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
City Manager	2.00	2.00	3.00	3.25	3.25	2.25	2.00	3.00	3.00	3.00
Law Department	2.00	2.00	2.00	1.75	1.25	1.25	1.25	1.25	1.25	1.25
Planning and Zoning	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-	-
Prosecutor	-	-	-	-	1.00	0.75	0.75	0.75	1.00	1.00
Human Resources	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75
Finance	21.00	21.00	20.00	20.00	20.00	20.00	19.50	20.00	21.00	21.00
Purchasing	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	1.00
Engineering	4.50	4.50	3.50	4.50	4.50	6.00	6.00	6.00	6.00	6.50
Hotel Project Manager	-	-	1.00	1.00	1.00	-	-	-	-	-
Health	3.50	4.50	6.00	6.00	6.00	5.00	5.00	5.00	5.00	6.00
Public Safety:										
Police	40.00	40.00	38.00	40.00	40.00	40.00	40.50	40.00	39.00	40.50
Fire	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Streets:	16.00	15.00	17.00	17.00	17.00	17.00	16.00	17.50	19.00	21.00
Parks:	8.00	7.50	11.00	11.00	11.00	9.75	9.75	13.00	13.00	15.00
Community Development:	2.00	2.00	2.00	2.75	2.75	2.75	3.00	3.00	2.00	3.50
Total governmental activities	134.50	134.50	139.50	143.25	143.50	140.50	137.50	141.25	142.00	151.50
<b>BUSINESS-TYPE ACTIVITIES</b>										
Power:	26.50	26.50	26.50	33.50	33.50	37.00	37.00	37.00	38.00	39.00
Wastewater:	14.70	14.50	14.50	14.00	14.00	14.00	14.00	14.00	15.50	15.50
Water:	17.70	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50
Stormwater	1.00	-	-	-	-	-	-	-	-	-
Refuse:	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Golf:	9.00	8.00	7.00	13.00	14.00	13.00	14.00	14.00	10.50	10.50
Pool:	16.00	16.00	14.00	15.00	14.00	15.00	15.00	15.50	16.50	16.50
Total business-type activities	92.90	91.50	88.50	102.00	102.00	105.50	106.50	107.00	107.00	108.00
Internal Service:										
Information Technology	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Totals	230.40	229.00	231.00	248.25	248.50	249.00	247.00	251.25	252.00	262.50

Source: City of Piqua 2010-2001 annual budgets

Method: Using 1.0 for each full-time employee and increments of 0.5 for each part-time employee.  
Count taken at December 31.

CITY OF PIQUA, OHIO

Table 15

OPERATING INDICATORS  
BY FUNCTION/PROGRAM  
LAST TEN YEARS

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Health Department</b>										
Restaurant inspections	750	965	536	672	702	688	501	789	697	305
Swimming pool inspections	45	64	52	70	60	42	31	66	61	33
Nuisance consultations	1,526	1,931	2,285	2,551	3,447	2,235	1,753	1,891	1,898	1,430
Housing/Property maintenance enforcements	618	1,888	2,016	2,910	2,501	1,395	1,333	1,441	1,248	1,391
<b>Public Works</b>										
Right of way opening permits	110	90	110	100	77	87	52	26	0	0
Subdivision construction plan approvals	0	0	0	2	2	2	0	4	n/a	n/a
Area of City (in square miles)	11.8	11.8	11.4	11.4	11.4	11.4	11.3	11.3	11.3	11.3
<b>Street Maintenance</b>										
Miles of streets	103	103	103	103	100.4	100.4	103.3	103	100.3	99
Miles of streets repaved	3.9	1.8	3.4	5.8	2.5	4.2	3.9	1.9	2.5	3.6
Cubic yards of leaves disposed of	2057	1209	907	804	1555	1022	n/a	n/a	n/a	n/a
Tons of salt used	2,500	1,500	2,750	3,000	450	2,300	n/a	n/a	n/a	n/a
<b>Parks District</b>										
Number of parks	19	19	19	19	19	19	19	19	19	18
Acreage in parks	441.8	441.8	441.8	441.8	441.8	441.8	441.8	441.8	429	422
Building rentals Mote Park	196	266	252	260	340	311	301	320	329	398
Building rentals all other parks	270	228	198	189	200	199	189	186	129	189
<b>Fire Department</b>										
Fire calls	474	439	540	514	500	466	450	475	489	526
Ems Response calls	3,176	3,153	3,230	3,083	3,120	2,990	3,083	2,787	2,551	2,571
Number of Sworn officers	28	29	29	29	29	29	29	29	29	29
Number of Fire houses	1	1	1	1	1	1	1	1	1	1
Number of ambulances and fire response vehicles	13	13	13	13	13	13	12	11	11	11
<b>Police Department</b>										
Calls for service	20,628	23,053	23,195	22,618	24,627	28,895	31,318	31,103	33,393	36,740
Traffic citations	1,299	1,666	763	1,240	2,182	1,737	1,978	1,931	2,144	2,650
Number of sworn officers	31	33	33	34	34	34	34	34	33	33
Number of police response vehicles	25	25	26	26	26	26	24	24	24	24
<b>Planning &amp; Zoning Department</b>										
Zoning Permit applications	167	99	142	152						
Commercial construction permits	82	37	40	47	62	37	18	16	8	23
Commercial construction value in (,000)	\$ 4,635	\$ 2,497	\$ 3,957	\$ 12,124	\$ 7,244	\$ 11,774	\$ 12,619	\$ 7,939	\$ 2,681	\$ 9,486
Residential construction permits	85	62	98	103	107	44	50	34	56	50
Residential construction value in (,000)	\$ 1,649	\$ 1,417	\$ 2,790	\$ 2,836	\$ 4,807	\$ 8,195	\$ 8,558	\$ 5,284	\$ 8,244	\$ 7,979

(Continued)

Table 15

CITY OF PIQUA, OHIO

OPERATING INDICATORS  
BY FUNCTION/PROGRAM  
LAST TEN YEARS

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Power utility</b>										
Residential KWH billed (,000)	92,475	87,344	91,290	94,310	91,042	93,113	86,429	86,476	89,791	82,742
Residential billed revenue (,000)	\$ 8,590	\$ 8,242	\$ 7,805	\$ 6,825	\$ 5,675	\$ 5,824	\$ 5,198	\$ 5,211	\$ 5,534	\$ 5,186
Commercial KWH billed (,000)	107,057	109,155	113,026	114,998	119,563	118,880	114,671	108,145	110,991	106,599
Commercial billed revenue (,000)	\$ 8,132	\$ 8,521	\$ 8,339	\$ 7,219	\$ 6,670	\$ 6,719	\$ 6,258	\$ 5,921	\$ 6,233	\$ 6,223
Industrial KWH billed (,000)	103,184	91,855	110,693	110,690	105,373	96,145	91,083	93,246	95,461	92,111
Industrial billed revenue (,000)	\$ 6,664	\$ 6,310	\$ 7,087	\$ 6,180	\$ 5,141	\$ 4,853	\$ 4,380	\$ 4,559	\$ 4,816	\$ 4,773
Customer base	10,962	10,941	11,086	11,047	11,081	11,124	11,072	11,015	10,941	10,474
Construction line vehicles	25	25	25	25	25	25	25	25	25	25
<b>Water utility</b>										
Residential gallons billed (,000)	393,495	409,533	417,479	441,838	437,129	462,664	456,342	455,804	466,323	445,323
Residential billed revenue (,000)	\$ 2,354	\$ 2,264	\$ 2,149	\$ 1,937	\$ 1,871	\$ 1,856	\$ 1,834	\$ 1,830	\$ 1,855	\$ 1,796
Commercial gallons billed (,000)	132,298	129,742	139,917	160,127	156,082	160,263	155,211	148,757	159,680	160,346
Commercial billed revenue (,000)	\$ 635	\$ 622	\$ 563	\$ 533	\$ 517	\$ 500	\$ 491	\$ 480	\$ 499	\$ 502
Industrial gallons billed (,000)	43,209	44,350	56,398	48,475	41,575	39,167	41,267	38,294	46,166	46,456
Industrial gallons revenue (,000)	\$ 169	\$ 161	\$ 179	\$ 139	\$ 120	\$ 111	\$ 115	\$ 110	\$ 125	\$ 126
Customer base	8,721	8,726	8,715	8,776	8,892	8,828	8,811	8,733	8,670	8,635
Vehicles in repair fleet	10	10	10	10	10	10	10	10	10	10
<b>Wastewater utility</b>										
Residential gallons billed (,000)	379,749	396,510	404,465	427,048	427,332	452,488	443,564	446,267	448,764	436,989
Residential billed revenue (,000)	\$ 2,602	\$ 2,451	\$ 2,287	\$ 2,002	\$ 1,960	\$ 2,035	\$ 2,003	\$ 2,006	\$ 2,014	\$ 1,974
Commercial gallons billed (,000)	115,551	124,461	127,089	129,902	134,651	135,340	133,097	129,590	135,082	139,986
Commercial billed revenue (,000)	\$ 554	\$ 544	\$ 500	\$ 436	\$ 438	\$ 438	\$ 434	\$ 425	\$ 440	\$ 455
Industrial gallons billed (,000)	47,559	49,626	63,343	60,383	57,949	53,457	49,427	44,058	56,070	49,580
Industrial billed revenue (,000)	\$ 235	\$ 225	\$ 247	\$ 196	\$ 183	\$ 171	\$ 161	\$ 147	\$ 175	\$ 162
Customer base	8,387	8,400	8,507	8,471	8,491	8,489	8,487	8,413	8,365	8,348
Vehicles in repair fleet	9	9	9	9	9	8	8	8	8	8
<b>Refuse utility</b>										
Residential customers billed	7,659	7,648	7,593	7,600	7,652	7,648	7,594	7,490	7,465	7,407
Commercial customers billed	103	99	96	97	74	75	78	77	76	66
Residential and commercial revenue billed (,000)	\$ 1,438	\$ 1,439	\$ 1,349	\$ 1,245	\$ 1,108	\$ 1,082	\$ 1,037	\$ 1,023	\$ 1,031	\$ 1,036
Tons of refuse collected	7608	7782	8484	8745	9375	9271	9476	9656	9256	9165
Tons of recycled refuse collected	1104	1189	1246	1171	1192	1069	912	1079	1043	1009
Recycling fees collected(,000)	285	288	266	244	224	219	212	209	169	113
Vehicles in service	7	7	7	7	7	7	7	7	7	7
<b>Stormwater utility</b>										
Residential customers billed	2737	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commercial customers billed	5176	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential and commercial revenue billed (,000)	647	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(Continued)

Table 15

**CITY OF PIQUA, OHIO**  
**OPERATING INDICATORS**  
**BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<u>Golf Course</u>										
Annual memberships	161	145	162	151	153	256	131	154	384	488
Rounds of golf played	12,800	19,018	22,969	22,750	22,965	25,033	24,151	22,230	28,262	33,235
Revenue collected (,000)	\$ 534	\$ 596	\$ 605	\$ 618	\$ 597	\$ 623	\$ 593	\$ 562	\$ 501	\$ 558
<u>Municipal swimming pool</u>										
Annual memberships	408	328	316	373	n/a	n/a	n/a	n/a	n/a	n/a
Annual attendance	15,697	13,930	19,273	18,119	20,435	21,439	24,670	25,283	25,552	23,108
Revenue collected (,000)	\$ 75	\$ 80	\$ 93	\$ 89	\$ 89	\$ 95	\$ 74	\$ 77	\$ 91	\$ 70
<u>Fort Piqua Plaza</u>										
Large room rentals	56	42	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small room rentals	71	43	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Audio visual equipment rentals	48	27	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Revenue collected (,000)	\$ 115	\$ 62	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<u>General government information</u>										
Number of street lights	2,950	2,941	2,941	2,943	2,938	2,943	2,918	2,899	2,902	2,889
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Volumes of books in public libraries	134,615	132,048	123,333	140,181	136,023	137,389	136,096	165,179	107,000	124,032
High school enrollment	3,692	3,737	3,737	3,766	3,792	3,922	3,932	3,932	3,861	3,846

Source: City of Piqua

(Concluded)

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## **City of Piqua, Ohio**

Report on Internal Controls and Compliance  
For the Year Ended December 31, 2010

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

Honorable Mayor, City Commission  
and City Manager  
City of Piqua, Ohio

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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

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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*.

This report is intended solely for the information and use of the City Commission, management and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
May 27, 2011

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Honorable Mayor, City Commission  
and City Manager  
City of Piqua, Ohio

**Compliance**

We have audited the compliance of the City of Piqua, Ohio (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2010.

**Internal Control Over Compliance**

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

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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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Federal Awards

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 City as of and for the year ended December 31, 2010, and have issued our report thereon date May 27, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
May 27, 2011

City of Piqua, Ohio  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2010

Federal Grantor/Pass Through Grantor/Program Title	Grant Number	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the Office of Housing and Community Partnerships</i>			
Community Development Block Grants	A-C-08-165-1	14.228	\$ 239,549
Community Development Block Grants	A-C-10-2df-1	14.228	64
Community Development Block Grants	N/A	14.228	41,259
Community Development Block Grants	A-F-08-165-1	14.228	17,686
Community Development Block Grants	A-F-09-165-1	14.228	63,670
Community Development Block Grants	A-F-10-2df-1	14.228	1,787
Community Development Block Grants	B-Z-08-051-1	14.228	53,825
Total Community Development Grants			<u>417,840</u>
Home Investment Partnership Program	N/A	14.239	83,063
Total U.S. Department of Housing and Urban Development			<u>500,903</u>
<u>U.S. Department of Justice</u>			
<i>Direct programs:</i>			
Bulletproof Vest Partnership Program	2009BUBX05029246	16.607	2,482
Justice Assistant Grant - ARRA	GMS 2009SBB91947	16.804	14,970
<i>Passed through Ohio Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grant - ARRA	2009-RA-A02-2297	16.803	30,690
Total U.S. Department of Justice			<u>48,142</u>
<u>U.S. Department of Transportation</u>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction - ARRA	PID 88705	20.205	193,664
Total U.S. Department of Transportation			<u>193,664</u>
<u>U.S. Department of Homeland Security</u>			
<i>Passed through the Ohio Emergency Management Agency:</i>			
Assistance to Firefighters	EMW-2009-08287	97.044	23,138
Total U.S. Department of Homeland Security			<u>23,138</u>
<u>U.S. Department of Agriculture</u>			
<i>Direct programs:</i>			
Rural Business Enterprise Grant	41-055-316000136	10.769	90,000
Total U.S. Department of Agriculture			<u>90,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 855,847</u>

See accompanying notes to the schedule of expenditures of federal awards.

**NOTE 1 – GENERAL:**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Piqua, Ohio (the City). The City's reporting entity is defined in Note A to the City's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the Schedule.

**NOTE 2 – BASIS OF ACCOUNTING:**

The accompanying Schedule of Expenditures of Federal Awards is presented using modified accrual basis of accounting.

**NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:**

Grant expenditures are reported in the City's major and non-major special revenue funds.

**NOTE 4 – LOANS OUTSTANDING:**

At December 31, 2010, the City has the following amounts outstanding under federal loan programs:

HOME Investment Partnership Program - Rental Rehab program (CFDA #14.239)	\$ 82,230
Community Development Block Grant - Microenterprise program (CFDA #14.228)	41,259
Community Development Block Grant – Homeowners Assistance (CFDA #14.228)	924,657
Rural Business Enterprise Grant	44,594
Less: Allowance for Uncollectable Accounts	<u>(1,085,590)</u>
Net Loans Outstanding	\$ <u>7,150</u>

During 2010, the City did not issue any new loans under the HOME Investment Partnership - Rental Rehab program and issued \$189,201 of new loans under the Community Development Block Grant Homeowners Assistance loan program. The City also issued \$90,000 in new loans under the Rural Business Enterprise Grant. The Rental Rehab program requires the City continuing compliance requirements and therefore the loan balance is included in the Schedule of Expenditures of Federal Awards. The loans are reported on the City's financial statements within the special revenue funds.

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	None noted
Identification of major programs:	
CFDA 14.228 – Community Development Block Grant	
CFDA 20.205 – Highway Planning and Construction - ARRA	
Dollar threshold to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**Section II – Financial Statement Findings**

None noted

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

None noted

**Section IV – Summary of Prior Audit Findings and Questioned Costs**

None noted

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# Dave Yost • Auditor of State

**CITY OF PIQUA**

**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  
JULY 28, 2011**