

City of Piqua, Ohio

Report on Internal Controls and Compliance
For the Year Ended December 31, 2009



Mary Taylor, CPA
Auditor of State

Honorable Mayor and City Commission Members
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, 2009 through December 31, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 9, 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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 1, 2010. 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
June 1, 2010

CITY OF PIQUA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2009

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

INTRODUCTORY SECTION

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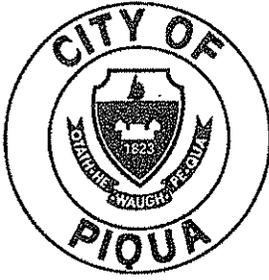
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FINANCE DEPARTMENT

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June 1, 2010

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, 2009. 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 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 (2000 Census 20,738) 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 4,500 students, is located on the east side of the city.

The City does not depend on one firm for local employment; as many as six companies employ in excess of 250 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 2009 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 continuing its tenth round of a Federal Comprehensive Housing Improvement Program in which local housing rehabilitation loans totaling \$4,590,946 were given to some 337 qualified low and moderate income property owners. During 2009, the City completed the ninth round and started the tenth round of CHIP grants by awarding an additional fourteen families \$117,905 in housing and mortgage assistance.

The following significant events took place in 2009:

- Continue implementation of a city-wide comprehensive plan for future development of the City of Piqua.
- Commencement and completion of Riverside Drive Phase 1 reconstruction project.
- Completion of restoration, and grand opening of a restaurant facility in the Fort Piqua Plaza.
- Continued redevelopment of the City's downtown and surrounding areas.
- Continued neighborhood improvements through the Neighborhood Associations and City's Neighborhood Improvement Team.
- Continuation of the Storm Water Infiltration Study.
- Review and evaluation of a Storm Water Utility based on the feasibility study to address sanitary sewer overflow infiltration.
- Review of Water Plant study, water source exploration, and potential new Water Plant design and construction.
- Wastewater Equalization Tank, construction and implementation.
- Study, review and exploration of a new municipal information system.
- Continue phase in of long range financial plan.

Future Projects: The city anticipates the following significant events to take place in 2010:

- Continued redevelopment of the City's downtown and surrounding areas. The redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights.
- Continued neighborhood improvements through the Neighborhood Associations and City's Neighborhood Improvement Team.
- Water source exploration, well drilling and potential new Water Plant design and construction
- Selection and begin implementation of a new municipal information system
- Continue phase in of the long range financial plan
- Complete 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.
- Continuation of the Storm Water Infiltration Study
- Continue implementation of a city-wide comprehensive plan for future development of the City of Piqua
- Commencement of 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

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 2009. During 2006, the City implemented GASB 44, Economic Condition Reporting and a Statistical Data Section. For 2009, the City is implementing GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, a year earlier than required.

General Government

General Fund Revenues: The 2009 municipal income tax revenue of \$6,999,179 decreased due to the 2008 lottery winners' one time payment; other taxes and the Kwh tax revenues remained relatively the same. Interest revenue is down due to lower interest rates in 2009 and is expected to drop in 2010 as rates remain low. Municipal income tax revenue has somewhat stabilized through April 2010 and is expected to be similar to 2009 levels. Grants were also significantly lower in 2009 than 2008.

General Fund Expenditures: The 2009 General Fund expenditures and other financing uses decreased 3.1% compared with 2008 as there were fewer community development and parks and recreation projects completed.

General Fund Balances: Current year activity contributed to a \$650,372 decrease in the unassigned fund balance from 2008.

Business-Type Funds

The City's utility operations, consisting of a power system, a water system, a wastewater 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 2009 the area experienced unseasonal temperatures and increased moisture, contributing to a slight decline in usage. Rate increases allowed revenue to remain stable.

Power System: Total customer revenues were \$23 million with usage down 8% compared to 2008 levels. Revenues remained stable based on a slight rate increase. With operating costs decreasing 6.9% due to decreased purchased power costs, revenues exceeded expenses in 2009 by \$1,064,987.

The system supplies electricity to more than 11,000 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 through 2009. Piqua Power participates in the American Public Power Association's Reliable Public Power Provider (RP3) program. In 2009 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 \$3.1 million were slightly higher than 2008 levels even though usage was down 2.9% based on a small rate increase. Operating expenses of \$2.7 million also remained at 2008 levels. Net income was \$452,128. More than 8,800 accounts are serviced by Piqua's municipal water system.

Wastewater System: Customer revenues of \$3.2 million were slightly higher than 2008 levels even though usage was down 4.1% based on a slight rate increase. Operating Expenses of \$2.8 million were similar to 2008 generating a net profit of \$401,334 in 2009.

Refuse System: System revenues of \$1.8 million were slightly higher than 2008 levels. Operating expenses of \$1.5 million remained at 2008 levels. Net income was \$286,112. 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 2009 audit was completed by Clark, Schaefer, Hackett & Co. and represents the thirtieth 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, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

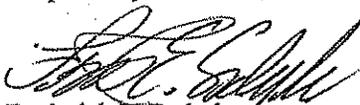
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable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

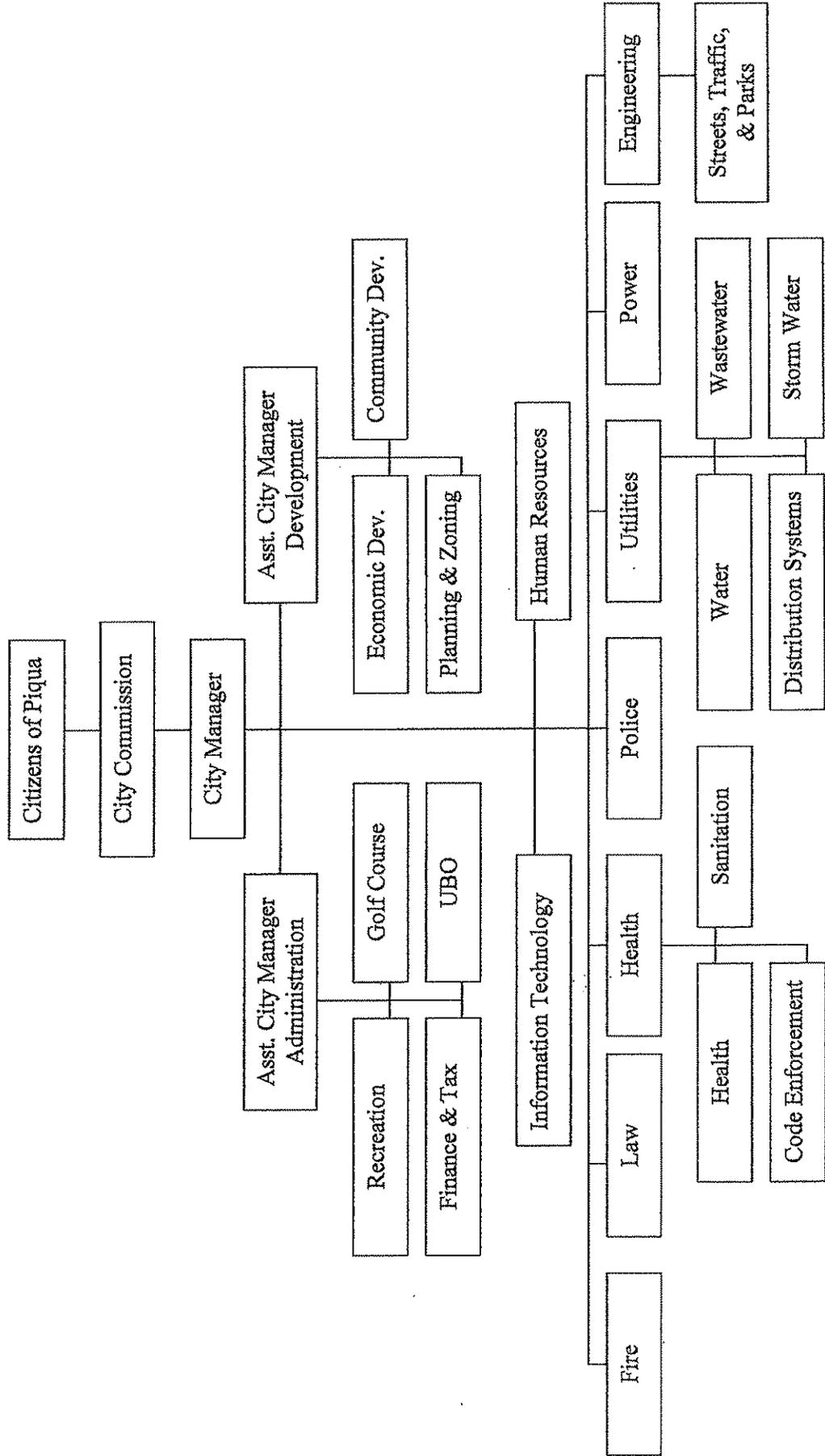
CITY MANAGER

Frederick E. Enderle

INDEPENDENT AUDITORS

Clark Schaefer Hackett & Co

City of Piqua 2009 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, 2008

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

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, 2009, 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, 2009, 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 June 1, 2010 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
June 1, 2010

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(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, 2009. 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, 2009 by \$133.2 million (net assets). Of this amount, \$41.9 million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$24.6 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 \$17.3 million and may be used to meet the on-going obligations of the City's business-type activities, including the water, wastewater, refuse, and electricity enterprises.
- The City's total net assets increased by \$3.0 million in 2009. Net assets of the governmental activities increased \$0.7 million, which represents a 1.1 percent increase from 2008.
- The total cost of the City's programs decreased \$4.6 million or 9.27 percent. The cost of governmental activities decreased \$3.0 million or 16.9 percent, while the cost of business-type activities decreased \$1.6 million or 5.1 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$23.8 million. The combined governmental funds fund balance increased \$0.9 million from the prior year's ending fund balance. Approximately \$5.2 million of the \$23.8 million fund balance is considered unassigned at December 31, 2009.
- The general fund reported a fund balance of \$19.5 million at the end of the current fiscal year. The unassigned fund balance for the general fund was \$5.3 million or 45 percent of total general fund expenditures (including transfers out). There was a \$0.7 million increase in the total general fund balance for the year ended December 31, 2009.
- The City had \$3.3 million more in debt at December 31, 2009 than at December 31, 2008.
- Total costs of governmental services decreased by over \$3.0 million, while net costs of services decreased by over \$1.0 million for governmental activities.

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2009
(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 2009?" 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, 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, 2009
(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 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, and refuse 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 51 of this report.

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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 52 through 57 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 58 through 72 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 2009 and 2008.

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 31,972,029	\$ 31,775,322	\$ 20,875,431	\$ 17,951,136	\$ 52,847,460	\$ 49,726,458
Capital assets	43,302,538	42,806,937	58,572,503	56,500,285	101,875,041	99,307,222
<i>Total assets</i>	<i>75,274,567</i>	<i>74,582,259</i>	<i>79,447,934</i>	<i>74,451,421</i>	<i>154,722,501</i>	<i>149,033,680</i>
Long-term debt	6,206,162	6,141,808	9,934,861	7,088,320	16,141,023	13,230,128
Other liabilities	2,862,829	2,949,094	2,469,518	2,645,037	5,332,347	5,594,131
<i>Total liabilities</i>	<i>9,068,991</i>	<i>9,090,902</i>	<i>12,404,379</i>	<i>9,733,357</i>	<i>21,473,370</i>	<i>18,824,259</i>
Net assets:						
Invested in capital assets, net of debt	41,217,679	41,291,151	49,657,889	50,518,920	90,875,568	91,810,071
Restricted by Legislation	20,665	14,684	-	-	20,665	14,684
Restricted by Debt Covenants	387,228	394,408	50,000	50,000	437,228	444,408
Unrestricted	24,580,004	23,791,114	17,335,666	14,149,144	41,915,670	37,940,258
<i>Total net assets</i>	<i>\$ 66,205,576</i>	<i>\$ 65,491,357</i>	<i>\$ 67,043,555</i>	<i>\$ 64,718,064</i>	<i>\$ 133,249,131</i>	<i>\$ 130,209,421</i>

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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 \$133.2 million compared to \$130.2 million in 2008, an increase of \$3.0 million. Net Assets for governmental activities increased \$0.7 million, while business-type activities increased \$2.3 million.

Of that amount, in 2009 approximately \$90.9 million (68%) was invested in capital assets, net of debt related to those assets. At year-end 2008 that amount was approximately \$91.8 million (70.5%). The largest portion of the City's net assets (68%) 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 2009, the City loaned \$1.675 million to the Fort Piqua Redevelopment Corp. for the Fort Piqua Hotel restoration project. Previously in 2007 and 2008, the City loaned \$4.3 million to the Piqua Investment Fund, LLC and \$2.3 million to the Fort Piqua Redevelopment Corporation for the same restoration project. The loan is for a period of thirty years making these funds unavailable for use in the near future.

For 2009 another \$4 million (.3%) was subject to legislative and external restrictions upon its use. The remaining \$41.9 million (31.5%) in 2009 was unrestricted and available for future use. For 2008 \$4 million (.3%) was subject to external restrictions and \$37.9 million (29.1%) 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 \$0.7 million during the current year, primarily due to the increase in assets mentioned above. Unrestricted net assets increased by \$0.8 million, while restricted net assets decreased slightly by \$1,200, reflecting their use in designated ways.

Total net assets of the City's business-type activities increased \$2.3 million during the current year; \$0.8 million due to decreased net capital assets and \$3.1 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	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for Services	\$ 1,733,019	\$ 1,605,192	\$ 32,319,346	\$ 32,769,017	\$ 34,052,365	\$ 34,374,209
Operating Grants/Contributions	460,718	1,219,765	155		460,873	1,219,765
Capital Grants/Contributions	534,122	1,822,124	65,000		599,122	1,822,124
General revenues:						
Property Taxes	1,349,521	1,452,709			1,349,521	1,452,709
Income Taxes	6,999,179	10,275,491			6,999,179	10,275,491
Other Taxes	4,527,095	4,702,541			4,527,095	4,702,541
Investment Earnings & Misc.	143,921	390,321	115,496	445,609	259,417	835,930
Total Revenues	15,747,575	21,468,143	32,499,997	33,214,626	48,247,572	54,682,769
Program Expenses						
General Government	2,099,961	2,960,257			2,099,961	2,960,257
Public Safety	7,859,160	7,796,876			7,859,160	7,796,876
Street and Maintenance	3,574,236	5,143,056			3,574,236	5,143,056
Parks and Recreation	685,518	915,284			685,518	915,284
Community Development	242,528	618,328			242,528	618,328
Interest on long-term debt	271,155	289,387			271,155	289,387
Electric			22,309,943	23,953,783	22,309,943	23,953,783
Wastewater			2,857,643	2,845,460	2,857,643	2,845,460
Water			2,793,284	2,850,285	2,793,284	2,850,285
Refuse			1,481,691	1,523,263	1,481,691	1,523,263
Golf			657,378	688,377	657,378	688,377
Ft. Piqua Plaza			185,207	42,372	185,207	42,372
Pool			190,158	199,277	190,158	199,277
Total Expenses	14,732,558	17,723,188	30,475,304	32,102,817	45,207,862	49,826,005
Increase (Decrease) in Net Assets before Transfers & Proceeds	1,015,017	3,744,955	2,024,693	1,111,809	3,039,710	4,856,764
Transfers	(300,798)	(193,942)	300,798	193,942	-	-
Increase(Decrease) in Net Assets	\$ 714,219	\$ 3,551,013	\$ 2,325,491	\$ 1,305,751	\$ 3,039,710	\$ 4,856,764
Net Assets Beginning	65,491,357	61,940,344	64,718,064	63,412,313	130,209,421	125,352,657
Net Assets Ending	\$ 66,205,576	\$ 65,491,357	\$ 67,043,555	\$ 64,718,064	\$ 133,249,131	\$ 130,209,421

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Governmental Activities

Governmental activities increased the City's net assets by \$714,219, in 2009 as compared to an increase of \$3,551,013 during 2008, thereby accounting for 1.1 percent of growth in total net assets. Total revenues decreased by \$5,720,568 due to decreased capital grants and income tax. Our program expenses decreased by \$2,990,630 due to fewer street maintenance, infrastructure projects, parks and recreation projects and less community development projects.

Several types of revenues fund our governmental activities with city income tax being the largest contributor. The income tax revenue for 2009 was \$6,999,791 compared to \$10,275,491 in 2008 a decrease of 31.8 percent. During 2008 several residents won the lottery with their one time payout accounting for over \$1.9 million of the increase in income tax in 2008. During 2009 the City also experienced further tax revenue decline due to the local economic condition. The City's income tax rate was 1.75 percent for 2009, 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 2009, we received amounts slightly lower by \$175,446 than in 2008 due to a lower Kilowatt-hour tax. Program revenues saw a slight increase of \$127,827 in charges for services while operating and capital grants decreased \$2,047,049 as projects were completed. Overall decrease in program revenues was \$1,919,222 or 41.3%. 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.

For the most part, increases in expenses closely parallel inflation and growth in the demand for services. The largest program function for the City relates to Public Safety, which accounts for 53.3 percent of total program expenses. Street Maintenance accounts for 24.3 percent of total program expenses, while General Government accounts for 14.3 percent. Street and Maintenance cost of services increased due to the County Road 25-A reconstruction project. Cost of services decreased in the areas of parks and recreation and community development as more projects were completed.

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	
	2009	2008	2009	2008	2009	2008
General Government	\$ 2,099,961	\$ 2,960,257	\$ 784,370	\$ 1,397,798	\$ 1,315,591	\$ 1,562,459
Public Safety	7,859,160	7,796,876	1,019,990	1,032,938	\$ 6,839,170	\$ 6,763,938
Street and Maintenance	3,574,236	5,143,056	433,705	1,303,478	\$ 3,140,531	\$ 3,839,578
Parks and Recreation	685,518	915,284	193,941	406,316	\$ 491,577	\$ 508,968
Community Development	242,528	618,328	295,853	506,551	\$ (53,325)	\$ 111,777
Interest on long-term debt	271,155	289,387	-	-	\$ 271,155	\$ 289,387
Total	\$ 14,732,558	\$ 17,723,188	\$ 2,727,859	\$ 4,647,081	\$ 12,004,699	\$ 13,076,107

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Business-Type Activities

The Business-Type activities of the City, which include the City's Electric, Wastewater, Water and Refuse operations as well as Golf, Pool and Fort Piqua Plaza activities, increased the City's net assets by \$2,325,491 in 2009.

Table 4
Business-type Activities

	Total Cost of Services		Program Revenues		Net Revenue (Expense) from Operations	
	2009	2008	2009	2008	2009	2008
Electric	\$ 22,309,943	\$ 23,953,783	\$23,374,930	\$24,242,210	\$ 1,064,987	\$ 288,427
Wastewater	2,857,643	2,845,460	3,258,977	3,098,853	401,334	253,393
Water	2,793,284	2,850,285	3,245,412	3,051,532	452,128	201,247
Refuse	1,481,691	1,523,263	1,767,803	1,659,648	286,112	136,385
Golf	657,378	688,377	594,385	605,828	(62,993)	(82,549)
Ft. Piqua Plaza	185,207	42,372	63,946	18,200	(121,261)	(24,172)
Pool	190,158	199,277	79,048	92,746	(111,110)	(106,531)
Total	\$ 30,475,304	\$ 32,102,817	\$32,384,501	\$32,769,017	\$ 1,909,197	\$ 666,200

For 2009 the Electric, Wastewater, Water and Refuse utilities all had operating revenues in excess of expenses. The decreased in Electric expense was due to a lower cost of power. For the most part, other 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 \$174,103 in 2009 as compared to \$189,080 in 2008. The Ft. Piqua Plaza activity funds has expenses in excess of revenues of \$121,261 in 2009 compared to \$24,172 in 2008 as only a portion of the Plaza was opened late in the 2008 year.

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 2009 of \$16.1 million compared to \$21.0 million in 2008. All governmental funds had expenditures in 2009 of \$16.0 million compared to \$18.4 million in 2008. The most significant fund is our general fund, which had an unassigned fund balance at year-end of \$5.3 million in 2009 compared to \$5.9 million in 2008. 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 \$1,604,184 in 2009 as compared to \$3,380,696 in 2008. The funds are monitored consistently with adjustments made to the budgets to accommodate yearly revenues.

Within the Street Maintenance Fund, revenues exceeded expenditures by \$265,271 in 2009 as compared to \$291,299 in 2008. Fund balance at year-end in 2009 was \$1,984,235 as compared to \$1,734,290 in 2008. The City was able to maintain a similar fund balance for use on planned construction needs in 2010.

Within the Street Levy Construction Fund, expenditures exceeded revenues by \$708,659 in 2009 compared to revenues exceeding expenditures by \$62,011 in 2008. Fund balance at year-end in 2009 was \$1,357,286 as compared to \$1,343,063 in 2008. The City was able to maintain a similar fund balance in anticipation of street maintenance needs in 2010.

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 \$32.0 million in 2009 and \$32.3 million in 2008. Operating expenses were \$30.2 million in 2009 and \$31.7 million in 2008.

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The enterprise fund balances increased \$2,363,428 with the Electric fund increasing \$1.2 million based on a planned rate stabilization program, Wastewater increasing \$.4 million and Water increasing \$.5 million and Refuse \$.3 million based on increased rates. The other fund balances were similar to 2008. 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 2009, 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 2009 general fund, original budgeted revenues were \$12.2 million. The final budgeted revenue amount was \$14.0 million. Actual revenues were \$12.0 million. The decrease in actual revenues compared to budget was due to lower income tax collections. For the 2008 general fund, original budgeted revenues were \$12.2 million. The final budgeted revenue amount was \$12.0 million. Actual revenues collected were \$14.3 million. The increase in actual revenues over budget for 2008 was due to a higher municipal income tax based on the late year lottery winners, an unanticipated year end inheritance tax and larger operating contributions.

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 costs, general government operating expenditures and hotel investment costs. For 2008, original general fund appropriations were budgeted at \$12.8 million. Final budgeted appropriations were \$12.2 million. Actual expenditures were \$10.9 million. This decrease was due to lower than expected personnel and general government operating expenditures.

Capital Asset and Debt Administration

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

	Governmental Activities		Business-Type Activities	
	2009	2008	2009	2008
Land and Land Improvements	\$ 4,528,378	\$ 4,150,248	\$ 1,369,449	\$ 1,391,690
Infrastructure Land	1,374,365	888,609		
Construction in Progress	1,235,372	6,097,362	5,502,526	1,871,081
Buildings and Improvements	8,863,469	9,108,577	18,398,421	19,137,037
Furniture, Fixtures and Equipment	2,505,126	2,483,630	31,663,066	32,357,309
Infrastructure	24,795,828	20,078,511		
Intangible Assets			1,639,041	1,743,168
Total Capital Assets	\$ 43,302,538	\$ 42,806,937	\$ 58,572,503	\$ 56,500,285

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Total Capital Assets for the City of Piqua for the year ended December 31, 2009 were \$101,875,041, an increase of \$2,567,819 over 2008. Additions in 2009 were \$3,095,433 more than in 2008. 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, 2009, the City of Piqua had \$3.3 million more in debt at \$13.4 million compared to \$10.1 million in debt outstanding at December 31, 2008.

Table 6
Outstanding Debt at December 31

	Governmental Activities		Business-type Activities	
	2009	2008	2009	2008
General Obligation Bonds	\$ 875,000	\$ 1,000,000	\$ 2,021,437	\$ 2,498,590
Taxable Revenue Bonds	2,010,000	2,210,000		
Pension Bonds	315,000	335,000		
Special Assessment Bonds	62,602	91,397		
State Infrastructure Bank Note	1,209,859	486,977		
OWDA Loans			6,893,177	3,482,775
Capital Lease	-	28,809		
Total	\$ 4,472,461	\$ 4,152,183	\$ 8,914,614	\$ 5,981,365

The General Obligation Bonds in Governmental Activities are primarily for the construction of the municipal government complex in 2001. This general obligation bond issue is 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.

During 2008 the Street Construction Fund borrowed \$486,977 and in 2009 \$722,882 from the State Infrastructure Bank to help finance the County Road 25-A widening project which was completed in 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. 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 \$36,187,769 on December 31, 2009.

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 2010 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 2010 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 2010 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources.

General fund expenditure appropriations for 2010 have been approved by City Commission in the amount of \$12.8 million. This appropriation level is approximately \$2.4 million more than actual 2009 general fund budgetary basis expenditures (including transfers out). The appropriation level was set based on estimated revenues in the General Fund similar to 2009 levels.

Current Financial Related Activities

The City anticipates the following significant events to take place in 2010:

- Commencement of Broadway Phase 2 reconstruction project.
- Implementation of a Storm Water Utility based on the feasibility study to address sanitary sewer overflow infiltration.
- Water Source exploration, and potential new Water Plant design and construction.
- Selection and begin implementation of a new municipal information system.
- Complete study and assessment of demolishing the Electric Power Plant.
- Review, selection and begin implementation of a new records management system in co-operation with Miami Co. Communication Center

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, 2009**

	Government Activities	Business Type Activities	Total Activities
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 11,270,358	\$ 12,543,855	\$ 23,814,213
Equity in pooled investments	3,292,861	3,362,079	6,654,940
Accounts receivable	4,904,866	4,080,315	8,985,181
Allowance for Bad Debts	-	(309,845)	(309,845)
Interfund balances	(187,829)	187,829	-
Inventories	-	842,753	842,753
Prepaid items and other assets	176,320	168,445	344,765
Loans receivable, net of allowance	12,515,453	-	12,515,453
Capital assets not being depreciated	7,138,115	6,155,548	13,293,663
Capital assets being depreciated, net	36,164,423	52,416,955	88,581,378
Total assets	<u>75,274,567</u>	<u>79,447,934</u>	<u>154,722,501</u>
LIABILITIES:			
Accounts payable	265,466	2,068,434	2,333,900
Salary and benefits payable	579,331	94,375	673,706
Other accruals	130,107	303,449	433,556
Unearned revenue	1,887,925	3,260	1,891,185
Long-term debt:			
Due within one year	1,391,323	1,490,976	2,882,299
Due in more than one year	4,814,839	8,443,885	13,258,724
Total liabilities	<u>9,068,991</u>	<u>12,404,379</u>	<u>21,473,370</u>
NET ASSETS:			
Invested in capital assets, net of related debt	41,217,679	49,657,889	90,875,568
Restricted by: legislation	20,665	-	20,665
Restricted by: debt covenants	387,228	50,000	437,228
Unrestricted	24,580,004	17,335,666	41,915,670
Total net assets	<u>66,205,576</u>	<u>67,043,555</u>	<u>133,249,131</u>
 Total liabilities and net assets	 <u>\$ 75,274,567</u>	 <u>\$ 79,447,934</u>	 <u>\$ 154,722,501</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
GOVERNMENTAL ACTIVITIES:							
General government	\$ 2,099,961	\$ 692,334	\$ 92,036	\$ -	\$ (1,315,591)	\$ -	\$ (1,315,591)
Public safety	7,859,160	876,722	104,510	38,758	(6,839,170)	-	(6,839,170)
Streets and maintenance	3,574,236	33,705	-	400,000	(3,140,531)	-	(3,140,531)
Parks and recreation	685,518	109,577	1,600	82,764	(491,577)	-	(491,577)
Community development	242,528	20,681	262,572	12,600	53,325	-	53,325
Interest on long term debt	271,155	-	-	-	(271,155)	-	(271,155)
Total governmental activities	<u>14,732,558</u>	<u>1,733,019</u>	<u>460,718</u>	<u>534,122</u>	<u>(12,004,699)</u>	<u>-</u>	<u>(12,004,699)</u>
BUSINESS-TYPE ACTIVITIES:							
Electric	22,309,943	23,374,930	-	-	-	1,064,987	1,064,987
Wastewater	2,857,643	3,258,977	-	-	-	401,334	401,334
Refuse	1,481,691	1,767,803	-	-	-	286,112	286,112
Water	2,793,284	3,180,412	-	65,000	-	452,128	452,128
Golf	657,378	594,230	155	-	-	(62,993)	(62,993)
Ft. Piqua Plaza	185,207	63,946	-	-	-	(121,261)	(121,261)
Municipal Pool	190,158	79,048	-	-	-	(111,110)	(111,110)
Total business-type activities	<u>30,475,304</u>	<u>32,319,346</u>	<u>155</u>	<u>65,000</u>	<u>-</u>	<u>1,909,197</u>	<u>1,909,197</u>
Total	<u>\$ 45,207,862</u>	<u>\$ 34,052,365</u>	<u>\$ 460,873</u>	<u>\$ 599,122</u>	<u>\$ (12,004,699)</u>	<u>\$ 1,909,197</u>	<u>\$ (10,095,502)</u>
GENERAL REVENUES:							
Property taxes					1,349,521	-	1,349,521
State shared taxes					3,404,050	-	3,404,050
Income tax					6,999,179	-	6,999,179
Locally levied taxes					1,123,045	-	1,123,045
Investment earnings					134,406	115,496	249,902
Miscellaneous					9,515	-	9,515
Total general revenues					<u>13,019,716</u>	<u>115,496</u>	<u>13,135,212</u>
Transfers, in (out)					<u>(300,798)</u>	<u>300,798</u>	<u>-</u>
Change in net assets					<u>714,219</u>	<u>2,325,491</u>	<u>3,039,710</u>
Total net assets:							
Beginning of year					<u>65,491,357</u>	<u>64,718,064</u>	<u>130,209,421</u>
End of year					<u>\$ 66,205,576</u>	<u>\$ 67,043,555</u>	<u>\$ 133,249,131</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

ASSETS	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
Equity in pooled cash and cash equivalents	\$5,084,863	\$1,723,751	\$1,296,947	\$324,391	\$147,547	\$8,577,499
Equity in pooled investments	1,844,021	51,985	-	62,603	-	1,958,609
Accounts receivable	3,290,354	687,028	601,945	176,083	137,769	4,893,179
Interfund receivable	103,419	-	-	-	-	103,419
Prepaid items and other assets	5,770	-	-	-	-	5,770
Loans Receivable, net of allowance	12,066,096	-	-	-	449,357	12,515,453
Total Assets	\$ 22,394,523	\$ 2,462,764	\$ 1,898,892	\$ 563,077	\$ 734,673	\$ 28,053,929
LIABILITIES						
CURRENT LIABILITIES:						
Accounts payable	\$ 152,817	\$ 27,320	\$ 70,871	\$ -	\$ 714	\$ 251,722
Interfund payable	-	-	-	-	103,419	103,419
Salaries and benefits	553,408	17,767	-	-	3,723	574,898
Accruals	33,749	63,310	9,502	-	5,295	111,856
Total Current Liabilities	739,974	108,397	80,373	-	113,151	1,041,895
LONG-TERM LIABILITIES:						
Restricted deposits	16,543	-	-	-	-	16,543
Deferred revenue	2,112,862	370,132	461,233	175,849	42,466	3,162,542
Total Long Term Liabilities	2,129,405	370,132	461,233	175,849	42,466	3,179,085
Total Liabilities	2,869,379	478,529	541,606	175,849	155,617	4,220,980
FUND BALANCES						
Nonspendable fund balance	12,071,866	-	-	-	449,357	12,521,223
Restricted fund balance	20,665	1,754,063	1,311,585	387,228	124,496	3,598,037
Assigned fund balance	2,138,600	230,172	45,701	-	65,522	2,479,995
Unassigned fund balance	5,294,013	-	-	-	(60,319)	5,233,694
Total fund balances	19,525,144	1,984,235	1,357,286	387,228	579,056	\$ 23,832,949
Total liabilities and fund balance	\$ 22,394,523	\$ 2,462,764	\$ 1,898,892	\$ 563,077	\$ 734,673	

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	\$ 43,302,538
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,274,617
The following long-term liabilities are not due and payable in the current period and therefore are not reported as expenditures in the funds	
Capital leases, bonds and notes payable	(4,472,461)
Sick leave benefits	(1,717,158)
Accrued interest on bonds payable	(18,052)
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	4,003,143
Net assets of governmental activities	\$ 66,205,576

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 YEAR ENDED DECEMBER 31, 2009**

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
REVENUES:						
Municipal income tax	\$ 4,881,343	\$ 1,117,977	\$ 1,003,458	\$ -	\$ -	\$ 7,002,778
Property taxes	1,256,328	-	-	53,718	39,475	1,349,521
State shared revenues	2,801,112	970,007	-	-	10,418	3,781,537
Locally levied taxes	1,123,045	-	-	-	-	1,123,045
Licenses and permits, fees	1,015,677	3,075	-	-	1,767	1,020,519
Grants: capital	29,758	-	400,000	-	82,764	512,522
Grants: operating	17,538	-	-	-	355,250	372,788
Investment income	85,804	5,946	3,834	9,835	3,647	109,066
Increase in fair market value of investments	(10,947)	(346)	-	-	-	(11,293)
Donations:						
Capital	21,600	-	-	-	-	21,600
Operating	180,726	-	-	-	250	180,976
Other fines, rents, and reimbursements	566,624	30,630	-	-	119,088	716,342
Total revenues	11,968,608	2,127,289	1,407,292	63,553	612,659	16,179,401
EXPENDITURES:						
General government administration	1,287,163	-	-	-	-	1,287,163
Public safety	7,506,391	-	-	-	-	7,506,391
Public health	431,054	-	-	-	4,415	435,469
Street repairs and maintenance	2,267	1,766,022	771,710	-	99,293	2,639,292
Parks and recreation	481,328	-	-	-	128,580	609,908
Community planning and development	127,570	-	-	-	193,524	321,094
Other	-	-	-	9,820	45,701	55,521
Debt principal payment	-	-	-	802,604	-	802,604
Debt interest payment	-	-	17,769	256,049	-	273,818
Capital costs	528,651	95,996	1,326,472	-	172,113	2,123,232
Total expenditures	10,364,424	1,862,018	2,115,951	1,068,473	643,626	16,054,492
Excess (deficiency) of revenues over expenditures	1,604,184	265,271	(708,659)	(1,004,920)	(30,967)	124,909
OTHER FINANCING SOURCES (USES):						
Issuance of debt	400,000	-	722,882	-	-	1,122,882
Disposal of capital assets	9,515	-	-	-	-	9,515
Transfers, in	-	-	-	997,740	26,980	1,024,720
Transfers, out	(1,310,192)	(15,326)	-	-	-	(1,325,518)
Total other financing sources (uses)	(900,677)	(15,326)	722,882	997,740	26,980	831,599
Net change in fund balance	703,507	249,945	14,223	(7,180)	(3,987)	956,508
Fund balance-beginning of year	18,821,637	1,734,290	1,343,063	394,408	583,043	22,876,441
Fund balance-end of year	\$ 19,525,144	\$ 1,984,235	\$ 1,357,286	\$ 387,228	\$ 579,056	\$ 23,832,949

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, 2009**

Total net change in fund balances Governmental funds	\$ 956,508
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 (\$2,123,232) exceed depreciation expense (\$1,626,503)	496,729
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: State shared taxes(\$377,487), Income taxes (\$3,600), Ems billings (\$3,841), Fema revenue(\$93,046)	(477,974)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	802,604
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	226,073
Interest payable	2,663
Proceeds from the issuance of bonds, capital lease or other debt instruments are not considered revenues on the Statement of Activities	(1,122,882)
The net book value of assets retired (the difference of original cost (\$196,025) and accumulated depreciation (\$194,897) is not recorded on the Governmental Fund Statements, but is recorded as a expense on the Statement of Activities	(1,128)
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	(168,374)
Change in the net assets of governmental activities on the statement of activities	<u>\$ 714,219</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2009**

ASSETS	Electric	Wastewater	Refuse	Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Governmental Activities - Internal Service Funds
Current assets:									
Equity in pooled cash and cash equivalents	\$ 8,481,461	\$ 1,644,144	\$ 601,136	\$ 1,726,804	\$ 73,479	\$ 7,526	\$ 9,305	\$ 12,543,835	\$ 2,692,859
Equity in pooled investments	3,058,496	251,598	-	51,985	-	-	-	3,362,079	1,334,252
Accounts receivable	3,028,941	429,384	225,598	395,861	97	434	-	4,080,315	11,687
Allowance for uncollectible accounts	(206,681)	(39,865)	(23,184)	(40,115)	-	-	-	(309,845)	-
Inventories	689,712	-	-	135,252	17,789	-	-	842,753	-
Prepaid items and other assets	4,029	3,698	61,000	42,277	-	-	-	111,004	170,550
Total Current Assets	15,055,958	2,288,959	864,550	2,312,064	91,365	7,960	9,305	20,630,161	4,209,348
Noncurrent assets:									
Capital assets not being depreciated									
Land	68,661	33,775	17,949	162,293	370,344	-	-	653,022	-
Construction in process	937,973	4,564,553	-	-	-	-	-	5,502,526	-
Capital assets being depreciated									
Plant and equipment in service, net	31,010,578	8,921,284	316,342	10,678,663	1,198,582	-	291,506	52,416,955	102,251
Total Capital Assets	32,017,212	13,519,612	334,291	10,840,956	1,568,926	-	291,506	58,572,503	102,251
Deferred bond issuance costs	17,207	11,452	-	-	27,397	-	1,385	57,441	-
Total Noncurrent Assets	32,034,419	13,531,064	334,291	10,840,956	1,596,323	-	292,891	58,629,944	102,251
Total Assets	\$ 47,090,377	\$ 15,820,023	\$ 1,198,841	\$ 13,153,020	\$ 1,687,688	\$ 7,960	\$ 302,196	\$ 79,260,105	\$ 4,311,599

See accompanying notes to the basic financial statements

Continued

CITY OF PIQUA, OHIO

**BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2009**

	Electric	Wastewater	Refuse	Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Governmental Activities - Internal Service Funds
LIABILITIES									
Current liabilities:									
Accounts payable	\$ 1,802,445	\$ 19,641	\$ 65,173	\$ 159,312	\$ 14,631	\$ 6,445	\$ 787	\$ 2,068,434	\$ 13,744
Salaries and benefits	37,113	16,518	9,250	20,741	10,753	-	-	94,375	4,433
Accrued vacation, personal, and sick leave	130,343	72,530	33,269	67,025	8,570	-	-	311,737	15,368
Accruals and prepaid memberships	54,069	176,452	3,348	61,986	8,758	1,515	581	306,709	199
Current portion of long term debt	380,000	546,416	-	122,823	123,760	-	6,240	1,179,239	-
Total Current Liabilities	2,403,970	831,557	111,040	431,887	166,472	7,960	7,608	3,960,494	33,744
Long-term liabilities:									
Accrued vacation, personal, and sick leave	326,002	169,771	59,742	135,217	17,778	-	-	708,510	30,615
Long term Debt	384,558	5,615,723	-	608,215	1,072,787	-	54,092	7,735,375	-
Total Long-Term Liabilities	710,560	5,785,494	59,742	743,432	1,090,565	-	54,092	8,443,885	30,615
Total Liabilities	3,114,530	6,617,051	170,782	1,175,319	1,257,037	7,960	61,700	12,404,379	64,359
NET ASSETS									
Invested in capital assets, net of related debt	31,252,654	7,357,473	334,291	10,109,918	372,379	-	231,174	49,657,889	102,251
Restricted by debt covenants	-	50,000	-	-	-	-	-	50,000	-
Unrestricted	12,723,193	1,795,499	693,768	1,867,783	58,272	-	9,322	17,147,837	4,144,989
Total Net Assets	43,975,847	9,202,972	1,028,059	11,977,701	430,651	-	240,496	66,855,726	4,247,240
Total Liabilities and Net Assets	\$ 47,090,377	\$ 15,820,023	\$ 1,198,841	\$ 13,153,020	\$ 1,687,688	\$ 7,960	\$ 302,196	\$ 124,260,105	\$ 4,311,599
Adjustment to consolidate the internal service fund activities								187,829	
Total net assets per the government-wide Statement of Net Assets								\$ 67,043,555	

Adjustment to consolidate the internal service fund activities
Total net assets per the government-wide Statement of Net Assets

See accompanying notes to the basic financial statements

Concluded

CITY OF PIQUA, OHIO

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Business-type Activities							Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Golf	Ft. Piqua Plaza	Municipal Pool	
OPERATING REVENUES:								
Customer services	\$ 23,023,324	\$ 3,216,944	\$ 1,741,613	\$ 3,084,691	\$ 596,214	\$ 61,576	\$ 80,037	\$ 31,804,399
Penalty charges	151,790	36,891	21,392	35,059	-	-	-	245,132
Total operating revenues	23,175,114	3,253,835	1,763,005	3,119,750	596,214	61,576	80,037	32,049,531
OPERATING EXPENSES:								
Fossil fuels used for production	11,679	-	-	-	-	-	-	11,679
Purchased power	16,791,255	-	-	-	-	-	-	16,791,255
Salaries and employee benefits	1,695,802	980,412	478,336	1,109,460	271,417	-	71,501	4,606,928
Depreciation	1,663,835	863,368	10,868	377,630	84,194	-	37,148	3,037,043
Materials and supplies	363,847	165,840	31,211	172,048	122,098	4,175	34,966	894,185
Utilities	2,547	117,241	2,906	160,175	39,114	15,121	18,777	355,881
Outside services	943,011	311,820	816,547	418,832	14,054	146,114	5,444	2,655,822
Billing costs	409,077	221,831	96,152	256,472	-	-	-	983,532
Chemicals	-	7,103	-	164,645	25,526	-	9,824	207,098
Other	366,058	69,457	45,256	95,533	28,186	19,797	6,689	626,976
Total operating expenses	22,247,111	2,733,072	1,481,276	2,754,795	584,589	185,207	184,349	30,170,399
Operating income (loss)	928,003	520,763	281,729	364,955	11,625	(123,631)	(104,312)	1,879,132
NON-OPERATING REVENUES(EXPENSES):								
Interest on debt	(40,524)	(115,662)	-	(28,508)	(62,690)	-	(3,160)	(250,544)
Interest income	100,073	7,233	1,186	5,736	209	-	15	114,452
Net (decrease) in fair market value of investments	(14,305)	(729)	-	(346)	-	-	-	(15,380)
Other, net	199,816	5,142	4,798	60,662	(1,984)	2,370	(989)	269,815
Donated capital	-	-	-	65,000	-	-	-	65,000
Donations operating	-	-	-	-	155	-	-	155
Net non-operating revenues (expenses)	245,060	(104,016)	5,984	102,544	(64,310)	2,370	(4,134)	183,498
Transfers, in	-	-	-	-	98,000	121,261	81,537	300,798
Change in net assets	1,173,063	416,747	287,713	467,499	45,315	-	(26,909)	2,363,428
Total net assets-beginning of year	42,802,784	8,786,225	740,346	11,510,202	385,336	-	267,405	4,464,843
Total net assets-end of year	\$ 43,975,847	\$ 9,202,972	\$ 1,028,059	\$ 11,977,701	\$ 430,651	\$ -	\$ 240,496	\$ 4,247,240
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								(37,937)
Change in net assets of business-type activities								\$ 2,325,491

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Business-type Activities						Total	Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Golf	Ft. Pike Plaza		
OPERATING ACTIVITIES:								
Cash received for services	\$ 23,680,914	\$ 3,252,172	\$ 1,757,868	\$ 3,183,236	\$ 597,570	\$ 61,142	\$ 79,917	\$ 32,612,819
Cash paid to suppliers for goods or services	(18,665,686)	(1,367,264)	(986,487)	(1,231,306)	(220,592)	(193,352)	(221,916)	(22,886,603)
Cash paid to employees for services	(1,803,659)	(939,970)	(471,282)	(1,085,422)	(272,141)	71,501	71,501	(4,500,973)
Net cash provided by (used in) operating activities	3,211,569	944,938	300,099	866,508	104,837	(132,210)	(70,498)	5,225,243
NONCAPITAL FINANCING ACTIVITIES:								
Transfers, in	-	-	-	-	98,000	121,261	81,537	300,798
Net cash provided by (used in) noncapital financing activities	-	-	-	-	98,000	121,261	81,537	300,798
CAPITAL AND RELATED FINANCING ACTIVITIES:								
Proceeds from issuance of bonds and notes	-	3,919,940	-	-	-	-	-	3,919,940
Principal paid on bonds and notes	(364,778)	(390,875)	-	(118,663)	(106,982)	-	(5,394)	(986,692)
Interest paid on bonds and notes	(41,912)	(115,662)	-	(28,508)	(63,137)	-	(3,182)	(252,401)
Acquisition and construction of capital assets	(1,121,350)	(3,645,157)	(99,691)	(226,494)	-	-	-	(5,092,698)
Disposals of capital assets	48,301	-	-	(926)	-	-	863	48,438
Net cash provided by (used in) capital & related financing activities	(1,479,745)	(231,754)	(99,691)	(374,591)	(170,119)	-	(7,713)	(2,563,413)
INVESTING ACTIVITIES:								
Purchases of investment securities	(1,350,000)	(200,000)	-	-	-	-	-	(500,000)
Proceeds from sale or maturity of investment securities	-	-	-	-	-	-	-	20,000
Interest received	64,825	1,506	1,186	2,840	209	-	15	48,786
Net cash provided by (used in) investing activities	(1,285,175)	(198,494)	1,186	2,840	209	-	15	(431,214)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	446,849	514,690	201,594	494,757	32,927	(10,949)	3,341	(875,619)
CASH AND CASH EQUIVALENTS - Beginning of year	8,034,612	1,129,454	399,542	1,232,047	40,552	18,475	5,964	10,860,646
CASH AND CASH EQUIVALENTS - End of year	\$ 8,481,461	\$ 1,644,144	\$ 601,136	\$ 1,726,804	\$ 73,479	\$ 7,526	\$ 9,305	\$ 12,543,855
OPERATING INCOME (LOSS)	\$ 928,003	\$ 520,763	\$ 281,729	\$ 364,955	\$ 11,625	\$ (123,631)	\$ (104,312)	(266,228)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Depreciation	1,663,835	863,368	10,868	377,630	84,194	-	37,148	3,037,043
(Increase)/Decrease in Accounts Receivable	333,631	(6,805)	(9,936)	828	63	(434)	-	317,347
(Increase)/Decrease in Inventory	15,951	-	-	(3,572)	(1,937)	-	-	10,442
(Increase)/Decrease in Prepaids	36,315	263	(38,246)	(41,042)	-	-	-	(42,710)
Increase/(Decrease) in Accounts Payable	132,897	(480,416)	43,831	83,008	10,323	(10,515)	(2,380)	(162,148)
Increase/(Decrease) in Accrued Wages and Benefits	(107,857)	40,442	7,054	24,038	(724)	-	-	248
(Increase)/Decrease in Deferred Revenues	208,794	-	-	-	50	-	(120)	(26,520)
Net (Increase)/Decrease in Other Operating Net Assets	-	7,323	4,799	60,663	1,243	-	(834)	-
Net cash provided by (used in) operating activities	\$ 3,211,569	\$ 944,938	\$ 308,099	\$ 866,508	\$ 104,837	\$ (132,210)	\$ (70,498)	\$ 5,225,243
SUPPLEMENTAL INFORMATION:								
Noncash activities:								
Donated Capital	-	-	-	65,000	-	-	-	65,000
Change in fair value of investments	(14,305)	(729)	(346)	(346)	-	-	-	(15,380)

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009**

ASSETS:	<u>Private Purpose Centennial Trust</u>	<u>Agency Funds</u>
Equity in pooled cash and cash equivalents	\$ 465	\$ 13,316
Total Assets	<u>\$ 465</u>	<u>\$ 13,316</u>
 LIABILITIES:		
Withholdings payable		\$ 12,654
Undistributed monies		<u>662</u>
Total Liabilities		<u>\$ 13,316</u>
 NET ASSETS		
Held in trust for other purposes	<u>\$ 465</u>	

**STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

ADDITIONS	
Interest income	<u>\$ 1</u>
Total additions	<u>\$ 1</u>
Change in net assets	\$ 1
Total net assets-beginning of year	<u>\$ 464</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, 2009

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, parks and recreation, public improvements, planning and zoning 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 nonmajor funds.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

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, 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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

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 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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

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 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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

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 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, 2009 the City had cash on hand in the amount of \$4,625.

At December 31, 2009, the carrying amount of the City's deposits was \$1,229,278 while the balance as shown by the bank statements was \$1,986,308. As of December 31, 2009, \$1,736,308 of the City's bank balance was exposed to custodial risk as discussed above, while \$250,000 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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

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, 2009.

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, 2009, all investments were registered in the name of the City.

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	\$ 377,603
U.S. Government Agency Obligations	AAA	6,277,338
Unity National Investment	Non-Rated	505,497
STAR Ohio	AAAm	<u>22,088,593</u>
Total		<u>\$29,249,031</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, 2009.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
City of Piqua Bonds	\$ 377,603	1.29%
FHLB	4,031,928	13.78%
FHLMC	2,245,410	7.68%
Unity National Investment	505,497	1.73%
STAR Ohio	<u>22,088,593</u>	<u>75.52%</u>
Total	<u>\$29,249,031</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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

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 \$	42,891	\$ 162,021	\$ 172,691	\$ 377,603
FHLB		4,031,928		4,031,928
FHLMC		2,245,410		2,245,410
Unity National Investment	505,497			505,497
STAR Ohio	<u>22,088,593</u>			<u>22,088,593</u>
Total	<u>\$22,636,981</u>	<u>\$6,439,359</u>	<u>\$ 172,691</u>	<u>\$29,249,031</u>

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, 2008
Lien date	January 1, 2009
Tax bill mailed	January 20, 2009
First installment payment due	February 20, 2009
Second installment payment due	July 20, 2009

The assessed values for the City at January 1, 2009 were as follows:

Real estate	\$ 326,538,330
Tangible personal property	<u>18,107,090</u>
Total	<u>\$ 344,645,420</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, 2009, nor are they intended to finance 2009 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 2009, 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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

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.

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	\$ 1,256,879
Local government revenue assistance	755,369
Gasoline taxes	695,706
Vehicle license taxes	261,415
Miscellaneous other taxes	<u>434,681</u>
	<u>\$ 3,404,050</u>

The City has two locally issued taxes; a KWH tax totaling \$1,070,323 which is recognized based upon sales of electrical services, and a hotel/motel tax totaling \$52,722 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 \$960,353 with an estimated allowance for forgiveness of \$953,203.

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, 2009

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	\$ 4,150,248	\$ 110,982	\$ -	\$ 267,148	\$ 4,528,378
Infrastructure land	888,609	-	-	485,756	1,374,365
Construction in progress	<u>6,097,362</u>	<u>1,509,754</u>	<u>-</u>	<u>(6,371,744)</u>	<u>1,235,372</u>
Assets not depreciated	<u>11,136,219</u>	<u>1,620,736</u>	<u>-</u>	<u>(5,618,840)</u>	<u>7,138,115</u>
Capital assets being depreciated:					
Buildings and improvements	11,377,929	-	-	-	11,377,929
Furniture, fixtures and equipment	10,694,968	502,496	(196,025)	245,493	11,246,932
Infrastructure	<u>26,362,706</u>	<u>-</u>	<u>-</u>	<u>5,373,347</u>	<u>31,736,053</u>
Depreciated capital assets	48,435,603	502,496	(196,025)	5,618,840	54,360,914
Accumulated depreciation:					
Buildings and improvements	(2,269,352)	(245,108)	-	-	(2,514,460)
Furniture, fixtures and equipment	(8,211,338)	(725,365)	194,897	-	(8,741,806)
Infrastructure	<u>(6,284,195)</u>	<u>(656,030)</u>	<u>-</u>	<u>-</u>	<u>(6,940,225)</u>
Total accumulated depreciation	<u>(16,764,885)</u>	<u>(1,626,503)</u>	<u>194,897</u>	<u>-</u>	<u>(18,196,491)</u>
Net capital assets being depreciated	<u>\$31,670,718</u>	<u>\$(1,124,007)</u>	<u>\$ (1,128)</u>	<u>\$ 5,618,840</u>	<u>\$36,164,423</u>
Net capital assets	<u>\$ 42,806,937</u>	<u>\$ 496,729</u>	<u>\$ (1,128)</u>	<u>\$ -</u>	<u>\$ 43,302,538</u>

* Depreciation expense was charged to governmental functions as follows:

General governmental	\$ 222,312
Public safety	289,674
Street repairs and maintenance	1,026,164
Parks	73,001
Community Development	4,060
Governmental functions depreciation expense	1,615,211
Information technology (internal service fund)	<u>11,292</u>
Total depreciation expense	<u>\$1,626,503</u>

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

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	\$ -	\$ -	\$ -	\$ 653,022
Construction in progress	<u>1,871,081</u>	<u>4,521,404</u>	<u>-</u>	<u>(889,959)</u>	<u>5,502,526</u>
Assets not depreciated	<u>2,524,103</u>	<u>4,521,404</u>	<u>-</u>	<u>(889,959)</u>	<u>6,155,548</u>
Capital assets being depreciated:					
Land improvements	1,461,318	-	-	-	1,461,318
Buildings and improvements	34,702,544	3,000	(2,886)	242,799	34,945,457
Furniture, fixtures and equipment	82,516,758	633,294	(205,373)	647,160	83,591,839
Intangible assets	<u>2,802,132</u>	<u>-</u>	<u>(31,351)</u>	<u>-</u>	<u>2,770,781</u>
Depreciated capital assets	121,482,752	636,294	(239,610)	889,959	122,769,395
Accumulated depreciation:					
Land improvements	(722,650)	(22,241)	-	-	(744,891)
Buildings and improvements	(15,565,507)	(983,552)	2,023	-	(16,547,036)
Furniture, fixtures and equipment	(50,159,449)	(1,947,264)	177,940	-	(51,928,773)
Intangible assets	<u>(1,058,964)</u>	<u>(83,986)</u>	<u>11,210</u>	<u>-</u>	<u>(1,131,740)</u>
Total accumulated depreciation	<u>(67,506,570)</u>	<u>(3,037,043)</u>	<u>191,173</u>	<u>-</u>	<u>(70,352,440)</u>
Net capital assets being depreciated	<u>53,976,182</u>	<u>(2,400,749)</u>	<u>(48,437)</u>	<u>889,959</u>	<u>52,416,955</u>
Net capital assets	<u>\$ 56,500,285</u>	<u>\$ 2,120,655</u>	<u>\$ (48,437)</u>	<u>\$ -</u>	<u>\$58,572,503</u>

* Depreciation expense was charged to enterprise functions as follows:

Electric	\$ 1,663,835
Wastewater	863,368
Refuse	10,868
Water	377,630
Golf	84,194
Municipal Pool	<u>37,148</u>
Total depreciation expense	<u>\$ 3,037,043</u>

During 2009 capitalized interest of \$75,225 was included in the wastewater equalization tank construction project.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

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, 2009 was as follows:

	Maturity Dates	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:						
Ohio Capital Asset Series 2009 3.53%	12/1/2018	\$ -	\$ 400,000	\$ 40,000	\$ 360,000	\$ 35,000
Building facility bonds, 5.97%	12/1/2010	<u>1,000,000</u>	<u>-</u>	<u>485,000</u>	<u>515,000</u>	<u>515,000</u>
Total governmental general obligation bonds		1,000,000	400,000	525,000	875,000	550,000
Taxable revenue bonds, 7.12%	12/1/2017	2,210,000	-	200,000	2,010,000	210,000
Capital lease (Note I)	7/9/2009	28,809	-	28,809	-	-
Special assessment bonds, 9% (See note below)*	12/15/2018	91,397	-	28,795	62,602	22,891
State Infrastructure Bank Note, 3%	4/29/2020	486,977	722,882	-	1,209,859	68,462
Compensated absences		1,972,449	761,351	1,016,642	1,717,158	519,970
Restricted deposits		17,176	2,539	3,172	16,543	-
Other—Pension refunding bonds, 6.25%	12/01/2020	<u>335,000</u>	<u>-</u>	<u>20,000</u>	<u>315,000</u>	<u>20,000</u>
Total governmental long-term liabilities		<u>\$ 6,141,808</u>	<u>\$ 1,886,772</u>	<u>\$ 1,822,418</u>	<u>\$ 6,206,162</u>	<u>\$ 1,391,323</u>
* Special assessment bonds mature annually on 12/15 through 2018.						
Business-Type Activities:						
Electric G.O. bonds, 2.0%-3.4%	11/15/2011	\$ 1,129,336	\$ -	\$ 364,778	\$ 764,558	\$ 380,000
OWDA Loan-1995, 4.56%	1/1/2015	2,633,074	-	390,875	2,242,199	408,901
OWDA Loan-2009, 3.52%	1/1/2030	-	3,919,940	-	3,919,940	137,515
OWDA Loan-2005, 3.5%	7/1/2015	766,226	-	106,931	659,295	110,707
OWDA Loan-2006, 3.25%	7/1/2015	83,475	-	11,732	71,743	12,116
Recreational facility bonds G.O., 2.0%-4.1%	11/15/2018	1,369,254	-	112,375	1,256,879	130,000
Compensated Absences		<u>1,106,955</u>	<u>504,040</u>	<u>590,748</u>	<u>1,020,247</u>	<u>311,737</u>
Total long-term liabilities		<u>\$ 7,088,320</u>	<u>\$ 4,423,980</u>	<u>\$ 1,577,439</u>	<u>\$ 9,934,861</u>	<u>\$ 1,490,976</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 \$2,532,684. Principal and interest paid for the current year and total customer net revenues were \$506,537 and \$1,396,506, respectively.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
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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 OWDA will be made from the utility's pledged future revenues. Principal and interest payments will commence after project completion (July 1, 2010).

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 \$809,446. Principal and interest paid for the current year and total customer net revenues were \$147,172 and \$808,983, 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 \$1,390,033, which will be payable starting in October 2010. 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 \$357,352

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 \$77,280. Principal and interest paid for the current year and total net revenue were \$37,021 and 52,596 respectively.

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
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The annual requirements to pay principal and interest on long-term obligations at December 31, 2009 are listed as follows:

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
2010	550,000	44,533	492,155	75,535	68,462	18,415	669,239	259,774
2011	35,000	12,650	507,155	59,150	140,020	33,734	697,323	231,690
2012	35,000	11,513	122,376	41,170	144,252	29,502	726,603	202,410
2013	40,000	10,463	127,376	36,310	148,612	25,142	757,132	171,881
2014	40,000	9,063	132,374	31,130	153,104	20,650	789,171	139,842
2015—2019	175,000	19,600	640,001	65,930	555,409	34,907	952,791	497,318
2020—2024	-	-	-	-	-	-	1,049,626	326,897
2025—2029	-	-	-	-	-	-	1,251,292	125,232
Total	<u>\$ 875,000</u>	<u>\$ 107,822</u>	<u>\$ 2,021,437</u>	<u>\$ 309,225</u>	<u>\$ 1,209,859</u>	<u>\$ 162,350</u>	<u>\$ 6,893,177</u>	<u>\$ 1,955,044</u>

Year Ending December 31	Pension Bonds		Special Assessment Bonds		Taxable Revenue Bonds Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
	2010	20,000	19,688	22,891	5,634	210,000
2011	20,000	18,438	15,965	3,574	220,000	128,160
2012	25,000	17,188	7,143	2,137	235,000	112,496
2013	25,000	15,625	7,140	1,494	245,000	95,764
2014	25,000	14,062	3,891	852	255,000	78,320
2015—2019	160,000	43,437	5,572	987	845,000	121,396
2020—2024	40,000	2,500	-	-	-	-
2025—2029	-	-	-	-	-	-
Total	<u>\$ 315,000</u>	<u>\$ 130,938</u>	<u>\$ 62,602</u>	<u>\$ 14,678</u>	<u>\$ 2,010,000</u>	<u>\$ 679,248</u>

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
Capital leases	Street maintenance and Debt service
Special assessment bonds	Debt service
Ohio water development authority note	Water, Wastewater, and Debt service
Restricted deposits	General Fund
Compensated absences	General Fund, Street maintenance, Community development, Electric, Water, Wastewater, Refuse, Golf, Pool, and

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

K. 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 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, 2009, 2008, and 2007 were \$1,370,823, \$1,407,327 and \$1,417,029, which consisted of \$937,247, \$962,921 and \$968,889 from the City and \$433,576, \$444,405, and \$448,140 from the employees, respectively, or 75% of the required contributions for 2008 and 77% of the required contributions for 2007 and 73% of the required contributions for 2006. The unpaid portion of \$248,296 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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
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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 2009, 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, 2009, 2008 and 2007 were \$1,744,218, \$1,843,620, and \$1,785,377 respectively, equal to the required contributions for the year.

L. 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.

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 18, whether or not the child is attending school, or under the age of 22, if attending full-time or on a 2/3 basis. 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 2009 and 2008 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, 2008, the date of the last actuarial valuation available, was 14,567 for police and 10,750 for firemen. OP&F's total health care expense for the year ending December 31, 2008, the date of the last actuarial valuation available, was \$96,472,398, which was net of member contributions of \$56,948,977. The City's contributions that were used to pay post employment benefits by Ohio Police and Fire for the years ended December 31, 2009, 2008, and 2007 \$292,473, \$299,776, and \$302,297 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 (7% of the total 14% contribution—See Note K) 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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
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through their contributions to OPERS. The 2008 employer contribution rate for local government employer units was 14% of covered payroll, of which 7% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009 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.

Actuarial Review: The assumptions and calculations below were based on the OPERS' latest actuarial review performed as of December 31, 2008.

Funding Method: The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation Method: All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return: The investment assumption rate for 2008 was 6.50%.

Active Employee Total Payroll: An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care: Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 3% for the next 6 years. In subsequent years, (7 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate). OPEBs are advance-funded on an actuarially determined basis. At year-end 2009, the number of active contributing participants in the Traditional and Combined Plans totaled 357,584. The number of active contributing participants for both plans used in the December 31, 2008 actuarial valuation was 356,388. The amount of \$10.7 billion represents the actuarial value of the OPERS' net assets available for OPEB at December 31, 2008. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2008, reported the actuarial accrued liability and the unfunded actuarial accrued liability for OPEB at \$29.6 billion and \$18.9 billion, respectively. The City's contributions that were used to pay post employment benefits by Ohio Public Employee Retirement System for the years ended December 31, 2009, 2008, and 2007 \$424,707, \$537,720, and \$422,508 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, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2009

M. 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.

N. 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.

O. 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.

P. 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 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 2009,

CITY OF PIQUA, OHIO
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MVRMA'S per-occurrence retention limit for property was \$200,000, with the exception of boiler and machinery for which there was a \$5,000 per occurrence retention limit. Liability had a per occurrence retention limit of \$1,000,000.

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 Medical Mutual of Ohio and is accounted for and financed through an internal service fund.

Q. 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. is in the process of restoring 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.

R. PURCHASED POWER

The City's electric distribution system during 2009 purchased wholesale electric power from two sources; Dayton Power and Light Company provides ten megawatts of firm power under a long term power which will expire in May 2014. Amp-Ohio provides the remaining power requirements with purchases from various sources including the New York Power Authority. In 2007, the city entered into two long term purchased power commitment contracts with Amp-Ohio. 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 Amp-Ohio.

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 \$12,521,223. 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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
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mortgage assistance loans of \$7,150, and prepaid items of \$5,770. The City reported restricted fund balance of \$3,598,037, which is comprised of debt restrictions of \$387,228, donor restrictions of \$18,316, grant restrictions of \$50,923, and legislative restrictions of \$3,141,570. The City reported assigned fund balance of \$2,479,995, which is comprised of amounts management has set aside for; future equipment purchases of \$357,835, encumbrances of \$288,049, and managerially assigned assets of \$1,834,111. The City reported un-assigned fund balance of \$5,233,694.

CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION
 BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
 FOR YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		Actual	Variance-with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Municipal income tax	\$ 5,716,571	\$ 5,716,571	\$ 4,881,343	\$ (835,228)
Property taxes	1,246,533	1,246,130	1,256,328	10,198
State shared revenues	1,596,394	3,558,313	2,801,112	(757,201)
Locally levied taxes	1,272,500	1,131,398	1,123,045	(8,353)
Licenses, permits, fees	988,350	951,424	1,015,677	64,253
Grants-capital	73,000	116,751	29,758	(86,993)
Grants-operating	70,919	17,538	17,538	-
Interest income	149,380	113,261	85,804	(27,457)
Increase in fair value of investments	-	-	(10,947)	(10,947)
Donations:				
Capital	-	21,600	21,600	-
Operating	100,000	157,081	180,726	23,645
Other fines, rents, and reimbursements	1,055,410	968,238	566,624	(401,614)
Total revenues	<u>12,269,057</u>	<u>13,998,305</u>	<u>11,968,608</u>	<u>(2,029,697)</u>
EXPENDITURES:				
GENERAL GOVERNMENT ADMINISTRATION:				
City building				
Personal services/administrative support	21,478	21,028	19,335	1,693
Operating expenditures	75,500	84,050	68,167	15,883
Capital	-	-	-	-
Total city building	<u>96,978</u>	<u>105,078</u>	<u>87,502</u>	<u>17,576</u>
City commission:				
Personal services/administrative support	34,123	34,123	33,966	157
Operating expenditures	42,238	40,503	36,911	3,592
Total city commission	<u>76,361</u>	<u>74,626</u>	<u>70,877</u>	<u>3,749</u>
Office of city manager:				
Personal services/administrative support	87,036	83,599	81,148	2,451
Operating expenditures	6,364	6,855	5,730	1,125
Total office of city manager	<u>93,400</u>	<u>90,454</u>	<u>86,878</u>	<u>3,576</u>
Purchasing department:				
Personal services/administrative support	1,502	1,502	1,434	68
Operating expenditures	172	115	108	7
Total purchasing department	<u>1,674</u>	<u>1,617</u>	<u>1,542</u>	<u>75</u>
Law department:				
Personal services/administrative support	73,286	71,694	70,435	1,259
Operating expenditures	10,178	7,931	6,271	1,660
Total law department	<u>83,464</u>	<u>79,625</u>	<u>76,706</u>	<u>2,919</u>
Finance department:				
Personal services/administrative support	149,108	146,902	144,078	2,824
Operating expenditures	9,327	7,933	6,371	1,562
Total finance department	<u>158,435</u>	<u>154,835</u>	<u>150,449</u>	<u>4,386</u>

(Continued)

CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION
 BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
 FOR YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
Human resources department:				
Personal services/administrative support	24,779	24,202	23,419	783
Operating expenditures	3,727	3,374	2,152	1,222
Total human resources department	<u>28,506</u>	<u>27,576</u>	<u>25,571</u>	<u>2,005</u>
Engineering department:				
Personal services/administrative support	59,798	52,261	50,575	1,686
Operating expenditures	7,187	6,146	5,775	371
Capital	-	-	-	-
Total engineering department	<u>66,985</u>	<u>58,407</u>	<u>56,350</u>	<u>2,057</u>
Income tax department:				
Personal services/administrative support	210,849	172,520	151,140	21,380
Operating expenditures	188,299	186,703	168,848	17,855
Capital	8,000	3,500	3,488	12
Total income tax department	<u>407,148</u>	<u>362,723</u>	<u>323,476</u>	<u>39,247</u>
Planning and zoning				
Personal services/administrative support	168,738	162,888	158,413	4,475
Operating expenditures	34,730	33,167	22,331	10,836
Total planning and zoning	<u>203,468</u>	<u>196,055</u>	<u>180,744</u>	<u>15,311</u>
General government				
Operating expenditures	1,478,230	2,231,685	170,610	2,061,075
Capital	-	-	-	-
Total general government	<u>1,478,230</u>	<u>2,231,685</u>	<u>170,610</u>	<u>2,061,075</u>
Civil Service Commission				
Operating expenditures	31,300	66,000	59,946	6,054
Total civil service commission	<u>31,300</u>	<u>66,000</u>	<u>59,946</u>	<u>6,054</u>
Pro Piqua				
Operating expenditures	41,648	35,590	34,178	1,412
Total pro piqua	<u>41,648</u>	<u>35,590</u>	<u>34,178</u>	<u>1,412</u>
TOTAL GENERAL GOVERNMENT	<u><u>2,767,597</u></u>	<u><u>3,484,271</u></u>	<u><u>1,324,829</u></u>	<u><u>2,159,442</u></u>
FORT PIQUA PLAZA RECONSTRUCTION				
Personal services/administrative support	6,201	31,581	31,580	1
Operating expenditures	53,350	64,999	61,812	3,187
Total fort piqua plaza reconstruction	<u>59,551</u>	<u>96,580</u>	<u>93,392</u>	<u>3,188</u>

(Continued)

CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
PUBLIC SAFETY:				
Fire department:				
Personal services/administrative support	3,122,763	3,112,671	2,962,868	149,803
Operating expenditures	385,106	385,288	327,314	57,974
Capital	514,560	434,560	430,794	3,766
Total fire department	<u>4,022,429</u>	<u>3,932,519</u>	<u>3,720,976</u>	<u>211,543</u>
Police department:				
Personal services/administrative support	4,023,087	3,915,641	3,775,907	139,734
Operating expenditures	597,390	607,769	440,302	167,467
Capital	145,000	45,000	32,805	12,195
Total police department	<u>4,765,477</u>	<u>4,568,410</u>	<u>4,249,014</u>	<u>319,396</u>
TOTAL PUBLIC SAFETY	<u>8,787,906</u>	<u>8,500,929</u>	<u>7,969,990</u>	<u>530,939</u>
NEIGHBORHOOD IMPROVEMENT TEAM				
Personal services/administrative support	-	-	-	-
Operating expenditures	119,700	21,180	4,734	16,446
Capital	25,000	36,600	36,600	-
Total neighborhood improvement team	<u>144,700</u>	<u>57,780</u>	<u>41,334</u>	<u>16,446</u>
HEALTH:				
Personal services/administrative support	383,413	365,610	345,499	20,111
Operating expenditures	112,940	105,730	80,821	24,909
Capital	-	-	-	-
Total health department	<u>496,353</u>	<u>471,340</u>	<u>426,320</u>	<u>45,020</u>
PIQUA TREE DONATIONS:				
Operating expenditures	7,200	2,642	2,267	375
Total Piqua Tree Donations department	<u>7,200</u>	<u>2,642</u>	<u>2,267</u>	<u>375</u>
PARKS AND RECREATION:				
Personal services/administrative support	456,334	349,368	308,246	41,122
Operating expenditures	270,217	192,689	173,082	19,607
Capital	-	29,984	24,964	5,020
Total parks and recreation	<u>726,551</u>	<u>572,041</u>	<u>506,292</u>	<u>65,749</u>
Total expenditures	<u>12,989,858</u>	<u>13,185,583</u>	<u>10,364,424</u>	<u>2,821,159</u>
Excess (deficiency) of revenues over expenditures	(720,801)	812,722	1,604,184	791,462
OTHER FINANCING SOURCES (USES):				
Issuance of debt	1,515,000	406,278	400,000	(6,278)
Disposal of fixed assets	-	9,515	9,515	-
Transfers out	(1,313,941)	(1,343,609)	(1,310,192)	33,417
Total other financing sources (uses)	<u>201,059</u>	<u>(927,816)</u>	<u>(900,677)</u>	<u>27,139</u>
Net change in fund balance	<u>(519,742)</u>	<u>(115,094)</u>	<u>703,507</u>	<u>818,601</u>
Fund balance- January 1, 2009	<u>18,821,637</u>	<u>18,821,637</u>	<u>18,821,637</u>	<u>-</u>
Fund balance December 31, 2009	<u>\$18,301,895</u>	<u>\$18,706,543</u>	<u>\$19,525,144</u>	<u>\$ 818,601</u>

(Concluded)

CITY OF PIQUA, OHIO

**REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE
STREET MAINTENANCE FUND
FOR YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
REVENUES:				
Municipal income tax	\$ 1,312,000	\$ 1,312,000	\$ 1,117,977	\$ (194,023)
State shared revenues	1,007,752	964,115	970,007	5,892
Licenses, permits, fees	2,900	3,700	3,075	(625)
Interest income	25,000	6,050	5,946	(104)
Increase in fair value of investments	-	-	(346)	(346)
Other fines, rents, and reimbursements	34,175	29,135	30,630	1,495
Total revenues	<u>2,381,827</u>	<u>2,315,000</u>	<u>2,127,289</u>	<u>(187,711)</u>
EXPENDITURES:				
Personal services/administrative support	985,485	899,972	828,267	71,705
Operating expenditures	1,049,447	1,054,513	937,755	116,758
Capital costs	-	107,587	95,996	11,591
Total expenditures	<u>2,034,932</u>	<u>2,062,072</u>	<u>1,862,018</u>	<u>200,054</u>
Excess (deficiency) of revenues over expenditures	346,895	252,928	265,271	12,343
OTHER FINANCING SOURCES (USES):				
Transfers out	(15,493)	(15,493)	(15,326)	167
Total other financing sources (uses)	<u>(15,493)</u>	<u>(15,493)</u>	<u>(15,326)</u>	<u>167</u>
Net change in fund balance	331,402	237,435	249,945	12,510
Fund balance- January 1, 2009	<u>1,734,290</u>	<u>1,734,290</u>	<u>1,734,290</u>	<u>-</u>
Fund balance December 31, 2009	<u>\$ 2,065,692</u>	<u>\$ 1,971,725</u>	<u>\$ 1,984,235</u>	<u>\$ 12,510</u>

CITY OF PIQUA, OHIO

**REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE
STREET LEVY CONSTRUCTION FUND
FOR YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Municipal income tax	\$ 1,171,429	\$ 1,171,429	\$ 1,003,458	\$ (167,971)
Grants-capital	564,000	400,000	400,000	-
Interest income	12,500	4,000	3,834	(166)
Total revenues	<u>1,747,929</u>	<u>1,575,429</u>	<u>1,407,292</u>	<u>(168,137)</u>
EXPENDITURES:				
Operating expenditures	341,839	838,420	771,710	66,710
Debt interest payment		-	17,769	(17,769)
Capital costs	1,898,058	1,493,831	1,326,472	167,359
Total expenditures	<u>2,239,897</u>	<u>2,332,251</u>	<u>2,115,951</u>	<u>216,300</u>
Excess (deficiency) of revenues over expenditures	<u>(491,968)</u>	<u>(756,822)</u>	<u>(708,659)</u>	<u>48,163</u>
OTHER FINANCING SOURCES (USES):				
Issuance of Debt	-	725,386	722,882	(2,504)
Total other financing sources (uses)	-	725,386	722,882	(2,504)
Net change in fund balance	(491,968)	(31,436)	14,223	45,659
Fund balance January 1, 2009	<u>1,343,063</u>	<u>1,343,063</u>	<u>1,343,063</u>	<u>-</u>
Fund balance December 31, 2009	<u>\$ 851,095</u>	<u>\$ 1,311,627</u>	<u>\$ 1,357,286</u>	<u>\$ 45,659</u>

CITY OF PIQUA, OHIO
Notes to the Required Supplemental Information
December 31, 2009

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, 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.

CITY OF PIQUA, OHIO

NON-MAJOR FUNDS

Revolving Loan/Federal Program Income	To account for micro-enterprise 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 public transit, 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, 2009**

ASSETS:	Revolving Loan/Federal Program Income	Community Development	Trust
Equity in pooled cash and cash equivalents	\$ 55,780	\$ 16,035	\$ 24,999
Equity in pooled investments	-	-	-
Accounts receivable	343	-	-
Interfund receivable	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	7,150	442,207	-
Total Assets	\$ 63,273	\$ 458,242	\$ 24,999
LIABILITIES AND FUND BALANCE:			
CURRENT LIABILITIES:			
Accounts payable	-	714	-
Interfund payable	-	-	-
Salaries and benefits	-	3,723	-
Accruals	-	5,030	-
Total Current Liabilities	-	9,467	-
LONG-TERM LIABILITIES:			
Restricted deposits	-	-	-
Deferred revenue	-	-	-
Total Long Term Liabilities	-	-	-
Total Liabilities	-	9,467	-
FUND BALANCES:			
Nonspendable fund balance	7,150	442,207	-
Restricted fund balance	50,923	6,568	24,999
Assigned fund balance	5,200	19,999	-
Unreserved	-	(19,999)	-
Total fund balances	63,273	448,775	24,999
Total liabilities and fund balance	\$ 63,273	\$ 458,242	\$ 24,999

(Continued)

CITY OF PIQUA, OHIO

**COMBINING BALANCE SHEET- NON MAJOR FUNDS
DECEMBER 31, 2009**

ASSETS:	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
Equity in pooled cash and cash equivalents	\$ 42,006	\$ 8,727	\$ 147,547
Equity in pooled investments	-	-	-
Accounts receivable	42,466	94,960	137,769
Interfund receivable	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	-	-	449,357
	<hr/>	<hr/>	<hr/>
Total Assets	<u>84,472</u>	<u>103,687</u>	<u>734,673</u>
 LIABILITIES AND FUND BALANCE:			
CURRENT LIABILITIES:			
Accounts payable	-	-	714
Interfund payable	-	103,419	103,419
Salaries and benefits	-	-	3,723
Accruals	-	265	5,295
Total Current Liabilities	<hr/>	<hr/>	<hr/>
	-	103,684	113,151
 LONG-TERM LIABILITIES:			
Restricted deposits	-	-	-
Deferred revenue	42,466	-	42,466
Total Long Term Liabilities	<hr/>	<hr/>	<hr/>
	42,466	-	42,466
Total Liabilities	42,466	103,684	155,617
 FUND BALANCES:			
Nonspendable fund balance	-	-	449,357
Restricted fund balance	42,006	-	124,496
Assigned fund balance	-	40,323	65,522
Unreserved	-	(40,320)	(60,319)
Total fund balances	<hr/>	<hr/>	<hr/>
	42,006	3	579,056
Total liabilities and fund balance	<hr/> <u>\$ 84,472</u>	<hr/> <u>\$ 103,687</u>	<hr/> <u>\$ 734,673</u>

(Concluded)

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCE NON MAJOR FUNDS
FOR YEAR ENDED DECEMBER 31, 2009**

	Revolving Loan/Federal Program Income	Community Development	Trust
REVENUES:			
Property taxes	\$ -	\$ 4,415	\$ -
State shared revenues	-	-	-
Licenses, permits, fees	1,167	600	-
Grants: capital	-	82,764	-
Grants: operating	-	-	-
Interest	3,531	27	4
Donations: operating	-	250	-
Other fines, rents, and reimbursements	18,176	79,089	21,823
Total revenues	<u>22,874</u>	<u>167,145</u>	<u>21,827</u>
EXPENDITURES:			
Personal services/administrative support	-	450	-
Operation and maintenance	252	137,995	-
Capital	-	97,731	-
Total expenditures	<u>252</u>	<u>236,176</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>22,622</u>	<u>(69,031)</u>	<u>21,827</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	26,980	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>26,980</u>	<u>-</u>
Net change in fund balance	22,622	(42,051)	21,827
Fund balance January 1, 2009	<u>40,651</u>	<u>490,826</u>	<u>3,172</u>
Fund balance December 31, 2009	<u>\$ 63,273</u>	<u>\$ 448,775</u>	<u>\$ 24,999</u>

(Continued)

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCE NON MAJOR FUNDS
FOR YEAR ENDED DECEMBER 31, 2009**

	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
REVENUES:			
Property taxes	\$ 35,060	\$ -	\$ 39,475
State shared revenues	10,418	-	10,418
Licenses, permits, fees	-	-	1,767
Grants; capital	-	-	82,764
Grants; operating	-	355,250	355,250
Interest	85	-	3,647
Donations operating	-	-	250
Other fines, rents, and reimbursements	-	-	119,088
Total revenues	<u>45,563</u>	<u>355,250</u>	<u>612,659</u>
EXPENDITURES:			
Personal services/administrative support	-	11,169	11,619
Operation and maintenance	45,701	275,946	459,894
Capital	-	74,382	172,113
Total expenditures	<u>45,701</u>	<u>361,497</u>	<u>643,626</u>
Excess (deficiency) of revenues over expenditures	<u>(138)</u>	<u>(6,247)</u>	<u>(30,967)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	26,980
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>26,980</u>
Net change in fund balance	(138)	(6,247)	(3,987)
Fund balance January 1, 2009	<u>42,144</u>	<u>6,250</u>	<u>583,043</u>
Fund balance December 31, 2009	<u>\$ 42,006</u>	<u>\$ 3</u>	<u>\$ 579,056</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, 2009**

	Revolving Loan / Federal Program Income			Community Development		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 32,461	\$ 4,415	\$ (28,046)
State shared revenues	-	-	-	-	-	-
Licenses, permits, fees	1,230	1,167	(63)	450	600	150
Grants: capital	-	-	-	82,764	82,764	-
Grants: operating	-	-	-	-	-	-
Interest	3,383	3,531	148	30	27	(3)
Donations operating	-	-	-	250	250	-
Other	18,150	18,176	26	116,567	79,089	(37,478)
Total revenues	22,763	22,874	111	232,522	167,145	(65,377)
EXPENDITURES:						
Personal services	-	-	-	450	450	-
Operation and maintenance	18,440	252	18,188	178,630	137,995	40,635
Capital	-	-	-	97,732	97,731	1
Total expenditures	18,440	252	18,188	276,812	236,176	40,636
Excess (deficiency) of revenues over expenditures	4,323	22,622	18,299	(44,290)	(69,031)	(24,741)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	26,981	26,980	(1)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	26,981	26,980	(1)
Net change in fund balance	4,323	22,622	18,299	(17,309)	(42,051)	(24,742)
Fund balance January 1, 2009	40,651	40,651	-	490,826	490,826	-
Fund balance December 31, 2009	\$ 44,974	\$ 63,273	\$ 18,299	\$ 473,517	\$ 448,775	\$ (24,742)

(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, 2009**

	Trust			Conservancy		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 34,787	\$ 35,060	\$ 273
State shared revenues	-	-	-	10,907	10,418	(489)
Licenses, permits, fees	-	-	-	-	-	-
Grants: capital	-	-	-	-	-	-
Grants: operating	-	-	-	-	-	-
Interest	6	4	(2)	1,072	85	(987)
Donations operating	-	-	-	-	-	-
Other	46,006	21,823	(24,183)	-	-	-
Total revenues	46,012	21,827	(24,185)	46,766	45,563	(1,203)
EXPENDITURES:						
Personal services	-	-	-	-	-	-
Operation and maintenance	35,000	-	35,000	45,716	45,701	15
Capital	-	-	-	-	-	-
Total expenditures	35,000	-	35,000	45,716	45,701	15
Excess (deficiency) of revenues over expenditures	11,012	21,827	10,815	1,050	(138)	(1,188)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	11,012	21,827	10,815	1,050	(138)	(1,188)
Fund balance January 1, 2009	3,172	3,172	-	42,144	42,144	-
Fund balance December 31, 2009	<u>\$ 14,184</u>	<u>\$ 24,999</u>	<u>\$ 10,815</u>	<u>\$ 43,194</u>	<u>\$ 42,006</u>	<u>\$ (1,188)</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, 2009**

	Federal Grants			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 67,248	\$ 39,475	\$ (27,773)
State shared revenues	-	-	-	10,907	10,418	(489)
Licenses, permits, fees	-	-	-	1,680	1,767	87
Grants: capital	-	-	-	82,764	82,764	-
Grants: operating	604,631	355,250	(249,381)	604,631	355,250	(249,381)
Interest	-	-	-	4,491	3,647	(844)
Donations operating	-	-	-	250	250	-
Other	-	-	-	180,723	119,088	(61,635)
Total revenues	604,631	355,250	(249,381)	952,694	612,659	(340,035)
EXPENDITURES:						
Personal services	31,169	11,169	20,000	31,619	11,619	20,000
Operation and maintenance	492,662	275,946	216,716	770,448	459,894	310,554
Capital	80,800	74,382	6,418	178,532	172,113	6,419
Total expenditures	604,631	361,497	243,134	980,599	643,626	336,973
Excess (deficiency) of revenues over expenditures	-	(6,247)	(6,247)	(27,905)	(30,967)	(3,062)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	26,981	26,980	(1)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	26,981	26,980	(1)
Net change in fund balance	-	(6,247)	(6,247)	(924)	(3,987)	(3,063)
Fund balance January 1, 2009	6,250	6,250	-	583,043	583,043	-
Fund balance December 31, 2009	\$ 6,250	\$ 3	\$ (6,247)	\$ 582,119	\$ 579,056	\$ (3,063)

(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 31,2009**

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Property taxes	\$ 53,717	\$ 53,718	\$ 1
Interest income	10,032	9,835	(197)
Total revenues	<u>63,749</u>	<u>63,553</u>	<u>(196)</u>
EXPENDITURES:			
Operating expenditures	48,700	9,820	38,880
Debt principal payment	802,605	802,604	1
Debt interest payment	256,535	256,049	486
Total expenditures	<u>1,107,840</u>	<u>1,068,473</u>	<u>39,367</u>
Excess (deficiency) of revenues over expenditures	<u>(1,044,091)</u>	<u>(1,004,920)</u>	<u>39,171</u>
OTHER FINANCING SOURCES:			
Transfers in	997,757	997,740	(17)
Total other financing sources (uses)	<u>997,757</u>	<u>997,740</u>	<u>(17)</u>
Net change in fund balance	(46,334)	(7,180)	39,154
Fund balance January 1, 2009	<u>394,408</u>	<u>394,408</u>	<u>-</u>
Fund balance December 31, 2009	<u>\$ 348,074</u>	<u>\$ 387,228</u>	<u>\$ 39,154</u>

CITY OF PIQUA, OHIO

**COMBINING BALANCE SHEET- INTERNAL SERVICE FUNDS
DECEMBER 31, 2009**

ASSETS:	<u>Workers Compensation</u>	<u>Liability Insurance</u>	<u>Health Insurance</u>	<u>Information Technology</u>	<u>Total</u>
Current assets:					
Equity in pooled cash and cash equivalents	\$983,613	\$272,783	\$1,010,420	\$426,043	\$2,692,859
Equity in pooled investments	813,930	520,322	-	-	1,334,252
Accounts receivable	6,016	3,343	\$2,323	5	11,687
Prepaid items and other assets	-	-	170,550	-	170,550
Total Current Assets	1,803,559	796,448	1,183,293	426,048	4,209,348
Noncurrent assets:					
Capital assets being depreciated					
Plant and equipment in service, net	-	-	-	102,251	102,251
Total Capital Assets	-	-	-	102,251	102,251
Total Assets	\$ 1,803,559	\$ 796,448	\$ 1,183,293	\$ 528,299	\$ 4,311,599
LIABILITIES AND FUND BALANCE:					
CURRENT LIABILITIES:					
Accounts payable	-	-	2,797	10,947	13,744
Salaries and benefits	-	-	-	4,433	4,433
Accrued vacation, personal and sick leave	-	-	-	15,368	15,368
Accruals	-	-	-	199	199
Total Current Liabilities	-	-	2,797	30,947	33,744
NONCURRENT LIABILITIES:					
Accrued vacation, personal and sick leave	-	-	-	30,615	30,615
Total Noncurrent Liabilities	-	-	-	30,615	30,615
Total Liabilities	-	-	2,797	61,562	64,359
FUND BALANCES:					
Invested in capital assets, net of related debt	-	-	-	102,251	102,251
Unreserved	1,803,559	796,448	1,180,496	364,486	4,144,989
Total Net Assets	1,803,559	796,448	1,180,496	466,737	4,247,240
Total Liabilities and Net Assets	\$ 1,803,559	\$ 796,448	\$ 1,183,293	\$ 528,299	\$ 4,311,599

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET ASSETS- INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Total
OPERATING REVENUES:					
Customer services	\$ 19,026	\$ 66,379	\$ 2,186,784	\$ 517,241	\$ 2,789,430
Penalty charges	-	-	-	-	-
Total operating revenues	19,026	66,379	2,186,784	517,241	2,789,430
OPERATING EXPENSES:					
Salaries and Employee benefits	234,550	-	2,150,588	255,023	2,640,161
Depreciation	-	-	-	11,292	11,292
Outside Services	-	266,852	36,196	101,157	404,205
Total operating expenses	234,550	266,852	2,186,784	367,472	3,055,658
Operating income (loss)	(215,524)	(200,473)	-	149,769	(266,228)
NON-OPERATING REVENUES(EXPENSES):					
Interest income	28,875	20,199	3,199	784	53,057
Net increase/(decrease) in fair market value of investments	-	-	-	-	-
Other, net	(1,070)	(3,362)	-	-	(4,432)
	-	-	-	-	-
Net non-operating revenues(expenses)	27,805	16,837	3,199	784	48,625
Change in net assets	(187,719)	(183,636)	3,199	150,553	(217,603)
Total net assets-beginning of year	1,991,278	980,084	1,177,297	316,184	4,464,843
Total net assets-end of year	<u>\$ 1,803,559</u>	<u>\$ 796,448</u>	<u>\$ 1,180,496</u>	<u>\$ 466,737</u>	<u>\$ 4,247,240</u>

CITY OF PIQUA, OHIO

COMBINING STATEMENT OF CASH FLOWS-INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Workers Compensation	Liability Insurance	City Health Insurance	Information Technology	Totals
OPERATING ACTIVITIES:					
Receipts from interfund services	\$ 19,026	\$ 66,379	\$ 2,185,740	\$ 517,236	\$ 2,788,381
Cash paid to suppliers for goods or services	(234,550)	(266,852)	(2,353,907)	(95,934)	(2,951,243)
Cash paid to employees for services	-	-	-	(281,543)	(281,543)
Net cash provided by (used in) operating activities	(215,524)	(200,473)	(168,167)	139,759	(444,405)
CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	-	-	-	-	-
Disposals of capital assets	-	-	-	-	-
Net cash provided by (used in) capital & related financing activities	-	-	-	-	-
INVESTING ACTIVITIES:					
Purchases of investment securities	(500,000)	-	-	-	(500,000)
Proceeds from sale or maturity of investment securities	20,000	-	-	-	20,000
Interest received	24,604	20,199	3,199	784	48,786
Net cash provided by (used in) investing activities	(455,396)	20,199	3,199	784	(431,214)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(670,920)	(180,274)	(164,968)	140,543	(875,619)
CASH AND CASH EQUIVALENTS - Beginning of year	1,654,533	453,057	1,175,388	285,500	3,568,478
CASH AND CASH EQUIVALENTS - End of year	\$ 983,613	\$ 272,783	\$ 1,010,420	\$ 426,043	2,692,859
OPERATING INCOME (LOSS)	\$ (215,524)	\$ (200,473)	\$ -	\$ 149,769	(266,228)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	11,292	11,292
(Increase)/Decrease in Accounts Receivable	-	-	(1,044)	(5)	(1,049)
(Increase)/Decrease in Inventory	-	-	-	-	-
(Increase)/Decrease in Prepaids	-	-	(162,148)	-	(162,148)
Increase/(Decrease) in Accounts Payable	-	-	(4,975)	5,223	248
Increase/(Decrease) in Accrued Wages and Benefits	-	-	-	(26,520)	(26,520)
Net cash provided by (used in) operating activities	<u>\$ (215,524)</u>	<u>\$ (200,473)</u>	<u>\$ (168,167)</u>	<u>\$ 139,759</u>	<u>\$ (444,405)</u>
SUPPLEMENTAL INFORMATION:					
Noncash activities:					
Change in fair value of investments	<u>\$ (1,070)</u>	<u>\$ (3,362)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,432)</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2009**

	<u>Unclaimed Funds</u>	<u>Employee Flexible Spending</u>	<u>Total</u>
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 662	\$ 12,654	\$ 13,316
Total Assets	<u>\$ 662</u>	<u>\$ 12,654</u>	<u>\$ 13,316</u>
LIABILITIES:			
Withholdings payable	\$ -	\$ 12,654	\$ 12,654
Undistributed monies	<u>662</u>	<u>-</u>	<u>662</u>
Total Liabilities	<u>\$ 662</u>	<u>\$ 12,654</u>	<u>\$ 13,316</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR YEAR ENDED DECEMBER 31,2009**

	Balance at January 1, 2009	Additions	Deductions	Balance at December 31, 2009
Unclaimed Funds				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 431	\$ 275	\$ 44	\$ 662
Total Assets	<u>\$ 431</u>	<u>\$ 275</u>	<u>\$ 44</u>	<u>\$ 662</u>
LIABILITIES				
Undistributed monies	\$ 431	\$ 275	\$ 44	662
Total Liabilities	<u>\$ 431</u>	<u>\$ 275</u>	<u>\$ 44</u>	<u>\$ 662</u>
Employee Flexible Spending				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 16,331	\$ 140,858	\$ 144,535	\$ 12,654
Total Assets	<u>\$ 16,331</u>	<u>\$ 140,858</u>	<u>\$ 144,535</u>	<u>\$ 12,654</u>
LIABILITIES				
Withholdings payable	\$ 16,331	\$ 140,858	\$ 144,535	\$ 12,654
Total Liabilities	<u>\$ 16,331</u>	<u>\$ 140,858</u>	<u>\$ 144,535</u>	<u>\$ 12,654</u>
Total- All AGENCY FUNDS				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 16,762	\$ 141,133	\$ 144,579	\$ 13,316
Total Assets	<u>\$ 16,762</u>	<u>\$ 141,133</u>	<u>\$ 144,579</u>	<u>\$ 13,316</u>
LIABILITIES				
Withholdings payable	\$ 16,331	\$ 140,858	\$ 144,535	\$ 12,654
Undistributed monies	431	275	44	662
Total Liabilities	<u>\$ 16,762</u>	<u>\$ 141,133</u>	<u>\$ 144,579</u>	<u>\$ 13,316</u>

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>
Financial Trends	74-78
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	79-81
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.	
Debt Capacity	82-84
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.	
Economic and Demographic Information	85-87
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	88-91
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.

Table 1

CITY OF PIQUA, OHIO

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

	2009	2008	2007	2006	2005	2004	2003	2002
Government Activities								
Invested in capital assets, net of related debt	\$ 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	\$ 20,665	\$ 14,684	\$ 33,231					
Restricted by: debt covenants	387,228	394,408	394,825	418,841	740,702	1,571,115	976,604	814,300
Unrestricted	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	66,205,576	65,491,357	61,940,344	55,282,115	48,779,635	47,579,435	46,170,920	43,911,707
Business-Type Activities								
Invested in capital assets, net of related debt	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	58,910	66,588	303,180	168,888	173,379
Unrestricted	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	67,043,555	64,718,064	63,412,313	63,290,234	60,251,995	59,303,051	59,523,401	59,464,953
Primary government								
Invested in capital assets, net of related debt	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	20,665	14,684	33,958					
Restricted by: debt covenants	437,228	444,408	444,825	477,751	807,290	1,874,295	1,145,492	987,679
Unrestricted	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	\$ 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, 2000 - 2001 data not available

CITY OF PIQUA, OHIO

Table 2

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

	2009	2008	2007	2006	2005	2004	2003	2002
Expenses								
Government activities								
General government	\$ 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	7,859,160	7,796,876	7,878,066	7,784,475	7,667,665	7,363,799	6,844,602	6,539,055
Streets and maintenance	3,574,236	5,143,056	3,168,720	2,855,826	3,456,870	2,787,428	2,424,531	2,824,036
Parks and recreation	685,518	915,284	702,284	741,577	716,795	636,230	561,058	593,878
Community development	242,528	618,328	343,948	617,750	1,287,935	721,741	604,099	667,877
Interest on long term debt	271,155	289,387	197,747	184,603	216,710	234,029	246,298	288,383
Total governmental activities expenses	14,732,558	17,723,188	15,182,323	14,436,679	15,331,382	13,540,887	12,540,230	13,130,548
Business-type Activities								
Electric	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	2,857,643	2,845,460	2,831,444	2,998,639	2,842,163	2,814,171	2,800,775	2,737,680
Refuse	1,481,691	1,523,263	1,440,545	1,429,689	1,363,145	1,340,265	1,291,240	1,293,568
Water	2,793,284	2,850,285	2,754,437	2,564,675	2,589,854	2,408,664	2,205,581	2,503,948
Golf	657,378	688,377	729,467	710,890	699,461	738,514	674,858	621,579
Fort Piqua Plaza	185,207	42,372	n/a	n/a	n/a	n/a	n/a	n/a
Municipal Pool	190,158	199,277	191,162	171,160	175,944	161,821	160,093	159,458
Total business-type activities expenses	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	\$ 45,207,862	\$ 49,826,005	\$ 45,607,027	\$ 38,156,178	\$ 39,947,649	\$ 38,128,136	\$ 36,635,017	\$ 38,146,706
Program revenues								
Government for Services:								
General government	\$ 692,334	\$ 624,510	\$ 465,664	\$ 1,436,056	\$ 298,340	\$ 264,426	\$ 212,377	\$ 323,247
Public safety	876,722	772,244	909,784	566,672	311,871	328,505	240,543	238,819
Streets and maintenance	33,705	93,392	28,295	63,390	49,462	50,637	76,011	26,050
Parks and recreation	109,577	88,900	25,355	31,346	31,798	20,415	20,557	20,557
Community development	20,681	26,146	19,974	7,042	67,397	73,226	9,712	25,024
Operating grants and contributions	460,718	1,219,765	2,301,314	3,208,242	739,860	742,628	640,700	759,557
Capital grants and contributions	534,122	1,822,124	3,978,896	859,305	60,487	596,094	737,223	2,367,605
Total governmental activities program revenues	2,727,859	4,647,081	7,729,282	6,172,053	1,559,215	2,075,931	1,932,272	3,760,859
Business-type Activities								
Charges for Services:								
Electric	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	3,258,977	3,098,853	2,715,642	2,698,928	2,671,979	2,643,578	2,620,654	3,113,672
Refuse	1,767,803	1,659,648	1,530,335	1,408,455	1,340,537	1,281,780	1,261,666	1,222,548
Water	3,180,412	3,051,532	2,791,370	2,722,614	2,586,120	2,565,055	2,542,575	2,953,493
Golf	594,230	605,828	625,414	599,742	623,714	591,972	533,654	501,279
Fort Piqua Plaza	63,946	18,200	n/a	n/a	n/a	n/a	n/a	n/a
Municipal Pool	79,048	92,746	89,109	89,373	95,138	73,923	75,478	90,855
Operating grants and contributions	155	2,548	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	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	\$ 35,112,360	\$ 37,416,098	\$ 37,346,079	\$ 32,561,390	\$ 27,305,477	\$ 25,999,428	\$ 25,778,223	\$ 28,989,652
Net revenue (expense)								
Governmental activities	\$ (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	1,909,197	666,200	(807,907)	2,669,838	1,129,995	(663,752)	(248,836)	212,635
Total primary government net revenue (expense)	\$ (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)

Table 2

CITY OF PIQUA, OHIO

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

	2009	2008	2007	2006	2005	2004	2003	2002
General revenues and other changes in net assets								
Governmental activities								
Property taxes	\$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	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	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	1,123,045	1,259,107	1,291,091	1,309,110	1,249,360	1,095,211	1,057,683	1,084,235
Investment earnings	134,406	388,469	661,171	578,256	289,066	177,473	199,911	529,466
Miscellaneous	9,515	1,852	18,468	6,383	385,572	73,018	93,971	-
Transfers	(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	12,718,918	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	115,496	445,609	730,055	603,404	287,164	173,763	167,710	559,412
Special item	-	-	-	(432,106)	(604,824)	-	-	-
Transfers	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	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	13,135,212	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	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	2,325,491	1,305,751	122,079	3,038,239	948,944	(259,128)	58,448	823,328
Total primary government activities	\$3,039,710	\$4,856,764	\$6,780,308	\$9,540,719	\$2,149,144	\$612,527	\$2,317,661	\$3,887,643

(Concluded)

Source: City of Piqua Finance Department
 GASB 34 implemented 2002, 2000 - 2001 data not available
 Fort Piqua Plaza operations began in Oct. 2008

Table 3

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund										
Nonspendable	\$ 12,071,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	20,665	-	-	-	-	-	-	-	-	-
Assigned	2,138,600	-	-	-	-	-	-	-	-	-
Reserved	-	10,834,537	9,926,096	4,039,446	413,703	867,692	181,424	967,139	146,648	818,689
Unassigned	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	7,694,748
Total General Fund	19,525,144	18,821,637	16,600,692	12,633,960	8,088,827	6,694,931	7,142,824	5,661,904	5,697,431	8,513,437
Street Maintenance Fund										
Restricted	1,754,063	-	-	-	-	-	-	-	-	-
Assigned	230,172	-	-	-	-	-	-	-	-	-
Reserved	-	359,365	50,166	163,780	10,766	4,121	1,432	230,919	131,131	504,195
Unassigned	-	1,374,925	1,433,773	1,003,903	610,379	435,921	282,168	15,563	237,945	685,720
Total Street Maintenance Fund	1,984,235	1,734,290	1,483,939	1,167,683	621,145	440,042	283,600	246,482	369,076	1,189,915
Street Levy Fund										
Restricted	1,311,585	-	-	-	-	-	-	-	-	-
Assigned	45,701	-	-	-	-	-	-	-	-	-
Reserved	-	197,384	409,802	45,903	86,492	30,642	228,872	438,821	568,447	152,360
Unassigned	-	1,145,679	384,273	419,922	227,390	207,500	95,817	(327,053)	31,341	837,056
Total Street Levy Fund	1,357,286	1,343,063	794,075	456,825	313,882	238,142	324,689	111,768	599,788	989,416
Other Governmental Funds										
Nonspendable	449,357	-	-	-	-	-	-	-	-	-
Restricted	511,724	-	-	-	-	-	-	-	-	-
Assigned	65,522	-	-	-	-	-	-	-	-	-
Reserved	-	1,025,223	949,265	863,657	642,604	430,985	360,451	446,431	389,446	4,335,218
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	(2,052,329)
Trust	-	3,172	22,417	21,974	-	35,435	40,449	34,036	1,894	1,076
Conservancy	-	42,144	40,625	41,127	56,060	51,677	51,677	45,595	37,885	26,238
Safety Pension	-	-	72,456	60,676	39,106	26,771	107,463	73,886	41,339	2,483
Federal Grants	(40,320)	4,109	(103,727)	(5,410)	(152,714)	7,954	(44,177)	291,280	346,659	13,618
Total All Other Governmental Funds	966,284	977,451	1,065,094	1,054,281	1,043,132	1,038,158	1,034,590	942,130	831,051	2,326,304
All Governmental Funds										
Nonspendable	12,521,223	-	-	-	-	-	-	-	-	-
Restricted	3,598,037	-	-	-	-	-	-	-	-	-
Assigned	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	5,810,462
Unassigned	5,233,694	10,452,932	8,608,471	10,199,963	8,913,421	7,077,833	8,013,524	4,878,974	6,261,674	7,208,610
Total All Governmental Funds	\$ 23,832,949	\$ 22,876,441	\$ 19,943,800	\$ 15,312,749	\$ 10,066,986	\$ 8,411,273	\$ 8,785,703	\$ 6,962,284	\$ 7,497,346	\$ 13,019,072

Source: City of Piqua Finance Department

Table 4

CITY OF PIQUA, OHIO

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
REVENUES										
Municipal income tax	\$ 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	\$ 7,409,129
Property taxes	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	1,499,439
State shared revenues	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	2,430,990
Locally levied taxes	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	1,020,519	949,578	1,073,084	574,837	314,412	358,178	282,538	351,468	354,595	327,355
Grants: capital	512,522	1,766,624	3,975,696	208,958	3,365	402,414	665,148	-	2,039,813	1,614,613
Grants: operating	372,788	765,164	1,954,777	600,798	713,337	714,033	623,044	3,063,192	-	-
Investment income	109,066	253,369	492,617	420,761	249,393	150,072	176,014	241,329	445,017	687,936
Increase in fair market value of investments	(11,293)	55,323	12,071	18,769	(33,256)	(29,936)	(78,911)	8,739	58,807	114,247
Donations: capital	21,600	55,500	3,200	650,347	57,122	193,680	72,075	73,627	-	-
Donations: operating	180,976	361,555	346,537	2,607,444	26,321	28,595	17,656	343	-	-
Other fines, rents, and reimbursements	716,342	657,330	325,783	1,518,010	444,458	367,119	271,811	249,637	538,842	458,497
Total revenues	16,179,401	21,043,931	21,732,155	20,907,861	16,014,767	14,510,829	14,265,202	15,869,486	15,254,421	14,542,206
EXPENDITURES										
General government administration	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	1,315,007
Public safety	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	5,970,936
Public health	435,469	496,914	521,419	393,863	331,834	301,939	301,939	273,225	342,946	311,693
Street repairs and maintenance	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	1,523,071
Parks and recreation	609,908	828,421	633,438	661,920	637,044	573,008	509,630	514,476	628,026	517,509
Community planning and development	321,094	942,424	544,972	749,395	1,281,353	703,930	593,528	637,002	639,101	493,558
Other	53,521	112,288	78,846	106,092	160,982	103,674	142,634	65,991	95,230	262,252
Capital improvements	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	6,811,701
Debt service:										
Principal	802,604	737,596	683,457	524,404	805,840	448,413	415,805	381,299	353,333	32,783
Interest	273,818	293,522	192,915	184,195	217,845	231,512	248,143	268,308	51,448	34,012
Payment of pension liability	-	-	-	-	-	-	-	-	-	533,877
Total expenditures	16,054,492	18,406,177	19,340,648	15,471,378	15,565,895	15,010,229	13,549,908	16,318,062	20,484,927	17,570,399
Excess (deficiency) of revenues over expenditures	124,909	2,637,754	2,391,507	5,436,483	448,872	(499,400)	715,294	(448,576)	(5,230,506)	(3,028,193)
OTHER FINANCING SOURCES (USES):										
Issuance of debt	1,122,882	486,977	2,421,007	-	474,842	236,037	99,155	-	-	4,552,939
Disposal of capital assets	9,515	1,852	18,468	6,383	385,572	73,018	93,971	-	-	-
Transfers in	1,024,720	1,051,982	689,718	657,677	899,980	1,258,438	2,430,459	4,931,844	3,640,573	5,955,341
Transfers out	(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)	(6,028,220)
Total other financing sources (uses)	831,599	294,887	2,239,544	(190,720)	723,806	78,195	1,133,179	(51,281)	(194,742)	4,480,060
Net change in fund balances	956,508	2,932,641	4,631,051	5,245,763	1,172,678	(421,205)	1,848,473	(499,857)	(5,425,248)	1,451,867
Debt service as a percentage of Noncapital expenditures	7.7%	6.1%	6.2%	5.3%	7.2%	5.4%	5.8%	5.5%	3.7%	0.6%

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
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%
2000	1.75%	7,473,123	5,938,145	79%	1,017,625	14%	517,353	7%

Source: City of Piqua Income Tax Department

CITY OF PIQUA, OHIO

Table 6

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
2008	0-20,000	3,239	40.83%	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	5.87%	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	4.76%	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>	
2003	0-20,000	2,837	42.30%	22,995,807	8.57%
2003	20,001-40,000	1,777	26.49%	51,317,780	19.12%
2003	40,001-60,000	1,045	15.58%	51,539,737	19.21%
2003	60,001-80,000	547	8.16%	37,477,454	13.97%
2003	80,001-100,000	247	3.68%	21,891,662	8.16%
2003	over 100,000	254	3.79%	83,115,946	30.97%
	Total	<u>6,707</u>		<u>268,338,386</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 2002,2001,2000,1999 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
2008	1,483,596	1,431,473	96.49	113,228	326,538,330	\$18,107,090	344,645,420
2007	1,558,181	1,510,445	96.94	178,881	326,748,650	\$35,134,860	361,883,510
2006	1,545,521	1,485,097	96.09	115,635	301,859,760	\$52,758,960	354,618,720
2005	1,550,670	1,512,109	97.51	92,928	296,243,040	\$63,527,520	359,770,560
2004	1,581,499	1,544,095	97.63	91,922	291,828,330	65,159,360	356,987,690
2003	1,533,847	1,492,929	97.33	80,678	277,754,750	70,142,460	347,897,210
2002	1,543,196	1,501,773	97.32	80,815	275,053,010	76,389,910	351,442,920
2001	1,549,860	1,511,981	97.56	69,998	270,749,680	73,192,390	343,942,070
2000	1,487,288	1,430,444	96.18	79,820	256,052,460	72,293,270	328,345,730
1999	1,427,572	1,376,907	96.45	68,162	247,132,470	77,189,310	324,321,780

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Governmental activities										
General obligation bonds	\$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	\$4,079,127
Special assessment bonds	62,602	91,397	124,250	136,089	175,960	193,654	186,042	180,571	171,664	200,464
Pension refunding bonds	315,000	335,000	355,000	375,000	390,000	405,000	420,000	435,000	450,000	460,000
Taxable revenue bonds	2,010,000	2,210,000	2,400,000	-	-	-	-	-	-	-
Promissory Notes	1,209,859	486,977	-	149,000	149,000	-	-	-	-	-
Capital Leases	-	28,809	68,551	106,815	158,955	208,865	-	-	-	-
Total gross governmental activities indebtedness	4,472,461	4,152,183	4,402,801	2,665,251	3,189,655	3,520,652	3,689,662	4,049,678	4,386,258	4,739,591
Business type activities										
General obligation bonds	\$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	\$7,185,873
Mortgage revenue bonds	-	-	-	-	-	-	-	-	-	1,610,000
Promissory Notes	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	7,511,917
Total gross business-type activities indebtedness	8,914,614	5,981,365	6,931,806	8,035,650	8,909,911	9,177,176	10,729,351	11,546,956	12,697,093	16,307,790
Total gross primary government indebtedness	13,387,075	10,133,548	11,334,607	10,700,901	12,099,566	12,697,828	14,419,013	15,586,634	17,083,351	21,047,381
Percent of personal income	3.04%	2.09%	2.34%	2.21%	2.50%	2.62%	2.97%	3.21%	3.52%	4.34%
Per capita	\$ 646	\$ 489	\$ 547	\$ 516	\$ 583	\$ 612	\$ 695	\$ 752	\$ 824	\$ 1,015
Less debt outside limitations:										
Less debt service fund balance	52,509	71,080	82,573	77,135	66,779	63,193	49,208	50,472	55,885	50,607
Exempt self-supporting obligation debt:	\$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	\$7,185,873
Pension refunding bonds	315,000	335,000	355,000	375,000	390,000	405,000	420,000	435,000	450,000	460,000
Exempt self-supporting tax revenue bonds	2,010,000	2,210,000	2,400,000	-	-	-	-	-	-	-
Special assessment bonds	62,602	91,397	124,250	136,089	175,960	193,654	186,042	180,571	171,664	200,464
Exempt self-supporting notes	8,103,036	3,969,752	3,971,061	4,530,095	4,764,594	4,233,098	4,907,971	5,456,063	6,051,687	7,511,917
Net debt within limitation for both Voted and Unvoted debt	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635	3,708,769	4,028,520
Percent of estimated actual property value	0.24%	0.26%	0.41%	0.54%	0.67%	0.82%	0.86%	0.98%	1.13%	1.24%
Per capita	\$ 40	\$ 46	\$ 69	\$ 93	\$ 116	\$ 138	\$ 146	\$ 163	\$ 179	\$ 194
Debt limitation for both voted and unvoted debt 10.5% of assessed valuation	\$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	\$34,053,787
Legal debt margin for voted and unvoted debt	\$35,365,278	\$37,040,040	\$35,793,988	\$35,847,882	\$35,075,791	\$33,670,402	\$33,867,095	\$32,730,282	\$30,767,593	\$30,025,267
Net debt within limitations for both Voted and unvoted debt as a percentage of debt limit	2.27%	2.52%	3.87%	5.10%	6.42%	7.83%	8.22%	9.37%	10.76%	11.83%
Net debt within limitation for both voted and unvoted debt	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635	3,708,769	4,028,520
Less unvoted debt	-									
Net debt with limitation for unvoted debt	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635	3,708,769	4,028,520
Debt limitation for Unvoted debt 5.5% of assessed valuation	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	17,837,698
Legal debt margin for unvoted debt	18,133,007	18,945,864	18,063,052	17,859,354	17,226,407	16,275,542	16,294,949	15,533,179	14,350,306	13,809,178
Net debt within limitation for unvoted debt as a percentage of debt limit	4.34%	4.81%	7.39%	9.74%	12.26%	14.94%	15.70%	17.89%	20.54%	22.58%

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 9

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2009

	<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	\$ 8,026,219	\$ 731,869	\$ 7,294,350	80.15%	\$ 5,846,422
Upper Valley Joint Vocational School	-	-	-	15.64	-
Miami County	<u>19,570,000</u>	<u>341,667</u>	<u>19,228,333</u>	15.94	<u>3,064,996</u>
Total overlapping debt	<u>27,596,219</u>	<u>1,073,536</u>	<u>26,522,683</u>		<u>8,911,418</u>
City of Piqua	875,000	52,509	822,491	100.00%	822,491
Total net direct and overlapping debt	<u>\$28,471,219</u>	<u>\$ 1,126,045</u>	<u>\$27,345,174</u>		<u>\$ 9,733,909</u>

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

Source: Individual Jurisdictions

CITY OF PIQUA, OHIO

DEBT COVERAGE
BUSINESS TYPE ACTIVITIES
LAST TEN YEARS

Table 10

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Power										
Gross revenues	\$ 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	\$ 17,125,470
Direct operating expenses	20,383,460	21,765,513	20,643,787	14,259,799	15,553,778	15,403,238	15,151,271	15,639,200	12,375,133	12,167,826
Net revenue available for debt service	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	4,957,644
General obligation debt service requirements	406,690	410,259	408,495	410,539	402,880	403,789	488,902	449,075	448,375	446,700
Revenue obligation debt service requirements	-	-	-	-	-	-	-	-	-	-
Debt service coverage	711	564	207	1,088	705	338	352	447	1,123	335
Wastewater										
Gross revenues	\$ 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	\$ 2,759,431
Direct operating expenses	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	1,323,629
Net revenue available for debt service	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	1,435,802
General obligation debt service requirements	-	-	176,963	188,925	200,888	212,850	224,813	236,775	248,738	260,700
Revenue obligation debt service requirements	\$ 506,537	\$ 506,537	\$ 506,537	\$ 506,537	\$ 820,578	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628
Debt service coverage	276	265	158	129	104	102	106	119	124	132
Water										
Gross revenues	\$ 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	\$ 2,628,040
Direct operating expenses	2,316,503	2,321,310	2,246,806	2,109,256	2,185,363	2,025,244	1,845,434	2,116,368	1,896,951	1,584,915
Net revenue available for debt service	808,983	682,960	504,872	564,384	359,739	491,462	660,276	414,598	654,987	1,043,125
General obligation debt service requirements	-	-	50,947	52,910	50,238	48,281	50,468	52,578	51,003	52,785
Revenue obligation debt service requirements	\$ 147,172	\$ 147,172	\$ 135,122	\$ 223,753	\$ 66,411	\$ -	\$ -	\$ -	\$ 663,390	\$ 665,190
Debt service coverage	550	464	271	204	308	1,018	1,308	789	92	145
Golf										
Gross revenues	\$ 596,423	\$ 608,369	\$ 623,722	\$ 600,967	\$ 625,511	\$ 594,655	\$ 562,643	\$ 504,753	\$ 564,183	\$ 583,356
Direct operating expenses	502,379	525,446	568,038	550,122	539,118	541,073	467,023	390,479	380,037	324,720
Net revenue available for debt service	94,044	82,923	55,684	50,845	86,393	53,582	95,620	114,274	184,146	258,636
General obligation debt service requirements	\$ 170,118	\$ 168,385	\$ 180,231	\$ 177,532	\$ 180,205	\$ 265,233	\$ 215,598	\$ 230,774	\$ 250,747	\$ 231,040
Debt service coverage	55	49	31	29	48	20	44	50	80	112
Pool										
Gross revenues	\$ 80,052	\$ 93,172	\$ 89,708	\$ 90,075	\$ 96,102	\$ 74,383	\$ 77,338	\$ 91,672	\$ 72,303	\$ 63,883
Direct operating expenses	148,190	155,035	150,393	130,650	134,709	120,242	118,075	116,283	119,179	106,287
Net revenue available for debt service	(68,138)	(61,863)	(60,685)	(40,575)	(38,607)	(45,859)	(40,737)	(24,611)	(46,876)	(42,404)
General obligation debt service requirements	\$ 8,577	\$ 8,480	\$ 8,622	\$ 8,493	\$ 8,603	\$ 12,932	\$ 10,410	\$ 11,156	\$ 11,169	\$ 11,168
Debt service coverage	(794)	(729)	(704)	(478)	(449)	(355)	(391)	(221)	(420)	(380)

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

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 11

PRINCIPAL EMPLOYERS
DECEMBER 31, 2009

<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	350	3.6%
Walmart Stores Inc.	Retail store	345	3.6%
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	315	3.3%
Piqua City Schools	Public school district	309	3.2%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	280	2.9%
Tailwind Technologies Inc.	Manufacturer of aircraft propellers	277	2.9%
Upper Valley JVS	Regional joint vocational school	235	2.4%
City of Piqua	Municipal government	207	2.1%
Jackson Tube Service Inc.	Manufacturer of steel tubing	174	1.8%
Edison Community College	State community college	144	1.5%
Total available employment		9,676	

PRINCIPAL EMPLOYERS
DECEMBER 31, 2008

<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	6.8%
Charter Corporation	Manufacturer of aircraft propellers	350	3.6%
Jackson Tube Service Inc.	Manufacturer of steel tubing	350	3.6%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	300	3.1%
Industry Products	Manufacturer of die cutting equipment	283	2.9%
City of Piqua	Municipal government	231	2.4%
Piqua City Schools	Public school district	218	2.3%
Upper Valley JVS	Regional joint vocational school	185	1.9%
Piqua Technologies Inc.	Manufacturer of Automotive Gaskets	180	1.9%
Edison Community College	State community college	174	1.8%
Total available employment		9,613	

Source: City of Piqua Income Tax Office

CITY OF PIQUA, OHIO

PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2009
LAST EIGHT YEARS

Table 12

Name of Taxpayer	Nature of Business	2009 Assessed Valuation	Percent of Total Assessed Valuation	2008 Assessed Valuation		2005 Assessed Valuation		2004 Assessed Valuation		2003 Assessed Valuation		2002 Assessed Valuation	
				Assessed Valuation	Valuation	Assessed Valuation	Valuation						
Midanco	Shopping mall	\$ 9,302,280	2.70%	\$ 8,964,070	\$ 8,973,950	\$ 8,819,110	\$ 8,792,120	\$ 9,677,310	\$ 9,677,310	\$ 9,677,310	\$ 9,677,310	\$ 10,345,670	
Harvey Tolson Real Estate	Shopping mall	4,284,110	1.24%	4,284,110	4,284,110								
Walmart Stores Inc.	Retailer of consumer goods	3,180,870	0.92%	3,644,050	3,230,090	3,804,410	-	-	-	-	-	-	-
Jackson Tube Service Inc.	Manufacturer of steel tubing	3,045,220	0.88%	4,144,950	5,959,740	8,455,350	9,498,430	9,099,760	9,099,760	8,389,390	8,389,390	9,310,510	
HCE Inc.	Nursing home	2,822,910	0.82%	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	
Miami Valley Steel	Manufacturer of split rolled steel	2,324,010	0.67%	2,951,210	3,002,120	4,086,600	6,144,020	5,404,790	5,404,790	4,618,970	4,618,970	5,109,430	
Piqua DOWNTOWN Develop LLC	Fort Piqua Plaza	2,191,110	0.64%										
Spalding & Evenflo Co., Inc.	Manufacturer of juvenile furniture	2,161,150	0.63%	3,325,430	4,739,550	6,838,690	7,502,000	8,650,400	8,650,400	8,514,030	8,514,030	11,285,830	
Home Depot Inc.	Hardware retailer	2,084,010	0.60%	2,408,880	2,819,960	3,071,200	3,240,210	3,240,210	3,240,210	-	-	-	
Ohio Bell Telephone	Telephone utility	1,884,000	0.55%	2,050,540	2,218,070	1,540,980	1,779,290	2,215,480	2,215,480	2,248,790	2,248,790	2,248,790	
TOTAL		\$ 33,279,670	9.65%	\$ 34,636,320	\$ 38,090,670	\$ 39,479,420	\$ 39,819,150	\$ 40,894,730	\$ 40,894,730	\$ 36,055,270	\$ 36,055,270	\$ 40,907,030	
TOTAL ASSESSED VALUATION		\$ 344,645,420		\$ 361,883,510	\$ 354,618,720	\$ 359,770,560	\$ 356,987,690	\$ 347,897,210	\$ 347,897,210	\$ 351,462,920	\$ 351,462,920	\$ 343,942,070	

Source: Miami County Auditor's Office

CITY OF PIQUA, OHIO

Table 13

**DEMOGRAPHIC AND
ECONOMIC STATISTICS
LAST TEN YEARS**

Year	Population ¹	Estimated Total Personal Income of City ²	Per capita Personal Income ²	Miami County Unemployment rate ³	Household Median Income ²	Estimated Total Property Value of City ⁴	Avg Sale Price for a Single Family Home ⁴
2009	20,738	\$ 478,499,000	\$ 23,074	12.2%	\$ 44,347	\$ 1,005,395,017	\$ 101,200
2008	20,738	484,937,000	23,384	8.1	44,566	1,074,107,011	
2007	20,738	481,080,000	23,198	6.3	44,212	1,073,492,297	
2006	20,738	477,264,000	23,014	5.4	43,861	1,100,518,766	
2005	20,738	461,109,000	22,235	5.4	42,378	1,073,492,297	
2004	20,738	445,514,000	21,483	6.4	40,945	1,094,432,669	
2003	20,738	430,459,000	20,757	5.8	39,560	1,066,340,074	
2002	20,738	415,901,000	20,055	6.1	38,222	1,066,340,074	
2001	20,738	401,840,000	19,377	4.8	36,930	1,020,751,537	
2000	20,738	388,195,000	18,719	2.8	35,681	1,014,850,011	

Source:

- (1) 2000 United State Census Bureau
- (2) City of Piqua Ohio, Finance Department
- (3) Miami County Ohio, Department of Jobs and Family Services
- (4) Miami County Ohio, Auditors office

CITY OF PIQUA, OHIO

Table 14

FULL TIME EMPLOYEES BY PROGRAM/DEPARTMENT
LAST TEN YEARS

PROGRAM	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
GOVERNMENTAL ACTIVITIES										
General Government:										
City Building	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
City Manager	2.00	3.00	3.25	3.25	2.25	2.00	3.00	3.00	3.00	3.00
Law Department	2.00	2.00	1.75	1.25	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	-	-	-	-	-
Prosecutor	0.00	0.00	0.00	1.00	0.75	0.75	0.75	1.00	1.00	1.00
Human Resources	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Finance	21.00	20.00	20.00	20.00	20.00	19.50	20.00	21.00	21.00	21.00
Purchasing	1.00	1.00	1.00	1.00	1.00	1.00	-	-	1.00	1.00
Engineering	4.50	3.50	4.50	4.50	6.00	6.00	6.00	6.00	6.50	6.50
Hotel Project Manager	0.00	1.00	1.00	1.00	-	-	-	-	-	-
Health	4.50	6.00	6.00	6.00	5.00	5.00	5.00	5.00	6.00	6.00
Public Safety:										
Police	40.00	38.00	40.00	40.00	40.00	40.50	40.00	39.00	40.50	40.50
Fire	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Streets:	15.00	17.00	17.00	17.00	17.00	16.00	17.50	19.00	21.00	18.50
Parks:	7.50	11.00	11.00	11.00	9.75	9.75	13.00	13.00	15.00	15.00
Community Development:	2.00	2.00	2.75	2.75	2.75	3.00	3.00	2.00	3.50	-
Total governmental activities	134.50	139.50	143.25	143.50	140.50	137.50	141.25	142.00	151.50	145.50
BUSINESS-TYPE ACTIVITIES										
Power:	26.50	26.50	33.50	33.50	37.00	37.00	37.00	38.00	39.00	39.00
Wastewater:	14.50	14.50	14.00	14.00	14.00	14.00	14.00	15.50	15.50	15.50
Water:	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50
Refuse:	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Golf:	8.00	7.00	13.00	14.00	13.00	14.00	14.00	10.50	10.50	10.50
Pool:	16.00	14.00	15.00	14.00	15.00	15.00	15.50	16.50	16.50	17.50
Total business-type activities	91.50	88.50	102.00	102.00	105.50	106.50	107.00	107.00	108.00	109.00
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	229.00	231.00	248.25	248.50	249.00	247.00	251.25	252.00	262.50	257.50

Source: City of Piqua 2009-1999 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

OPERATING INDICATORS
BY FUNCTION/PROGRAM
LAST TEN YEARS

Table 15

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Power Utility										
Residential KWH billed (,000)	87,344	91,290	94,310	91,042	93,113	86,429	86,476	89,791	82,742	79,886
Residential billed revenue (,000)	\$ 8,242	\$ 7,805	\$ 6,825	\$ 5,675	\$ 5,824	\$ 5,198	\$ 5,211	\$ 5,334	\$ 5,186	\$ 4,988
Commercial KWH billed (,000)	109,155	113,026	114,998	119,563	118,880	114,671	108,145	110,991	106,599	109,611
Commercial billed revenue (,000)	\$ 8,521	\$ 8,339	\$ 7,219	\$ 6,670	\$ 6,719	\$ 6,258	\$ 5,921	\$ 6,233	\$ 6,223	\$ 6,296
Industrial KWH billed (,000)	91,855	110,693	110,690	105,373	96,145	91,083	93,246	95,461	92,111	96,428
Industrial billed revenue (,000)	\$ 6,310	\$ 7,087	\$ 6,180	\$ 5,141	\$ 4,853	\$ 4,380	\$ 4,539	\$ 4,816	\$ 4,773	\$ 4,861
Customer base	10,941	11,086	11,047	11,081	11,124	11,072	11,015	10,941	10,474	10,431
Construction line vehicles	25	25	25	25	25	25	25	25	25	25
Water Utility										
Residential gallons billed (,000)	409,533	417,479	441,838	437,129	462,664	456,342	455,804	466,323	445,323	452,296
Residential billed revenue (,000)	\$ 2,264	\$ 2,149	\$ 1,937	\$ 1,871	\$ 1,856	\$ 1,834	\$ 1,830	\$ 1,855	\$ 1,796	\$ 1,810
Commercial gallons billed (,000)	129,742	139,917	160,127	156,082	160,263	155,211	148,737	159,680	160,346	166,404
Commercial billed revenue (,000)	\$ 622	\$ 563	\$ 533	\$ 517	\$ 500	\$ 491	\$ 480	\$ 499	\$ 502	\$ 517
Industrial gallons billed (,000)	44,350	56,398	48,475	41,575	39,167	41,267	38,294	46,166	46,456	53,810
Industrial billed revenue (,000)	\$ 161	\$ 179	\$ 139	\$ 120	\$ 111	\$ 115	\$ 110	\$ 125	\$ 126	\$ 140
Customer base	8,726	8,715	8,776	8,892	8,828	8,811	8,733	8,670	8,635	8,556
Vehicles in repair fleet	10	10	10	10	10	10	10	10	10	10
Wastewater Utility										
Residential gallons billed (,000)	396,510	404,465	427,048	427,332	452,488	443,564	446,267	448,764	436,989	437,877
Residential billed revenue (,000)	\$ 2,451	\$ 2,287	\$ 2,002	\$ 1,960	\$ 2,035	\$ 2,003	\$ 2,006	\$ 2,014	\$ 1,974	\$ 1,965
Commercial gallons billed (,000)	124,461	127,089	129,902	134,651	135,340	133,097	129,590	135,082	139,986	154,794
Commercial billed revenue (,000)	\$ 544	\$ 500	\$ 436	\$ 438	\$ 438	\$ 434	\$ 425	\$ 440	\$ 455	\$ 500
Industrial gallons billed (,000)	49,626	63,343	60,383	57,949	53,457	49,427	44,058	56,070	49,580	57,554
Industrial billed revenue (,000)	\$ 225	\$ 247	\$ 196	\$ 183	\$ 171	\$ 161	\$ 147	\$ 175	\$ 162	\$ 178
Customer base	8,400	8,507	8,471	8,491	8,489	8,487	8,413	8,365	8,348	8,306
Vehicles in repair fleet	9	9	9	9	8	8	8	8	8	8
Refuse Utility										
Residential customers billed	7,648	7,593	7,600	7,652	7,648	7,594	7,490	7,465	7,407	7,359
Commercial customers billed	99	96	97	74	75	78	77	76	66	67
Residential and commercial revenue billed (,000)	\$ 1,439	\$ 1,349	\$ 1,245	\$ 1,108	\$ 1,082	\$ 1,037	\$ 1,023	\$ 1,031	\$ 1,036	\$ 1,030
Tons of refuse collected	7782	8484	8745	9375	9271	9476	9656	9256	9165	9088
Tons of recycled refuse collected	1189	1246	1171	1192	1069	912	1079	1043	1009	999
Recycling fees collected (,000)	288	266	244	224	219	212	209	169	113	113
Vehicles in service	7	7	7	7	7	7	7	7	7	7
Golf Course										
Annual memberships	145	162	151	153	256	131	154	384	488	554
Rounds of golf played	19,018	22,969	22,750	22,965	25,033	24,151	22,230	28,262	33,235	36,942
Revenue collected (,000)	\$ 596	\$ 605	\$ 618	\$ 597	\$ 623	\$ 593	\$ 562	\$ 501	\$ 558	\$ 573

(Continued)

CITY OF PIQUA, OHIO

OPERATING INDICATORS
BY FUNCTION/PROGRAM
LAST TEN YEARS

Table 15

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Health Department										
Restaurant inspections	965	536	672	702	688	501	789	697	305	408
Swimming pool inspections	64	52	70	60	42	31	66	61	33	26
Nuisance consultations	1,931	2,285	2,551	3,447	2,235	1,753	1,891	1,898	1,430	1,100
Housing/Property maintenance enforcements	1,888	2,016	2,910	2,501	1,395	1,333	1,441	1,248	1,391	1,145
Public Works										
Right of way opening permits	90	110	100	77	87	52	26	0	0	0
Subdivision construction plan approvals	0	0	2	2	2	0	4	n/a	n/a	n/a
Area of City (in square miles)	11.8	11.4	11.4	11.4	11.4	11.3	11.3	11.3	11.3	11.1
Street Maintenance										
Miles of streets	103	103	103	100.4	100.4	103.3	103	100.3	99	99
Miles of streets repaved	1.8	3.4	5.8	4.2	4.2	3.9	1.9	2.5	3.6	4.2
Cubic yards of leaves disposed of	1209	907	804	1555	1022	n/a	n/a	n/a	n/a	n/a
Tons of salt used	1,500	2,750	3,000	450	2,300	n/a	n/a	n/a	n/a	n/a
Parks District										
Number of parks	19	19	19	19	19	19	19	19	18	16
Acres in parks	441.8	441.8	441.8	441.8	441.8	441.8	441.8	429	422	330
Building rentals Mote Park	266	252	260	340	311	301	320	329	398	363
Building rentals all other parks	228	198	189	200	199	189	186	129	189	154
Fire Department										
Fire calls	439	540	514	500	466	450	475	489	526	528
Ems Response calls	3,153	3,230	3,083	3,120	2,990	3,083	2,787	2,551	2,371	2,638
Number of Sworn Officers	29	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	12	11	11	11	10
Police Department										
Calls for service	23,053	23,195	22,618	24,627	28,895	31,318	31,103	33,393	36,740	37,176
Traffic citations	1,666	763	1,240	2,182	1,737	1,978	1,931	2,144	2,650	2,681
Number of sworn officers	33	33	34	34	34	34	34	33	33	33
Number of police response vehicles	25	26	26	26	26	24	24	24	24	24
Planning & Zoning Department										
Zoning Permit applications	99	142	152	62	37	18	16	8	23	15
Commercial construction permits	37	40	47	62	37	18	16	8	23	15
Commercial construction value in (,000)	\$ 2,497	\$ 3,957	\$ 12,124	\$ 7,244	\$ 11,774	\$ 12,619	\$ 7,939	\$ 2,681	\$ 9,486	\$ 15,054
Residential construction permits	62	98	103	107	44	50	34	56	50	59
Residential construction value in (,000)	\$ 1,417	\$ 2,790	\$ 2,836	\$ 4,807	\$ 8,195	\$ 8,558	\$ 5,284	\$ 8,244	\$ 7,979	\$ 9,153

(Continued)

CITY OF PIQUA, OHIO

Table 15

OPERATING INDICATORS
BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Municipal swimming pool										
Annual memberships	328	316	373							
Annual attendance	13,930	19,273	18,119	20,435	21,439	24,670	25,283	25,552	23,108	22,475
Revenue collected (,000)	\$ 80	\$ 93	\$ 89	\$ 89	\$ 95	\$ 74	\$ 77	\$ 91	\$ 70	\$ 60
Fort Piqua Plaza										
Large Room Rentals	42									
Small Room Rentals	43									
Audio Visual Equipment Rentals	27									
Revenue collected (,000)	\$ 62									
General government information										
Number of street lights	2,941	2,941	2,943	2,938	2,943	2,918	2,899	2,902	2,889	2,739
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Volumes of books in public libraries	132,048	123,333	140,181	136,023	137,389	136,096	165,179	107,000	124,032	127,394
High school enrollment	3,737	3,737	3,766	3,792	3,922	3,932	3,932	3,861	3,846	3,911

(Continued)



Mary Taylor, CPA
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 22, 2010