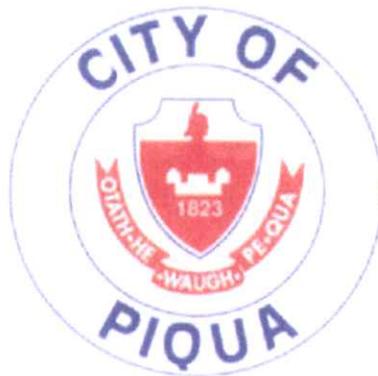
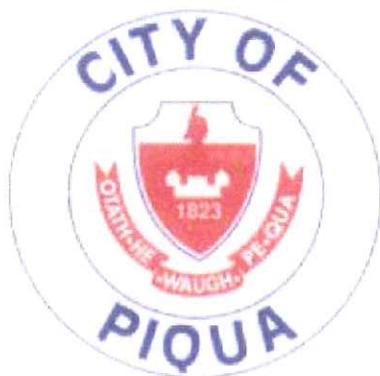


City of Piqua, Ohio

Comprehensive Annual Financial Report
for the year ended December 31, 2011



Introductory Section



CITY OF PIQUA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2011

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

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FINANCE DEPARTMENT

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June 27, 2012

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, 2011. We believe this report, prepared by the Department of Finance, presents financial and operating information about the City's activities during the year that should be useful to citizens, taxpayers and investors. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief the enclosed data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

Reporting Entity

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

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

Local Economic Conditions and Outlook

The City of Piqua is a community (2010 Census 20,522) in Miami County, located in the west central part of the state, twenty-five miles north of Dayton. Inter and intra state highways I-75, Route 36 and Route 66 serve as the City's major transportation arteries. Edison Community College, with over 5,596 students, is located on the east side of the city.

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



Major Initiatives

Current Year Projects: During 2011 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 and applying for its eleventh round of Federal Comprehensive Housing Improvement Programs in which local housing rehabilitation loans and grants totaling \$4,728,716 were given to some 353 qualified low and moderate income property owners. During 2012, the City anticipates awarding an additional \$184,575 in housing grants and mortgage assistance to 13 deserving families, while assisting Habitat for Humanities with \$20,000 in construction funding on an additional home. The City is also making available an additional \$60,000 in small business assistance loans.

The following significant events took place in 2011:

- Redevelopment of the City's downtown and surrounding areas.
- Neighborhood improvements through the Neighborhood Associations and City's Neighborhood Improvement Team.
- Began initial phase of Ash Street Reconstruction.
- Continued study, assessment and grant application for demolishing the Electric Power Plant.
- Commenced design and site work for the Power System's new service center.
- Continued water source exploration and potential new Water Plant design and construction or joint venture
- Began implementation of a new municipal information system.
- Continued monitoring long range financial plan.
- Continued ICMA performance benchmarks for all City departments.
- Applied for a grant for the demolition of an area hospital.

Future Projects: The city anticipates the following significant events to take place in 2012:

- Continue the redevelop of the City's downtown and surrounding areas. The redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights.
- Continue neighborhood improvements through the Neighborhood Associations and City's Neighborhood Improvement Teams.
- Apply for Downtown redevelopment grant to continue façade improvements to downtown structures.
- Received grant and will complete demolition of hospital site and ready for redevelopment.
- Complete redevelopment of riverfront area adjacent to Power Plant with grant assistance.
- Complete Ash Street reconstruction.
- Apply for Ohio Department of Transportation signalization grant for College Street enhancements.
- Continue engineering and design of North 25A widening Phase II.
- Construction of a skate board park and bikeway connection
- Implementation of a twice yearly Government Academy for the City of Piqua citizens to learn about city government firsthand.

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 2011. During 2006, the City implemented GASB 44, Economic Condition Reporting and a Statistical Data Section. During 2009, the City implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, a year earlier than required.

General Government

General Fund Revenues: The 2011 municipal income tax revenue of \$8,209,488 increased as area employment rebounded; other taxes and the Kwh tax revenues dropped slightly. Interest revenue remained relatively the same and is expected to be similar in 2012 as rates remain low. Municipal income tax revenue has dropped slightly through May 2012 but is expected to be similar to 2011 levels. Grants were significantly higher in 2011 based on one time projects and are not expected to continue at that level in 2012.

General Fund Expenditures: The 2011 General Fund expenditures and other financing uses increased 6.7% compared with 2010 as there were more capital and community development projects completed. A portion of General Fund debt was also retired in 2011.

General Fund Balances: Current year activity contributed to a \$52,668 increase in the unassigned fund balance from 2010.

Business-Type Funds

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

Power System: Total customer revenues were \$23.8 million with usage up 1.5% compared to 2010 levels. Revenues remained stable based on increased industrial use. With operating costs slightly higher, revenues exceeded expenses in 2011 by \$152,769.

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

The City of Piqua obtains its power supply from various sources. Two megawatts of Power is available from the New York Power Authority (NYPA). A twenty-year transmission agreement with the Dayton Power & Light Company guarantees supply access. Alternative contracts and projects are being considered by the Power system. During 2006, the City entered into a contract with Dayton Power & Light and AMP Ohio to provide power at an economic price. Piqua Power participates in the American Public Power Association's Reliable Public Power Provider (RP3) program. In 2010 and 2011 Piqua achieved Diamond level status, one of only six municipal electric systems in the country to reach Diamond level.

Water System: Customer revenues of \$3.4 million were slightly higher than 2010 levels even though usage was down 3.0% based on a change in customer use. Operating expenses of \$3.3 million were up due to water plant study and design fees. Net income was \$134,632. More than 8,600 accounts are serviced by Piqua's municipal water system.

Wastewater System: Customer revenues of \$3.4 million were slightly lower than 2010 levels as usage was down 0.5%. Operating Expenses of \$3.3 million were up slightly generating a lower net profit of \$112,819 in 2011.

Refuse System: System revenues of \$1.8 million were similar to 2010 levels. Operating expenses of \$1.6 million remained near 2010 levels. Net income was slightly lower at \$168,889. Refuse service is provided to more than 7,800 customers.

Stormwater System: Customer revenues of \$819,000 represented the first full year of operations. Net income was \$399,644 in 2011. Stormwater service is provided to approximately 7,900 customers.

The Independent Audit

Piqua's City Charter requires an annual audit of the financial statements of the City by an independent auditor. The 2011 audit was completed by Clark, Schaefer, Hackett & Co. and represents the thirty-second 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 twenty-first 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, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

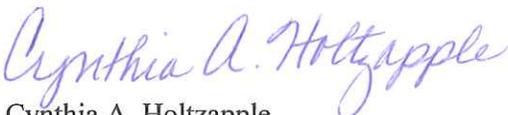
Acknowledgments

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,



Gary A. Huff
City Manager



Cynthia A. Holtzapple,
Director of Finance

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

CITY OF PIQUA, OHIO

CITY OFFICIALS

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

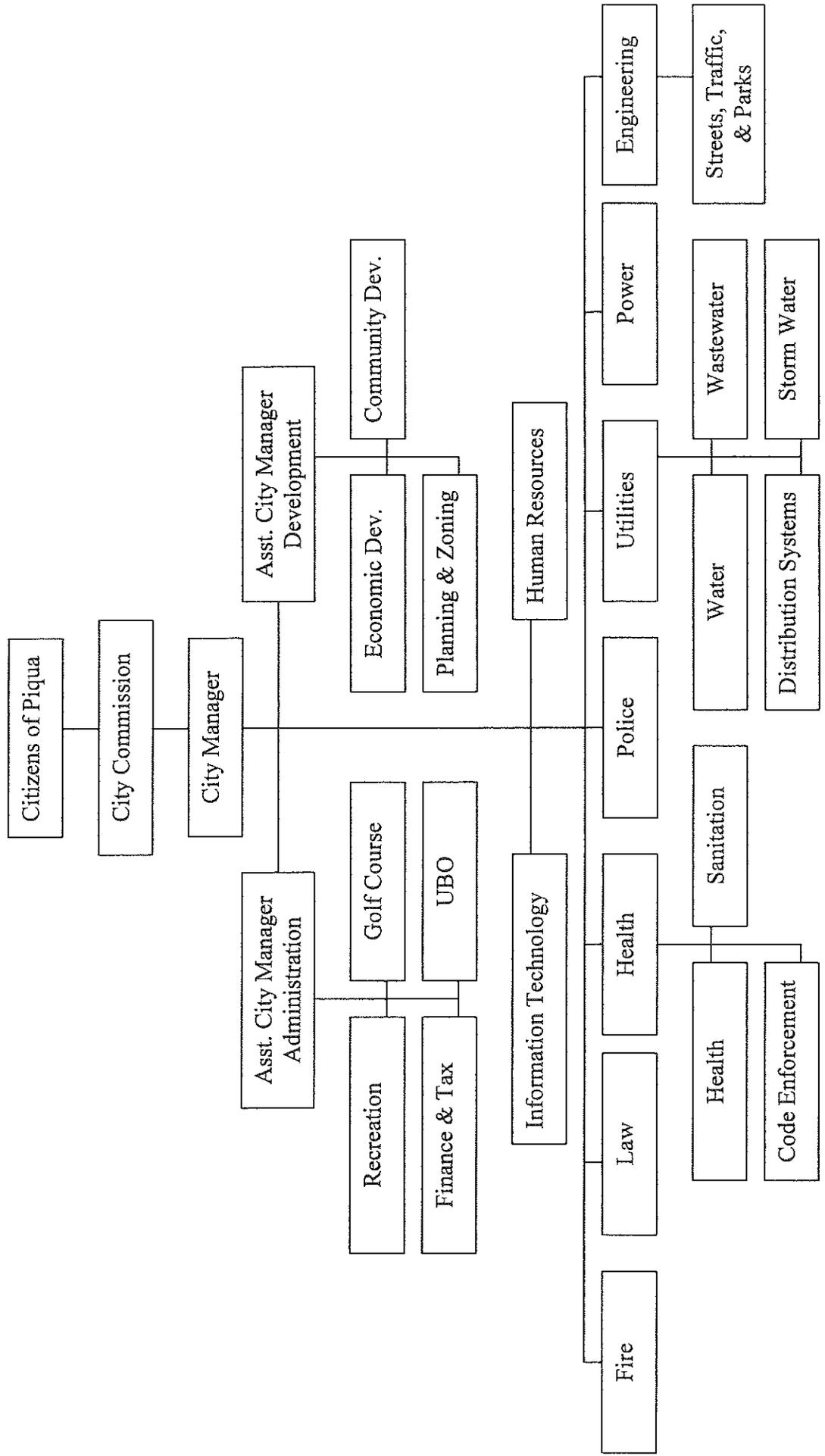
CITY MANAGER

Gary A. Huff

INDEPENDENT AUDITORS

Clark Schaefer Hackett & Co

City of Piqua 2011 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, 2010

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.



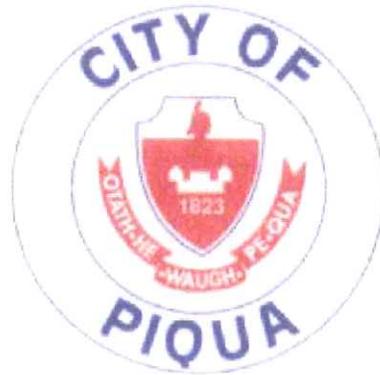
Linda C. Danison

President

Jeffrey R. Ennis

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, 2011, 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, 2011, 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 27, 2012 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 on pages 11 through 21 and 51 through 56 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

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the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The introductory section, combining nonmajor fund financial statements, individual fund schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 27, 2012

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(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, 2011. 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, 2011 by \$140.3 million (net assets). Of this amount, \$48.4 million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$27.8 million and may be used to meet the government's on-going obligations. The unrestricted net assets of the City's business-type activities are \$20.5 million and may be used to meet the on-going obligations of the City's business-type activities, including the water, wastewater, refuse, stormwater, and electricity enterprises.
- The City's total net assets increased by \$3.0 million in 2011. Net assets of the governmental activities increased \$1.8 million, which represents a 2.7 percent increase from 2010.
- The total cost of the City's programs increased \$1.4 million or 3.03 percent. The cost of governmental activities decreased \$0.7 million or 5.1 percent, while the cost of business-type activities increased \$2.1 million or 6.8 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$25.8 million. The combined governmental funds fund balance increased \$0.7 million from the prior year's ending fund balance. Approximately \$6.8 million of the \$25.8 million fund balance is considered unassigned at December 31, 2011.
- The general fund reported a fund balance of \$20.2 million at the end of the current fiscal year. The unassigned fund balance for the general fund was \$7.0 million or 60 percent of total general fund expenditures (including transfers out). There was a \$0.3 million decrease in the total general fund balance for the year ended December 31, 2011.
- The City had \$3.2 million less in debt at December 31, 2011 than at December 31, 2010.
- Total costs of governmental services decreased by over \$0.7 million, while net costs of services were similar to 2010 for governmental activities.

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(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 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Reporting the City of Piqua's Most Significant Funds

Fund Financial Statements

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

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

Notes to the basic financial statements

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

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2011
(Unaudited)

Other information

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

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

The City of Piqua as a Whole

Recall that the analysis of the Statement of Net Assets looks at the City as a whole. One of the most important questions to consider is, "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information to help answer this question. The Net Asset statement shows the difference between assets and liabilities, which is one way to measure the City's financial position. As reviewed over time, increases or decreases in the City's net assets are an indicator of whether the City's financial health is improving or deteriorating. However, other non-financial factors must also be considered such as changes in the property tax base of the city, the condition of the City's roads and neighborhoods, and the reputation of the public schools in order to assess the overall health of the City. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities for both 2011 and 2010.

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 \$140.2 million compared to \$137.2 million in 2010, an increase of \$3.0 million. Net Assets for governmental activities increased \$1.8 million, while business-type activities increased \$1.2 million.

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 32,670,644	\$ 33,133,519	\$ 23,794,591	\$ 24,630,850	\$ 56,465,235	\$ 57,764,369
Capital assets	42,946,053	43,227,380	56,858,116	56,621,520	99,804,169	99,848,900
<i>Total assets</i>	<i>75,616,697</i>	<i>76,360,899</i>	<i>80,652,707</i>	<i>81,252,370</i>	<i>156,269,404</i>	<i>157,613,269</i>
Long-term debt	3,540,559	5,418,696	8,158,481	9,299,972	11,699,040	14,718,668
Other liabilities	2,334,758	3,018,415	1,978,497	2,660,014	4,313,255	5,678,429
<i>Total liabilities</i>	<i>5,875,317</i>	<i>8,437,111</i>	<i>10,136,978</i>	<i>11,959,986</i>	<i>16,012,295</i>	<i>20,397,097</i>
Net assets:						
Invested in capital assets, net of debt	41,507,824	41,743,160	49,929,517	48,473,160	91,437,341	90,216,320
Restricted for other purpose	12,457	18,638	-	-	12,457	18,638
Restricted for debt service	369,253	385,122	50,000	50,000	419,253	435,122
Unrestricted	27,851,846	25,776,868	20,536,212	20,769,224	48,388,058	46,546,092
<i>Total net assets</i>	<i>\$ 69,741,380</i>	<i>\$ 67,923,788</i>	<i>\$ 70,515,729</i>	<i>\$ 69,292,384</i>	<i>\$ 140,257,109</i>	<i>\$ 137,216,172</i>

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Of that amount, in 2011 approximately \$91.4 million (65%) was invested in capital assets, net of debt related to those assets. At year-end 2010 that amount was approximately \$90.2 million (66%). The largest portion of the City's net assets (65%) 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.

For 2011 another \$.4 million (.3%) was subject to legislative and external restrictions upon its use. The remaining \$48.4 million (34.5%) in 2011 was unrestricted and available for future use. For 2010 \$.4 million (.3%) was subject to external restrictions and \$46.5 million (33.9%) was unrestricted.

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

Our total net assets of the City's governmental activities increased \$1.8 million during the current year, primarily due to a decrease in liabilities. Unrestricted net assets increased by \$2.1 million, while restricted net assets decreased slightly.

Total net assets of the City's business-type activities increased \$1.2 million during the current year; \$1.5 million due to increased net capital assets and \$0.3 million due to a decrease 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	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for Services	\$ 1,654,133	\$ 1,548,134	\$ 33,692,643	\$ 33,076,860	\$ 35,346,776	\$ 34,624,994
Operating Grants/Contributions	778,247	1,414,559	240,032	97,588	1,018,279	1,512,147
Capital Grants/Contributions	109,763	392,849	112,500	-	222,263	392,849
General revenues:						
Property Taxes	1,289,519	1,402,952			1,289,519	1,402,952
Income Taxes	8,209,488	7,256,729			8,209,488	7,256,729
Other Taxes	3,777,340	4,165,866			3,777,340	4,165,866
Investment Earnings & Misc.	135,878	215,927	145,207	114,246	281,085	330,173
Total Revenues	15,954,368	16,397,016	34,190,382	33,288,694	50,144,750	49,685,710
Program Expenses						
General Government	1,804,464	1,893,928			1,804,464	1,893,928
Public Safety	7,655,764	7,797,867			7,655,764	7,797,867
Street and Maintenance	3,166,350	3,250,497			3,166,350	3,250,497
Parks and Recreation	425,013	548,724			425,013	548,724
Community Development	393,106	628,434			393,106	628,434
Interest on long-term debt	190,218	250,261			190,218	250,261
Electric			23,681,239	22,500,718	23,681,239	22,500,718
Wastewater			3,309,241	2,988,869	3,309,241	2,988,869
Water			1,593,925	2,920,323	1,593,925	2,920,323
Refuse			3,300,788	1,512,243	3,300,788	1,512,243
Stormwater			419,626	414,092	419,626	414,092
Golf			705,354	612,350	705,354	612,350
Ft. Piqua Plaza			280,600	229,821	280,600	229,821
Pool			178,125	170,542	178,125	170,542
Total Expenses	13,634,915	14,369,711	33,468,898	31,348,958	47,103,813	45,718,669
Increase (Decrease) in Net Assets before Transfers & Proceeds	2,319,453	2,027,305	721,484	1,939,736	3,040,937	3,967,041
Transfers	(501,861)	(309,093)	501,861	309,093	-	-
Increase(Decrease) in Net Assets	\$ 1,817,592	\$ 1,718,212	\$ 1,223,345	\$ 2,248,829	\$ 3,040,937	\$ 3,967,041
Net Assets Beginning	67,923,788	66,205,576	69,292,384	67,043,555	137,216,172	133,249,131
Net Assets Ending	\$ 69,741,380	\$ 67,923,788	\$ 70,515,729	\$ 69,292,384	\$ 140,257,109	\$ 137,216,172

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Governmental Activities

Governmental activities increased the City's net assets by \$1,817,592, in 2011 as compared to an increase of \$1,718,212 during 2010, thereby accounting for 2.7 percent of growth in total net assets. Total revenues decreased by \$ 442,648 due to decreased grants and property taxes. Our program expenses decreased by \$734,796 due to fewer street maintenance, infrastructure projects and parks and recreation projects this year.

Several types of revenues fund our governmental activities with city income tax being the largest contributor. The income tax revenue for 2011 was up significantly at \$8,209,488 compared to \$7,256,729 in 2010, an increase of 13.1 percent. The City's income tax rate was 1.75 percent for 2011, 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 2011, we received \$388,526 less than in 2010, a 9.3% decrease due to lower Kilowatt-hour and Property taxes. Program revenues saw an increase of \$105,999 in charges for services while operating and capital grants decreased \$919,398 as projects were completed. Overall decreases in program revenues totaled \$813,399 or 24.2%. With the combination of program revenues, property tax, income tax, intergovernmental funding and investment earnings, all expenses in the governmental activities are funded. The City monitors its source of revenues very closely for fluctuations.

Based on a collaborated effort all areas saw a decrease in expenses. The largest program function for the City relates to Public Safety, which accounts for 56.1 percent of total program expenses. Street Maintenance accounts for 23.2 percent of total program expenses, while General Government accounts for 13.2 percent. Street Maintenance and parks and recreation cost of services decreased as 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	
	2011	2010	2011	2010	2011	2010
General Government	\$ 1,804,464	\$ 1,893,928	\$ 514,668	\$ 1,164,792	\$ 1,289,796	\$ 729,136
Public Safety	7,655,764	7,797,867	1,232,109	926,829	6,423,655	6,871,038
Street and Maintenance	3,166,350	3,250,497	284,780	608,036	2,881,570	2,642,461
Parks and Recreation	425,013	548,724	21,436	33,312	403,577	515,412
Community Development	393,106	628,434	489,150	622,573	(96,044)	5,861
Interest on long-term debt	190,218	250,261	-	-	190,218	250,261
Total	\$ 13,634,915	\$ 14,369,711	\$ 2,542,143	\$ 3,355,542	\$ 11,092,772	\$ 11,014,169

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Business-Type Activities

The Business-Type activities of the City, which include the City's Electric, Wastewater, Water, Refuse and Stormwater operations as well as Golf, Pool and Fort Piqua Plaza activities, increased the City's net assets by \$1,223,345 in 2011.

Table 4
Business-type Activities

	Total Cost of Services		Program Revenues		Net Revenue (Expense) from Operations	
	2011	2010	2011	2010	2011	2010
Electric	\$ 23,681,239	\$ 22,500,718	\$ 23,834,008	\$ 23,219,532	\$ 152,769	\$ 718,814
Wastewater	3,309,241	2,988,869	3,422,060	3,470,636	112,819	481,767
Water	3,300,788	2,920,323	3,435,420	3,335,091	134,632	414,768
Refuse	1,593,925	1,512,243	1,762,814	1,757,375	168,889	245,132
Stormwater	419,626	414,092	819,270	651,694	399,644	237,602
Golf	705,354	612,350	585,351	536,211	(120,003)	(76,139)
Ft. Piqua Plaza	280,600	229,821	106,192	129,689	(174,408)	(100,132)
Pool	178,125	170,542	80,060	74,220	(98,065)	(96,322)
Total	\$ 33,468,898	\$ 31,348,958	\$ 34,045,175	\$ 33,174,448	\$ 576,277	\$ 1,825,490

For 2011 the Electric, Wastewater, Water, Refuse and Stormwater utilities all had program revenues in excess of expenses. For the most part, increases in expenses closely parallel inflation and growth in the demand for services. Golf and Pool activity funds had expenses in excess of program revenues of \$218,068 in 2011 as compared to \$172,461 in 2010. The Ft. Piqua Plaza activity funds have expenses in excess of program revenues of \$174,408 in 2011 compared to \$100,132 in 2010. There was decreased use of the Golf Course and the Plaza based on a weaker local economy. For 2011, Pool program revenues and cost of services both increased slightly.

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 2011 of \$16.1 million compared to \$16.2 million in 2010. All governmental funds had expenditures in 2011 of \$14.9 million compared to \$14.8 million in 2010. The most significant fund is our general fund, which had an unassigned fund balance at year-end of \$7.0 million in 2011 compared to \$5.3 million in 2010. 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 \$2,154,118 in 2011 as compared to \$1,742,563 in 2010. The funds are monitored consistently with adjustments made to the budgets to accommodate yearly revenues.

Within the Street Maintenance Fund, revenues exceeded expenditures by \$751,294 in 2011 as compared to \$533,014 in 2010. Fund balance at year-end in 2011 was \$3,270,045 as compared to \$2,518,751 in 2010. The City was able to increase fund balance for use on planned construction needs in 2012.

Within the Street Levy Construction Fund, revenues exceeded expenditures by \$409,330 in 2011 compared to \$306,906 in 2010. Fund balance at year-end in 2011 was \$1,795,764 as compared to \$1,560,389 in 2010. The City was able to increase fund balance in anticipation of street maintenance needs in 2012.

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Information about the Enterprise Funds starts on the Balance Sheet on page 27. These funds are accounted for on an accrual basis. All business type funds had operating revenues of \$33.3 million in 2011 and \$33.6 million in 2010. Operating expenses were \$33.1 million in 2011 and \$31.0 million in 2010.

The enterprise fund balances increased \$1,240,127 with the Electric fund increasing \$0.3 million based on an increase in non-operating revenue, Wastewater increasing \$0.1 million, Water increasing \$0.1 million and Refuse \$0.2 million based on controlling costs. Stormwater was added as a new utility during 2010 and increased its 2011 fund balance by \$0.4 million. Golf fund balance increased by \$0.1 million in 2011 from a general fund transfer. The other fund balances were similar to 2010. 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 2011, 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 2011 general fund, original budgeted revenues were \$10.3 million. The final budgeted revenue amount was \$10.5 million. Actual revenues were \$11.4 million. The increase in actual revenues compared to budget was due to higher income tax collections, state shared revenues and licenses and permits and fees. For the 2010 general fund, original budgeted revenues were \$10.3 million. The final budgeted revenue amount was \$10.7 million. Actual revenues collected were \$11.5 million.

For 2011, original general fund appropriations were budgeted at \$10.0 million. Final budgeted appropriations were \$10.0 million. Actual expenditures were \$9.3 million. This decrease was achieved through lower personnel costs and general government operating expenditures. For 2010, original general fund appropriations were budgeted at \$11.5 million. Final budgeted appropriations were \$10.5 million. Actual expenditures were \$9.8 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	
	2011	2010	2011	2010
Land and Land Improvements	\$ 4,528,378	\$ 4,528,378	\$ 1,894,181	\$ 1,525,735
Infrastructure Land	1,374,365	1,374,365	-	-
Construction in Progress	1,310,432	1,093,773	1,377,753	2,080,322
Buildings and Improvements	8,862,551	8,954,862	20,859,307	20,999,014
Furniture, Fixtures and Equipment	2,061,313	2,427,591	31,287,233	30,478,125
Infrastructure	24,809,014	24,848,411	-	-
Intangible Assets	-	-	1,439,642	1,538,324
Total Capital Assets	\$42,946,053	\$43,227,380	\$56,858,116	\$56,621,520

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Total Capital Assets for the City of Piqua for the year ended December 31, 2011 were \$99,804,169, a decrease of \$44,731 over 2010. Additions in 2011 were \$1,004,605 more than in 2010 based on certain large water and electric projects started in 2011. 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, 2011, the City of Piqua had \$3.2 million less in debt at \$8.6 million compared to \$11.8 million in debt outstanding at December 31, 2010.

Table 6
Outstanding Debt at December 31

	Governmental Activities		Business-type Activities	
	2011	2010	2011	2010
General Obligation Bonds	\$ 290,000	\$ 325,000	\$ 1,022,126	\$ 1,529,281
Taxable Revenue Bonds	-	1,800,000	-	-
Pension Bonds	275,000	295,000	-	-
Special Assessment Bonds	129,028	95,665	-	-
State Infrastructure Bank Note	1,019,201	1,159,221	-	-
OWDA Loans	-	-	5,906,473	6,619,079
Total	\$ 1,713,229	\$ 3,674,886	\$ 6,928,599	\$ 8,148,360

The General Obligation Bonds in Governmental Activities are primarily for the 2009 Ohio Capital Asset series issued for the purchase of a new fire truck. Bonds are paid through the Debt Service fund through transfers from the General Fund. 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. The Electric system bonds were retired in 2011.

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. These were retired in 2011.

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

The Street Construction Fund borrowed \$1,227,683 from the State Infrastructure Bank to help finance the County Road 25-A widening project which was completed in late 2009.

The Ohio Water Development Authority ("OWDA") Loans are paid semi-annually from wastewater and water revenues. Loan funds were used for construction, maintenance and operation of the City's sewer system and the City's hydropillar water tower.

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

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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 \$32,704,578 on December 31, 2011.

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

Economic Factors and Next Year's General Fund Budget

The City's key objectives set for the 2012 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 2012 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 2012 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources.

General fund expenditure appropriations for 2012 have been approved by City Commission in the amount of \$10.9 million. This appropriation level is approximately \$0.9 million more than actual 2011 general fund budgetary basis expenditures (including transfers out). The appropriation level was set based on lower estimated revenues in the General Fund compared to 2011 levels.

Current Financial Related Activities

The City anticipates the following significant events to take place in 2012:

- Continue Community Housing Improvement and Streetscaping programs.
- Complete Ash Street reconstruction.
- Continue study and assessment of demolishing the Electric Power Plant.
- Construction of Power System's new service center.
- Continued implementation of a Storm Water Utility based on the feasibility study to address sanitary sewer overflow infiltration.
- New Water Plant design and construction or alternative joint venture.
- Continued implementation of a new municipal information system.

The City of Piqua has committed itself to financial excellence. The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence for twenty-one 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, 2011

	Government Activities	Business Type Activities	Total Activities
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 12,074,695	\$ 13,584,308	\$ 25,659,003
Equity in pooled investments	6,123,864	5,276,496	11,400,360
Accounts receivable	4,782,080	4,134,644	8,916,724
Allowance for Bad Debts	-	(333,179)	(333,179)
Interfund balances	(123,132)	123,132	-
Inventories	-	868,205	868,205
Prepaid items and other assets	12,790	140,985	153,775
Loans receivable, net of allowance	9,800,347	-	9,800,347
Capital assets not being depreciated	7,213,175	2,599,988	9,813,163
Capital assets being depreciated, net	35,732,878	54,258,128	89,991,006
Total assets	75,616,697	80,652,707	156,269,404
LIABILITIES:			
Accounts payable	67,217	1,779,304	1,846,521
Salary and benefits payable	471,360	123,220	594,580
Other accruals	78,271	74,588	152,859
Unearned revenue	1,717,910	1,385	1,719,295
Long-term debt:			
Due within one year	751,747	1,307,398	2,059,145
Due in more than one year	2,788,812	6,851,083	9,639,895
Total liabilities	5,875,317	10,136,978	16,012,295
NET ASSETS:			
Invested in capital assets, net of related debt	41,507,824	49,929,517	91,437,341
Restricted for other purposes	12,457	-	12,457
Restricted for debt service	369,253	50,000	419,253
Unrestricted	27,851,846	20,536,212	48,388,058
Total net assets	69,741,380	70,515,729	140,257,109
Total liabilities and net assets	\$ 75,616,697	\$ 80,652,707	\$ 156,269,404

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

	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	\$ 1,804,464	\$ 412,803	\$ 101,865	\$ -	\$ (1,289,796)	\$ -	\$ (1,289,796)
Public safety	7,655,764	1,083,295	38,036	110,778	(6,423,655)	-	(6,423,655)
Streets and maintenance	3,166,350	98,951	185,829	-	(2,881,570)	-	(2,881,570)
Parks and recreation	425,013	22,258	193	(1,015)	(403,577)	-	(403,577)
Community development	393,106	36,826	452,324	-	96,044	-	96,044
Interest on long term debt	190,218	-	-	-	(190,218)	-	(190,218)
Total governmental activities	<u>13,634,915</u>	<u>1,654,133</u>	<u>778,247</u>	<u>109,763</u>	<u>(11,092,772)</u>	<u>-</u>	<u>(11,092,772)</u>
BUSINESS-TYPE ACTIVITIES:							
Electric	23,681,239	23,709,030	124,978	-	-	152,769	152,769
Wastewater	3,309,241	3,422,060	-	-	-	112,819	112,819
Refuse	1,593,925	1,762,814	-	-	-	168,889	168,889
Water	3,300,788	3,322,920	-	112,500	-	134,632	134,632
Storm Water	419,626	819,270	-	-	-	399,644	399,644
Golf	705,354	470,297	115,054	-	-	(120,003)	(120,003)
Ft. Piqua Plaza	280,600	106,192	-	-	-	(174,408)	(174,408)
Municipal Pool	178,125	80,060	-	-	-	(98,065)	(98,065)
Total business-type activities	<u>33,468,898</u>	<u>33,692,643</u>	<u>240,032</u>	<u>112,500</u>	<u>-</u>	<u>576,277</u>	<u>576,277</u>
Total	<u>\$ 47,103,813</u>	<u>\$ 35,346,776</u>	<u>\$ 1,018,279</u>	<u>\$ 222,263</u>	<u>\$ (11,092,772)</u>	<u>\$ 576,277</u>	<u>\$ (10,516,495)</u>
GENERAL REVENUES:							
Property taxes					1,289,519	-	1,289,519
State shared taxes					2,597,120	-	2,597,120
Income tax					8,209,488	-	8,209,488
Locally levied taxes					1,180,220	-	1,180,220
Investment earnings					129,378	145,207	274,585
Miscellaneous					6,500	-	6,500
Total general revenues					<u>13,412,225</u>	<u>145,207</u>	<u>13,557,432</u>
Transfers, in (out)					<u>(501,861)</u>	<u>501,861</u>	<u>-</u>
Change in net assets					<u>1,817,592</u>	<u>1,223,345</u>	<u>3,040,937</u>
Total net assets:							
Beginning of year					<u>67,923,788</u>	<u>69,292,384</u>	<u>137,216,172</u>
End of year					<u>\$ 69,741,380</u>	<u>\$ 70,515,729</u>	<u>\$ 140,257,109</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
ASSETS						
Equity in pooled cash and cash equivalents	\$ 6,812,684	\$ 2,294,238	\$ 1,663,590	\$ 239,740	\$ 251,575	\$ 11,261,827
Equity in pooled investments	2,626,312	650,638	-	129,029	-	3,405,979
Accounts receivable	3,091,698	739,694	499,325	318,484	104,568	4,753,769
Interfund receivable	186,107	-	-	-	-	186,107
Prepaid items and other assets	8,035	-	-	-	-	8,035
Loans Receivable, net of allowance	9,793,197	-	-	-	7,150	9,800,347
Total Assets	\$ 22,518,033	\$ 3,684,570	\$ 2,162,915	\$ 687,253	\$ 363,293	\$ 29,416,064
LIABILITIES						
CURRENT LIABILITIES:						
Accounts payable	\$ 49,149	\$ 9,081	\$ 92	\$ -	\$ 609	\$ 58,931
Interfund payable	-	-	-	-	89,930	89,930
Salaries and benefits	442,034	17,867	-	-	5,442	465,343
Accruals	1,675	872	14,155	-	49,987	66,689
Total Current Liabilities	492,858	27,820	14,247	-	145,968	680,893
LONG-TERM LIABILITIES:						
Restricted deposits	20,401	-	-	-	-	20,401
Deferred revenue	1,810,283	386,705	352,704	318,000	40,277	2,907,969
Total Long Term Liabilities	1,830,684	386,705	352,704	318,000	40,277	2,928,370
Total Liabilities	\$ 2,323,542	\$ 414,525	\$ 366,951	\$ 318,000	\$ 186,245	\$ 3,609,263
FUND BALANCES						
Nonspendable fund balance	9,801,232	-	-	-	7,150	9,808,382
Restricted fund balance	12,457	2,980,963	1,703,787	369,253	166,859	5,233,319
Assigned fund balance	3,343,766	289,082	92,177	-	190,593	3,915,618
Unassigned fund balance	7,037,036	-	-	-	(187,554)	6,849,482
Total fund balances	\$ 20,194,491	\$ 3,270,045	\$ 1,795,964	\$ 369,253	\$ 177,048	\$ 25,806,801
Total liabilities and fund balance	\$ 22,518,033	\$ 3,684,570	\$ 2,162,915	\$ 687,253	\$ 363,293	

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	\$ 42,946,053
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	1,190,059
The following long-term liabilities are not due and payable in the current period and therefore are not reported as expenditures in the funds	
Bonds and notes payable	(1,713,229)
Sick leave benefits	(1,806,929)
Accrued interest on bonds payable	(7,972)
Internal service funds are used to charge the costs of certain activities, such as the city's health care costs, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets	3,326,597
Net assets of governmental activities	<u>\$ 69,741,380</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-- GOVERNMENTAL FUNDS
FOR THE PERIOD ENDED DECEMBER 31, 2011

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
REVENUES:						
Municipal income tax	\$ 5,843,149	\$ 1,340,838	\$ 1,198,286	\$ -	\$ -	\$ 8,382,273
Property taxes	1,159,672	-	-	43,647	86,200	1,289,519
State shared revenues	1,425,381	1,150,840	-	-	9,024	2,585,245
Locally levied taxes	1,180,220	-	-	-	-	1,180,220
Licenses and permits, fees	1,328,674	3,025	-	-	1,830	1,333,529
Grants: capital	109,763	-	-	-	-	109,763
Grants: operating	36,135	-	185,829	-	461,689	683,653
Investment income	119,047	5,573	1,328	9,153	6,093	141,194
Decrease in fair market value of investments	(34,213)	(26)	-	-	-	(34,239)
Donations:						
Operating	94,594	-	-	-	-	94,594
Other fines, rents, and reimbursements	168,594	35,788	60,138	-	58,008	322,528
Total revenues	<u>11,431,016</u>	<u>2,536,038</u>	<u>1,445,581</u>	<u>52,800</u>	<u>622,844</u>	<u>16,088,279</u>
EXPENDITURES:						
General government administration	1,210,761	-	-	-	-	1,210,761
Public safety	7,182,206	-	-	-	10,512	7,192,718
Public health	324,325	-	-	-	4,917	329,242
Street repairs and maintenance	5,220	1,704,332	351,063	-	-	2,060,615
Parks and recreation	361,895	-	-	-	-	361,895
Community planning and development	56,536	-	-	-	322,349	378,885
Other	-	-	-	13,972	49,202	63,174
Debt principal payment	-	-	-	2,010,985	-	2,010,985
Debt interest payment	-	-	-	201,592	-	201,592
Capital costs	135,955	80,412	685,188	-	230,725	1,132,280
Total expenditures	<u>9,276,898</u>	<u>1,784,744</u>	<u>1,036,251</u>	<u>2,226,549</u>	<u>617,705</u>	<u>14,942,147</u>
Excess (deficiency) of revenues over expenditures	<u>2,154,118</u>	<u>751,294</u>	<u>409,330</u>	<u>(2,173,749)</u>	<u>5,139</u>	<u>1,146,132</u>
OTHER FINANCING SOURCES (USES):						
Issuance of debt	-	-	-	-	49,329	49,329
Disposal of capital assets	6,500	-	-	-	-	6,500
Transfers, in	-	-	-	2,157,880	-	2,157,880
Transfers, out	(2,485,986)	-	(173,755)	-	-	(2,659,741)
Total other financing sources (uses)	<u>(2,479,486)</u>	<u>-</u>	<u>(173,755)</u>	<u>2,157,880</u>	<u>49,329</u>	<u>(446,032)</u>
Net change in fund balance	(325,368)	751,294	235,575	(15,869)	54,468	700,100
Fund balance-beginning of year	<u>20,519,859</u>	<u>2,518,751</u>	<u>1,560,389</u>	<u>385,122</u>	<u>122,580</u>	<u>25,106,701</u>
Fund balance-end of year	<u>\$ 20,194,491</u>	<u>\$ 3,270,045</u>	<u>\$ 1,795,964</u>	<u>\$ 369,253</u>	<u>\$ 177,048</u>	<u>\$ 25,806,801</u>

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, 2011

Total net change in fund balances Governmental funds	\$ 700,100
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures; however in the statement of activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays (\$1,132,280) was exceed by depreciation expense (\$1,575,133)	(442,853)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: (State shared taxes \$11,875, Income taxes (172,785), and Ems billings (\$1,924))	(162,834)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	2,010,985
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	(78,543)
Interest payable	11,373
Proceeds from the issuance of bonds, capital lease or other debt instruments are not considered revenues on the Statement of Activities	(49,329)
The net book value of assets retired (the difference of original cost (\$1,767,975) and accumulated depreciation (\$1,750,690) is not recorded on the Governmental Fund Statements, but is recorded as a expense on the Statement of Activities	(17,285)
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	(154,022)
Change in the net assets of governmental activities on the statement of activities	<u>\$ 1,817,592</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2011**

ASSETS	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Governmental Activities - Internal Service Funds
Current assets:										
Equity in pooled cash and cash equivalents	\$ 9,181,910	\$ 1,292,122	\$ 731,533	\$ 1,721,277	\$ 559,821	\$ 80,493	\$ 9,738	\$ 7,414	\$ 13,584,308	\$ 812,868
Equity in pooled investments	3,263,449	1,201,467	310,472	501,108	-	-	-	-	5,276,496	2,717,885
Accounts receivable	2,869,875	455,824	229,670	414,272	45,062	97,541	22,400	-	4,134,644	28,311
Allowance for uncollectible accounts	(205,379)	(47,531)	(25,136)	(45,088)	(10,045)	-	-	-	(333,179)	-
Inventories	726,656	-	-	125,565	-	15,984	-	-	868,205	-
Prepaid items and other assets	4,075	3,735	61,000	42,760	-	-	-	-	111,570	4,755
Total Current Assets	15,840,586	2,905,617	1,307,539	2,759,894	594,838	194,018	32,138	7,414	23,642,044	3,563,819
Noncurrent assets:										
Capital assets not being depreciated										
Land	68,661	212,302	17,949	552,979	-	370,344	-	-	1,222,235	-
Construction in process	1,377,753	-	-	-	-	-	-	-	1,377,753	395,938
Capital assets being depreciated										
Plant and equipment in service, net	29,975,297	12,416,335	295,517	10,133,878	58,063	1,154,641	-	224,397	54,258,128	176,969
Total Capital Assets	31,421,711	12,628,637	313,466	10,686,857	58,063	1,524,985	-	224,397	56,858,116	572,907
Deferred bond issuance costs	-	7,089	-	-	-	21,252	-	1,074	29,415	-
Total Noncurrent Assets	31,421,711	12,635,726	313,466	10,686,857	58,063	1,546,237	-	225,471	56,887,531	572,907
Total Assets	\$ 47,262,297	\$ 15,541,343	\$ 1,621,005	\$ 13,446,751	\$ 652,901	\$ 1,740,255	\$ 32,138	\$ 232,885	\$ 80,529,575	\$ 4,136,726

See accompanying notes to the basic financial statements

Continued

CITY OF PIQUA, OHIO

**BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2011**

	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Governmental Activities - Internal Service Funds
LIABILITIES										
Current liabilities:										
Accounts payable	\$ 1,587,195	\$ 24,434	\$ 67,621	\$ 95,248	\$ 558	\$ 466	\$ 2,579	\$ 1,203	\$ 1,779,304	\$ 8,286
Interfund payable	-	-	-	-	-	96,177	-	-	96,177	-
Salaries and benefits	47,759	24,297	13,009	24,323	3,836	9,996	-	-	123,220	6,017
Accrued vacation, personal, and sick leave	226,076	75,073	31,393	81,147	5,944	10,374	-	-	430,007	21,862
Accruals and prepaid memberships	426	-	-	61,121	-	5,205	8,894	327	75,973	3,610
Current portion of long term debt	-	610,806	-	131,585	-	128,520	-	6,480	877,391	-
Total Current Liabilities	1,861,456	734,610	112,023	393,424	10,338	250,738	11,473	8,010	3,382,072	39,775
Long-term liabilities:										
Accrued vacation, personal, and sick leave	350,605	184,740	66,915	169,785	9,974	17,856	-	-	799,875	51,723
Long term Debt	-	4,814,582	-	349,500	-	844,544	-	42,582	6,051,208	-
Total Long-Term Liabilities	350,605	4,999,322	66,915	519,285	9,974	862,400	-	42,582	6,851,083	51,723
Total Liabilities	2,212,061	5,733,932	178,938	912,709	20,312	1,113,138	11,473	50,592	10,233,155	91,498
NET ASSETS										
Invested in capital assets, net of related debt	31,421,711	7,203,249	313,466	10,205,772	58,063	551,921	-	175,335	49,929,517	572,907
Restricted by debt covenants	-	50,000	-	-	-	-	-	-	50,000	-
Unrestricted	13,628,525	2,554,162	1,128,601	2,328,270	574,526	75,196	20,665	6,958	20,316,903	3,472,321
Total Net Assets	45,050,236	9,807,411	1,442,067	12,534,042	632,589	627,117	20,665	182,293	70,296,420	4,045,228
Total Liabilities and Net Assets	\$ 47,262,297	\$ 15,541,343	\$ 1,621,005	\$ 13,446,751	\$ 652,901	\$ 1,740,255	\$ 32,138	\$ 232,885	\$ 4,136,726	\$ 4,136,726

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

219,309
\$70,515,729

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, 2011

	Business-type Activities										Total	Governmental Activities- Internal Service Funds	
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool					
OPERATING REVENUES:													
Customer services	\$ 23,329,073	\$ 3,370,907	\$ 1,730,892	\$ 3,115,655	\$ 813,749	\$ 471,564	\$ 106,102	\$ 79,025				\$ 33,016,967	\$ 3,282,983
Penalty charges	150,097	40,322	22,451	36,531	5,521	-	-	-	-	-	-	254,922	-
Total operating revenues	23,479,170	3,411,229	1,753,343	3,152,186	819,270	471,564	106,102	79,025				33,271,889	3,282,983
OPERATING EXPENSES:													
Fossil fuels used for production	26,997	-	-	-	-	-	-	-	-	-	-	26,997	-
Purchased power	16,531,898	-	-	-	-	-	-	-	-	-	-	16,531,898	-
Salaries and employee benefits	1,662,344	1,031,721	509,834	1,052,965	198,025	224,451	-	68,440				4,747,780	3,096,661
Depreciation	1,702,577	943,500	37,378	376,161	4,052	89,141	-	36,398				3,189,207	14,328
Materials and supplies	316,892	98,481	32,171	266,010	34,174	104,977	16,347	30,543				899,595	-
Utilities	5,778	122,146	2,547	156,242	268	40,742	28,322	15,280				371,325	-
Outside services	2,600,895	558,370	853,321	854,504	115,282	132,953	196,040	5,660				5,317,025	405,901
Billing costs	424,434	226,251	97,251	264,248	29,749	-	-	-				1,041,933	-
Chemicals	-	9,542	-	161,420	-	22,949	-	12,123				206,034	-
Other	341,062	92,909	65,506	149,470	38,479	27,911	39,891	5,174				760,402	-
Total operating expenses	23,612,877	3,082,920	1,598,008	3,281,020	420,029	643,124	280,600	173,618				33,092,196	3,516,890
Operating income (loss)	(133,707)	328,309	155,335	(128,834)	399,241	(171,560)	(174,498)	(94,593)				179,693	(233,907)
NON-OPERATING REVENUES(EXPENSES):													
Interest on debt	(16,973)	(224,452)	-	(20,043)	-	(55,003)	-	(2,772)				(319,243)	-
Interest income	98,104	10,645	2,549	5,085	-	45	-	2				116,430	56,487
Net (decrease) in fair market value of investments	(18,731)	4,967	1,954	(90)	-	-	-	-				(11,900)	6,496
Other, net	229,860	10,831	9,471	170,734	-	(1,267)	90	1,035				420,754	117
Non-capital grants	124,978	-	-	-	-	115,054	-	-				240,032	-
Capital grants	-	-	-	112,500	-	-	-	-				112,500	-
Net non-operating revenues (expenses)	417,238	(198,009)	13,974	268,186	-	58,829	90	(1,735)				558,573	63,100
Transfers, in	-	-	-	-	-	253,965	183,009	64,887				501,861	-
Change in net assets	283,531	130,300	169,309	139,352	399,241	141,234	8,601	(31,441)				1,240,127	(170,807)
Total net assets-beginning of year	44,766,705	9,677,111	1,272,758	12,394,690	233,348	485,883	12,064	213,734				4,216,035	
Total net assets-end of year	\$ 45,050,236	\$ 9,807,411	\$ 1,442,067	\$ 12,534,042	\$ 632,589	\$ 627,117	\$ 20,665	\$ 182,293				\$ 4,045,228	\$ -
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds													(16,782)
Change in net assets of business-type activities													\$ 1,223,345

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Business-type Activities										Governmental Activities- Internal Service Funds	
	Electric	Water	Wastewater	Refuse	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total			
OPERATING ACTIVITIES:												
Cash received for services	\$ 24,330,210	\$ 3,476,221	\$ 3,465,851	\$ 1,771,257	\$ 824,329	\$ 495,564	\$ 106,124	\$ 80,369	\$ 34,549,925	\$ 3,478,019		
Cash paid to suppliers for goods or services	(20,532,101)	(1,835,689)	(1,489,514)	(1,048,773)	(249,113)	(243,468)	(287,290)	(68,840)	(25,754,808)	(408,950)		
Cash paid to employees for services	(1,522,849)	(1,018,241)	(1,020,246)	(500,849)	(198,642)	(220,046)	-	(68,440)	(4,649,313)	(3,087,727)		
Net cash provided by (used in) operating activities	2,175,260	622,291	956,071	221,635	376,574	32,050	(181,166)	(56,911)	4,145,804	(18,658)		
NONCAPITAL FINANCING ACTIVITIES:												
Transfers in	-	-	-	-	-	253,965	183,009	64,887	501,861	-		
Net cash provided by (used in) noncapital financing activities	-	-	-	-	-	253,965	183,009	64,887	501,861	-		
CAPITAL AND RELATED FINANCING ACTIVITIES:												
Principal paid on bonds and notes	(389,779)	(127,127)	(585,477)	-	-	(111,741)	-	(5,634)	(1,219,758)	-		
Interest paid on bonds and notes	(18,652)	(20,043)	(224,452)	-	-	(52,473)	-	(2,799)	(318,419)	-		
Acquisition and construction of capital assets	(2,520,583)	(442,697)	(298,394)	(43,902)	(38,678)	(126,697)	-	-	(3,470,951)	(193,139)		
Disposals of capital assets	45,147	-	-	-	-	-	-	-	45,147	-		
Net cash provided by (used in) capital & related financing activities	(2,883,867)	(589,867)	(1,108,323)	(43,902)	(38,678)	(290,911)	-	(8,433)	(4,963,981)	(193,139)		
INVESTING ACTIVITIES:												
Purchases of investment securities	(1,613,817)	(449,500)	(1,151,744)	(310,748)	-	-	-	-	(3,525,809)	(1,945,167)		
Proceeds from sale or maturity of investment securities	2,702,993	-	752,244	200,748	-	-	-	-	3,655,985	1,875,236		
Interest received	101,578	6,162	10,722	2,563	-	45	-	2	121,072	59,213		
Net cash provided by (used in) investing activities	1,190,754	(443,338)	(388,778)	(107,437)	-	45	-	2	251,248	(10,718)		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	482,147	(410,914)	(541,030)	70,296	337,896	(4,851)	1,843	(455)	(65,068)	(222,515)		
CASH AND CASH EQUIVALENTS - Beginning of year	8,699,763	2,132,191	1,833,152	661,237	221,925	85,344	7,895	7,869	13,649,376	1,035,383		
CASH AND CASH EQUIVALENTS - End of year	\$ 9,181,910	\$ 1,721,277	\$ 1,292,122	\$ 731,533	\$ 559,821	\$ 80,493	\$ 9,738	\$ 7,414	\$ 13,584,308	\$ 812,868		
OPERATING INCOME (LOSS)	\$ (133,707)	\$ (128,834)	\$ 328,309	\$ 155,335	\$ 399,241	\$ (171,560)	\$ (174,498)	\$ (94,593)	\$ 179,693	\$ (233,907)		
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:												
Depreciation	1,702,577	376,161	943,500	37,378	4,052	89,141	-	36,398	3,189,207	14,328		
(Increase)/Decrease in Accounts Receivable	487,972	40,801	41,610	8,443	5,059	(92,440)	(68)	-	491,377	194,918		
(Increase)/Decrease in Inventory	(1,775)	6,336	-	-	-	1,182	-	-	5,743	-		
(Increase)/Decrease in Prepaids	61	644	50	-	-	-	-	-	755	1,006		
Increase/(Decrease) in Accounts Payable	(282,432)	9,227	(381,885)	2,023	(31,161)	87,954	(6,690)	-	(602,949)	(4,055)		
Increase/(Decrease) in Accrued Wages and Benefits	39,494	34,724	11,475	8,985	(617)	4,405	-	-	98,466	8,934		
Increase/(Decrease) in Deferred Revenues	-	-	-	-	-	(420)	-	80	(346)	-		
Net (Increase)/Decrease in Other Operating Net Assets	363,070	283,232	13,012	9,471	-	113,788	90	1,189	783,852	118		
Net cash provided by (used in) operating activities	\$ 2,175,260	\$ 622,291	\$ 956,071	\$ 221,635	\$ 376,574	\$ 32,050	\$ (181,166)	\$ (56,911)	\$ 4,145,804	\$ (18,658)		
SUPPLEMENTAL INFORMATION:												
Noncash activities:												
Change in fair value of investments	(18,731)	(90)	4,967	1,954	-	-	-	-	(11,900)	6,496		

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011**

ASSETS:	<u>Private Purpose Centennial Trust</u>	<u>Agency Funds</u>
Equity in pooled cash and cash equivalents	\$ 466	\$ 16,620
Total Assets	<u>\$ 466</u>	<u>\$ 16,620</u>
 LIABILITIES:		
Withholdings payable		\$ 14,884
Undistributed monies		<u>1,736</u>
Total Liabilities		<u>\$ 16,620</u>
 NET ASSETS		
Held in trust for other purposes	<u>\$ 466</u>	

**STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011**

ADDITIONS	
Interest income	<u>\$ 1</u>
Total additions	<u>\$ 1</u>
Change in net assets	\$ 1
Total net assets-beginning of year	<u>\$ 465</u>
Total net assets-end of year	<u>\$ 466</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

BASIS OF PRESENTATION

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

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

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

The City reports the following major governmental funds:

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

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

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

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

Enterprise Funds (Business type funds) are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports the following major enterprise funds: electric, water, wastewater, refuse, storm water, golf, Fort Piqua Plaza and municipal pool.

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

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

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

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

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

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

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

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

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

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

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

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

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

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

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

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

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

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

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

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

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

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

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

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

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

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

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, 2011 the City had cash on hand in the amount of \$4,675.

At December 31, 2011, the carrying amount of the City's deposits was \$26,750,086 while the balance as shown by the bank statements was \$27,891,549. As of December 31, 2011, \$11,846,348 of the City's bank balance was exposed to custodial risk as discussed above, while \$16,045,201 was covered by Federal Deposit Insurance.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company but does operate in a manner similar to rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at the pool's share price, which is the price for which the investment could be sold for on December 31, 2011.

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, 2011, all investments were registered in the name of the City.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

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	\$ 404,029
U.S. Government Agency Obligations	AAA	9,496,331
STAR Ohio	AAAm	421,325
Total		<u>\$10,321,685</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, 2011.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
City of Piqua Bonds	\$ 404,029	3.91%
FHLB	3,888,680	37.67%
FNMA	5,607,651	54.33%
STAR Ohio	421,326	4.09%
Total	<u>\$10,321,686</u>	<u>100.00%</u>

Except for investments in STAR Ohio, no more than 15% of the City’s total investment portfolio will be invested in a single security type or with a single financial institution. Contrary to the City’s policy, the City maintained greater than 15% of its investment portfolio in FHLB securities and FNMA securities at December 31, 2011

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	42,223	\$ 239,543	\$ 122,263	\$ 404,029
FHLB	3,888,680			3,888,680
FNMA		5,607,651		5,607,651
STAR Ohio	421,326			421,326
Total	<u>\$4,352,229</u>	<u>\$5,847,194</u>	<u>\$ 122,263</u>	<u>\$10,321,686</u>

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

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, 2010
Lien date	January 1, 2011
Tax bill mailed	January 20, 2011
First installment payment due	February 20, 2011
Second installment payment due	July 20, 2011

The assessed values for the City at January 1, 2011 were as follows:

Real estate	\$ 309,425,580
Tangible personal property	<u>2,046,590</u>
Total	<u>\$ 311,472,170</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, 2011, nor are they intended to finance 2011 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 (3.70 mills) of assessed value. In 2011, the City also received an additional 0.60 mills to fund the Pension Refunding Bonds, and 0.12 mills for costs of the Miami Conservancy District.

House Bill 66 phases out the tax on tangible personal property. The tax is phased out by reducing the assessment rate on the property each year. In 2011 the Ohio Legislature cancelled the reimbursement in future years with exceptions for conservancy and safety levies.

D. INCOME TAXES

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

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

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	\$ 299,111
Local government revenue assistance	838,526
Gasoline taxes	698,381
Vehicle license taxes	453,459
Miscellaneous other taxes	<u>307,643</u>
	<u>\$ 2,597,120</u>

The City has two locally issued taxes; a KWH tax totaling \$1,121,039 which is recognized based upon sales of electrical services, and a hotel/motel tax totaling \$59,181 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 \$9,793,197 for the restoration of the historic Fort Piqua Hotel into a library and conference/banquet center; and real estate second mortgages which are partially forgivable over five to fifteen year periods netted by an estimated allowance for forgiveness or amounts uncollectible. The real estate second mortgages are \$1,080,799 with an estimated allowance for forgiveness of \$1,073,649.

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, 2011

G. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Construction In Process Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 4,528,378	\$ -	\$ -	\$ -	\$ 4,528,378
Infrastructure land	1,374,365	-	-	-	1,374,365
Construction in progress	<u>1,093,773</u>	<u>1,161,783</u>	<u>-</u>	<u>(945,124)</u>	<u>1,310,432</u>
Assets not depreciated	<u>6,996,516</u>	<u>1,161,783</u>	<u>-</u>	<u>(945,124)</u>	<u>7,213,175</u>
Capital assets being depreciated:					
Buildings and improvements	11,717,465	-	-	162,311	11,879,776
Furniture, fixtures and equipment	11,677,950	163,636	(1,767,975)	99,536	10,173,147
Infrastructure	<u>32,493,176</u>	<u>-</u>	<u>-</u>	<u>683,277</u>	<u>33,176,453</u>
Depreciated capital assets	55,888,591	163,636	(1,767,975)	945,124	55,229,376
Accumulated depreciation:					
Buildings and improvements	(2,762,603)	(254,622)	-	-	(3,017,225)
Furniture, fixtures and equipment	(9,250,359)	(612,165)	1,750,690	-	(8,111,834)
Infrastructure	<u>(7,644,765)</u>	<u>(722,674)</u>	<u>-</u>	<u>-</u>	<u>(8,367,439)</u>
Total accumulated depreciation	<u>(19,657,727)</u>	<u>(1,589,461)</u>	<u>1,750,690</u>	<u>-</u>	<u>(19,496,498)</u>
Net capital assets being depreciated	<u>\$36,230,864</u>	<u>\$(1,425,825)</u>	<u>\$ (17,285)</u>	<u>\$ 945,124</u>	<u>\$35,732,878</u>
Net capital assets	<u>\$ 43,227,380</u>	<u>\$(264,042)</u>	<u>\$ (17,285)</u>	<u>\$ -</u>	<u>\$ 42,946,053</u>

* Depreciation expense was charged to governmental functions as follows:

General governmental	\$ 191,496
Public safety	265,094
Street repairs and maintenance	1,069,367
Parks	48,967
Community Development	<u>209</u>
Governmental functions depreciation expense	1,575,133
Information technology (internal service fund)	<u>14,328</u>
Total depreciation expense	<u>\$1,589,461</u>

A summary of changes in enterprise fund capital assets is as follows:

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

	Beginning Balance	Increases	Decreases	Construction In Process Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 831,549	\$ 275,000	\$ -	\$ 115,686	\$ 1,222,235
Construction in progress	<u>2,080,322</u>	<u>2,697,171</u>	<u>-</u>	<u>(3,399,740)</u>	<u>1,377,753</u>
Assets not depreciated	<u>2,911,871</u>	<u>2,972,171</u>	<u>-</u>	<u>(3,284,054)</u>	<u>2,599,988</u>
Capital assets being depreciated:					
Land improvements	1,461,318	-	-	-	1,461,318
Buildings and improvements	38,585,812	-	-	933,966	39,519,778
Furniture, fixtures and equipment	83,843,487	498,741	(2,029,983)	2,350,088	84,662,333
Intangible assets	<u>2,739,430</u>	<u>-</u>	<u>(27,452)</u>	<u>-</u>	<u>2,711,978</u>
Depreciated capital assets	126,630,047	498,741	(2,057,435)	3,284,054	128,355,407
Accumulated depreciation:					
Land improvements	(767,132)	(22,240)	-	-	(789,372)
Buildings and improvements	(17,586,798)	(1,073,673)	-	-	(18,660,471)
Furniture, fixtures and equipment	(53,365,362)	(2,011,179)	2,001,441	-	(53,375,100)
Intangible assets	<u>(1,201,106)</u>	<u>(82,115)</u>	<u>10,885</u>	<u>-</u>	<u>(1,272,336)</u>
Total accumulated depreciation	<u>(72,920,398)</u>	<u>(3,189,207)</u>	<u>2,012,326</u>	<u>-</u>	<u>(74,097,279)</u>
Net capital assets being depreciated	<u>53,709,649</u>	<u>(2,690,466)</u>	<u>(45,109)</u>	<u>3,284,054</u>	<u>54,258,128</u>
Net capital assets	<u>\$ 56,621,520</u>	<u>\$ 281,705</u>	<u>\$(45,109)</u>	<u>\$ -</u>	<u>\$ 56,858,116</u>

* Depreciation expense was charged to enterprise functions as follows:

Electric	\$ 1,702,577
Water	376,161
Wastewater	943,500
Refuse	37,378
Storm Water	4,052
Golf	89,141
Municipal Pool	<u>36,398</u>
Total depreciation expense	<u>\$ 3,189,207</u>

There was no capitalized interest for the fiscal year 2011.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2011

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, 2011 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	\$ <u>325,000</u>	<u>-</u>	\$ <u>35,000</u>	\$ <u>290,000</u>	\$ <u>35,000</u>
Total governmental general obligation bonds		325,000	-	35,000	290,000	35,000
Taxable revenue bonds, 7.12%	12/1/2017	1,800,000	-	1,800,000	-	-
Special assessment bonds, 9% (See note below)*	12/15/2022	95,664	49,329	15,965	129,028	17,223
State Infrastructure Bank Note, 3%	4/29/2020	1,159,221	-	140,020	1,019,201	144,252
Compensated absences		1,720,610	637,334	551,015	1,806,929	530,272
Restricted deposits		23,201	4,143	6,943	20,401	-
Other—Pension refunding bonds, 6.25%	12/01/2020	<u>295,000</u>	<u>-</u>	<u>20,000</u>	<u>275,000</u>	<u>25,000</u>
Total governmental long-term liabilities		\$ <u>5,418,696</u>	\$ <u>690,806</u>	\$ <u>2,568,943</u>	\$ <u>3,540,559</u>	\$ <u>751,747</u>
* Special assessment bonds mature annually on 12/15 through 2021.						
Business-Type Activities:						
Electric G.O. bonds, 2.0%-3.4%	11/15/2011	\$ 389,779	\$ -	\$ 389,779	\$ -	\$ -
OWDA Loan-1995, 4.56%	1/1/2015	1,833,298	-	427,760	1,405,538	447,488
OWDA Loan-2009, 3.52%	1/1/2030	4,177,567	-	157,717	4,019,850	118,662
OWDA Loan-2005, 3.5%	7/1/2015	548,587	-	114,615	433,972	163,318
OWDA Loan-2006, 3.25%	7/1/2015	59,627	-	12,514	47,113	12,923
Recreational facility bonds G.O., 2.0%-4.1%	11/15/2018	1,139,502	-	117,376	1,022,126	135,000
Compensated Absences		<u>1,151,612</u>	<u>578,456</u>	<u>500,186</u>	<u>1,229,882</u>	<u>430,007</u>
Total long-term liabilities		\$ <u>9,299,972</u>	\$ <u>578,456</u>	\$ <u>1,719,947</u>	\$ <u>8,158,481</u>	\$ <u>1,307,398</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 notes is \$1,519,610. Principal and interest paid for the current year and total customer net revenues were \$506,537 and \$1,293,285, respectively.

Ohio Water Development Authority (“OWDA 2009”) Wastewater Sewer Project Notes are issued under a cooperative agreement for construction, maintenance and operation of a state sewer project. Payments to the OWDA will be made from the utility’s pledged future revenues. The total principal and interest payments

CITY OF PIQUA, OHIO
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remaining to be paid on the note is \$5,461,053. Principal and interest paid for the current year and total customer net revenues were \$303,392 and \$1,293,285, respectively.

Ohio Water Development Authority (“OWDA 2005” & “OWDA 2006”) drinking water assistance notes are issued under a cooperative agreement for construction maintenance and operation of the City’s Hydropillar Water Tower. Payments to the OWDA will be made from the utility’s pledged future revenues. The total principal and interest remaining to be paid on the notes is \$515,102. Principal and interest paid for the current year and total customer net revenues were \$147,172 and \$423,146, 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 \$1,129,402. 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 of \$173,754 represent 14.8% of the estimated net revenues from this tax levy.

Taxable Economic Development Bonds were issued to facilitate the rehabilitation of Fort Piqua Hotel complex. Principal and interest paid for the current year totaled \$1,928,160. During 2011 these bonds were retired from proceeds received from repayment of notes receivable owed to the City by the Fort Piqua Redevelopment Corporation.

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 \$172,978. Principal and interest paid for the current year and total net revenue were \$24,574 and 38,715 respectively.

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

The annual requirements to pay principal and interest on long-term obligations at December 31, 2011 are listed as follows:

Year Ending	General Obligation Bonds				Notes Payable			
	Governmental Activities		Business Type Activities		Governmental Activities		Business Type Activities	
	Principal	Interest	Principal(1)	Interest	Principal	Interest	Principal	Interest
December 31								
2012	35,000	11,513	122,376	41,170	144,252	29,502	742,391	214,710
2013	40,000	10,463	127,376	36,310	148,612	25,142	773,442	183,659
2014	40,000	9,063	132,374	31,130	153,104	20,650	806,019	151,081
2015	40,000	7,563	150,000	25,620	157,731	16,023	253,670	123,308
2016	45,000	5,963	155,000	19,770	162,499	11,255	187,780	115,611
2017—2021	90,000	6,073	335,000	20,540	253,003	7,627	1,043,786	473,173
2022—2026	-	-	-	-	-	-	1,242,746	274,213
2027—2031	-	-	-	-	-	-	856,638	53,536
Total	<u>\$ 290,000</u>	<u>\$ 50,638</u>	<u>\$ 1,022,126</u>	<u>\$ 174,540</u>	<u>\$ 1,019,201</u>	<u>\$ 110,201</u>	<u>\$ 5,906,473</u>	<u>\$ 1,589,291</u>

(1) Principal amounts shown are net of deferred loss on refunding of debt.

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Year Ending December 31	Pension Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2012	25,000	17,188	17,223	11,613
2013	25,000	15,625	25,701	10,063
2014	25,000	14,063	22,452	7,749
2015	30,000	12,500	21,443	5,729
2016	30,000	10,625	19,456	3,799
2017—2021	140,000	22,812	21,369	4,872
2022—2026	-	-	1,384	124
2027—2031	-	-	-	-
Total	<u>\$ 275,000</u>	<u>\$ 92,813</u>	<u>\$ 129,028</u>	<u>\$ 43,949</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
Special assessment bonds	Debt Service
Ohio water development authority notes	Water and Wastewater
Restricted deposits	General Fund
Compensated absences	General Fund, Street Maintenance, Community Development, Electric, Water, Wastewater, Refuse, Storm Water, Golf, and Information Technology
State infrastructure bank notes	Street Construction Fund and Debt Service

I. INTERFUND TRANSACTIONS

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

Interfund receivable and payable balances at December 31, 2011 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 186,107	\$ -
Golf Fund	-	96,177
Non-major Governmental Funds	-	89,930
	<u>\$ 186,107</u>	<u>\$ 186,107</u>

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Transfers are used to move revenues; from the fund that statute or budget requires to collect them, to the fund that the statute or budget requires to expend them; or moving unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; or to provide additional resources for current operations or debt service. Interfund transfers for the year ended December 31, 2011 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental		
General Fund	\$ -	\$ 2,485,986
Street Levy Construction	-	173,755
Debt Service	2,157,880	-
Proprietary		
Golf	253,965	-
Fort Piqua Plaza	183,009	-
Municipal Pool	64,887	-
	<u>\$ 2,659,741</u>	<u>\$ 2,659,741</u>

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

J. PENSION PLAN OBLIGATIONS

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

Police and Fire Disability Pension Fund Plan—Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available 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, 2011, 2010 and 2009 were \$1,330,137, \$1,370,792 and \$1,370,823, which consisted of \$909,751, \$937,064 and \$937,247 from the City and \$420,386, \$433,728, and \$433,576 from the employees, respectively, or 62% of the required contributions for 2011 and 55% of the required contributions for 2010 and 75% of the required contributions for 2009. The unpaid portion of \$249,971 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:

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

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

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

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

The Ohio Revised Code also provides statutory authority for member and employer contributions. For 2011, 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, 2011, 2010 and 2009 were \$1,677,848, \$1,711,042, and \$1,744,218 respectively, equal to the required contributions for the year.

K. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

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

The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer health care coverage to all eligible employees and is administrated as an Internal Revenue Code 401(h) account within the defined benefit pension plan. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.75% of covered payroll in 2011 and 2010 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, 2010, the date of the last actuarial valuation available, was 15,013 for police and 11,061 for firemen. OP&F's total health care expense for the year ending December 31, 2010, the date of the last actuarial valuation available, was

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\$159,913,915, which was net of member contributions of \$58,923,329. The City's contributions that were used to pay post employment benefits by Ohio Police and Fire for the years ended December 31, 2011, 2010, and 2009 were \$283,575, \$292,766, and \$292,473 respectively.

Public Employees Retirement System OPEB— OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to OPERS (See Note J) is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority for employer contributions and for requiring public employers to fund pension and post-retirement health care through their contributions to OPERS. The 2011 employer contribution rate for local government employer units was 14% of covered payroll, of which 4.0 was used to fund health care for the year ended 2011.

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

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

Health Care: OPERS post employment health care plan was established under, and is administrated in accordance with internal revenue code 401(h). Each year, the OPERS Board of Trustee determines the portion of the employer contribution rate (14% in 2011) that will be set aside for funding of post employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0% for the year ended December 31, 2011. The portion of employer contribution allocated to health care for members in the Combined Plan was 6.05% for year ended December 31, 2011. The OPERS board of trustee is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions that were used to pay post employment benefits by Ohio Public Employee Retirement System for the years ended December 31, 2011, 2010, and 2009 were \$279,626, \$362,094, and \$424,707 respectively.

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

L. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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

M. OHIO PROFESSIONAL FIRE FIGHTERS DEFERRED COMPENSATION PROGRAM

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December 31, 2011

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

N. CONTINGENCIES

In November 2007, the City entered into a "take or pay" Contract with American Municipal Power (AMP) for the development of a 1,000 megawatt coal-fired generating station to be located on the Ohio River in Meigs County, Ohio, known as the American Municipal Power Generating Station (AMPGS). The City was one of 81 member participants in the AMPGS project and had committed to receive a 20 MW share of the project's output. In November 2009, participants in the AMPGS voted to terminate development of the project due to estimated cost increases of 37% with no guarantee that the costs would not continue to escalate. At the time the development was terminated, participants agreed to pursue a conversion of the AMPGS to a Natural Gas Combined Cycle (NGCC) Plant. In February 2011, development of the NCGG Plant was suspended due to availability of purchasing the AMP Fremont Energy Center (AFEC).

At the time the decision was made to abandon the AMPGS, AMP had incurred what they consider to be stranded costs of \$121,429,424. General Counsel for AMP has asserted that AMP intends to recover these stranded costs through sale of the property on which construction was started, AFEC development costs and a lawsuit filed against the contractor for breach of contract.

Due to the pending lawsuit against the contractor and the uncertainty regarding proceeds from the sale of the undeveloped property, the amount of the final costs to the participants has not yet been determined. Therefore, the City has elected not to record the liability and related expense in the financial statements. If none of the stranded costs are recovered by AMP, the City's potential liability is \$2.2 million (net of AFEC development credits of \$1.0 million). Any remaining share of the stranded AMPGS costs will be paid through available resources in the Electric fund.

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

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

O. RISK MANAGEMENT

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

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

The City pays an annual member contributions premium to MVRMA for this coverage. The agreement provides that MVRMA will be self-sustaining through member contributions premiums and the purchase of excess insurance and reinsurance. The city's deductible per occurrence for all types of claims is \$2,500. During 2011, MVRMA'S per-occurrence retention limit for property was \$500,000, with the exception of boiler and machinery for which there was a \$5,000 per occurrence retention limit.

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

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

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

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

P. RELATED PARTY DISCLOSURES

Fred Enderle, the City Manager through July 2011, is the Vice-President of the Fort Piqua Redevelopment Corporation, which is the general partner of the City of Piqua Downtown Redevelopment Project, L.P. The City of Piqua Downtown Redevelopment Project L.P. restored the historical Fort Piqua Hotel into a library and conference/banquet center. To date the City has loaned the project \$12,508,303 which was funded 75% from donations, grants, and state tax credits reimbursements. The Current loan balance is \$9,793,197

Q. PURCHASED POWER

The City's electric distribution system during 2011 purchased wholesale electric power from American Municipal Power (AMP). AMP provides the remaining power requirements with purchases from various sources including New York Power Authority. In 2007, the City entered into three long term purchased power commitment contracts

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with AMP, the Prairie State Energy Campus Project (20 megawatts), the Ohio River Hydroelectric Project (6 megawatts) and the American Municipal Power Generating Station (20 megawatts). The Prairie State Energy Campus Project and the Ohio River Hydroelectric Project are expected to be completed in fiscal year 2012 and 2014, respectively. During 2011 the Board of AMP opted to abandon the American Municipal Power Generation Station (AMPGS) (see Note N). Due to the abandonment of AMPGS, during fiscal year 2011 the City entered into another long term purchased power commitment contract with AMP known as the AMP Fremont Energy Center (AFEC).

R. 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 \$9,808,382. This is comprised of amounts in non-spendable form for non-current loans receivable for the Fort Piqua Plaza of \$9,793,197, low income mortgage assistance loans of \$7,150, and prepaid items of \$8,035. The City reported restricted fund balance of \$5,233,319, which is comprised of debt restrictions of \$369,253, donor restrictions of \$25,270, grant restrictions of \$80,828, and legislative restrictions of \$4,757,968. The City reported assigned fund balance of \$3,915,618, which is comprised of amounts management has set aside for; future equipment purchases of \$363,444, encumbrances of \$443,011, and managerially assigned assets of \$3,109,163. The City reported un-assigned fund balance of \$6,849,482.

Required Supplemental Information



CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION
 BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
 FOR YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
REVENUES:				
Municipal income tax	\$ 5,019,429	\$ 5,646,857	\$ 5,843,149	\$ 196,292
Property taxes	1,266,739	1,159,040	1,159,672	632
State shared revenues	1,326,733	1,124,820	1,425,381	300,561
Locally levied taxes	1,139,500	1,139,500	1,180,220	40,720
Licenses and permits, fees	1,052,437	1,052,437	1,328,674	276,237
Grants-capital	208,316	127,316	109,763	(17,553)
Grants-operating	50,570	44,570	36,135	(8,435)
Interest income	93,498	93,504	119,047	25,543
Decrease in fair value of investments	-	-	(34,213)	(34,213)
Donations:				
Operating	-	7,000	94,594	87,594
Other fines, rents, and reimbursements	121,728	121,728	168,594	46,866
Total revenues	10,278,950	10,516,772	11,431,016	914,244
EXPENDITURES:				
GENERAL GOVERNMENT ADMINISTRATION:				
City building:				
Operating expenditures	102,293	102,293	69,704	32,589
Total city building	102,293	102,293	69,704	32,589
City commission:				
Personal services/administrative support	34,045	34,345	34,088	257
Operating expenditures	67,285	66,985	49,887	17,098
Total city commission	101,330	101,330	83,975	17,355
Office of city manager:				
Personal services/administrative support	78,560	77,220	59,118	18,102
Operating expenditures	7,654	11,513	9,241	2,272
Total office of city manager	86,214	88,733	68,359	20,374
Purchasing department:				
Personal services/administrative support	1,679	1,679	1,629	50
Operating expenditures	122	247	229	18
Total purchasing department	1,801	1,926	1,858	68
Law department:				
Personal services/administrative support	75,531	75,531	73,956	1,575
Operating expenditures	6,769	6,769	5,396	1,373
Total law department	82,300	82,300	79,352	2,948
Finance department:				
Personal services/administrative support	143,837	145,681	144,712	969
Operating expenditures	13,055	11,211	8,975	2,236
Total finance department	156,892	156,892	153,687	3,205

See notes to required supplemental information

(Continued)

CITY OF PIQUA, OHIO
REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
Human resources department:				
Personal services/administrative support	23,423	23,422	22,298	1,124
Operating expenditures	1,956	2,314	1,596	718
Total human resources department	25,379	25,736	23,894	1,842
Engineering department:				
Personal services/administrative support	61,500	61,478	60,256	1,222
Operating expenditures	5,375	5,452	4,495	957
Total engineering department	66,875	66,930	64,751	2,179
Income tax department:				
Personal services/administrative support	169,289	169,289	159,534	9,755
Operating expenditures	199,540	199,540	152,927	46,613
Total income tax department	368,829	368,829	312,461	56,368
Planning and zoning:				
Personal services/administrative support	170,846	170,846	165,501	5,345
Operating expenditures	17,020	17,020	13,746	3,274
Total planning and zoning	187,866	187,866	179,247	8,619
General government:				
Operating expenditures	224,350	224,350	173,473	50,877
Total general government	224,350	224,350	173,473	50,877
Pro Piqua:				
Operating expenditures	45,000	59,000	56,536	2,464
Total pro piqua	45,000	59,000	56,536	2,464
TOTAL GENERAL GOVERNMENT	1,449,129	1,466,185	1,267,297	198,888
PUBLIC SAFETY:				
Fire department:				
Personal services/administrative support	2,986,555	3,045,555	2,974,423	71,132
Operating expenditures	389,398	369,898	337,177	32,721
Capital	161,677	124,677	122,707	1,970
Total fire department	3,537,630	3,540,130	3,434,307	105,823
Police department:				
Personal services/administrative support	3,446,858	3,471,858	3,415,699	56,159
Operating expenditures	559,196	559,146	454,907	104,239
Capital	45,500	20,500	10,456	10,044
Total police department	4,051,554	4,051,504	3,881,062	170,442
TOTAL PUBLIC SAFETY	7,589,184	7,591,634	7,315,369	276,265

See notes to required supplemental information

(Continued)

**REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
NEIGHBORHOOD IMPROVEMENT TEAM:				
Personal services/administrative support	7,360	7,360	5,488	1,872
Operating expenditures	16,628	16,628	3,527	13,101
Total neighborhood improvement team	<u>23,988</u>	<u>23,988</u>	<u>9,015</u>	<u>14,973</u>
HEALTH:				
Personal services/administrative support	254,255	254,255	234,944	19,311
Operating expenditures	97,828	101,840	80,366	21,474
Total health department	<u>352,083</u>	<u>356,095</u>	<u>315,310</u>	<u>40,785</u>
PIQUA TREE DONATIONS:				
Operating expenditures	14,560	14,560	5,220	9,340
Total Piqua Tree Donations department	<u>14,560</u>	<u>14,560</u>	<u>5,220</u>	<u>9,340</u>
PARKS AND RECREATION:				
Personal services/administrative support	325,819	325,819	237,336	88,483
Operating expenditures	164,343	168,843	124,559	44,284
Capital	100,194	95,694	2,792	92,902
Total parks and recreation	<u>590,356</u>	<u>590,356</u>	<u>364,687</u>	<u>225,669</u>
Total expenditures	<u>10,019,300</u>	<u>10,042,818</u>	<u>9,276,898</u>	<u>765,920</u>
Excess of revenues over expenditures	<u>259,650</u>	<u>473,954</u>	<u>2,154,118</u>	<u>1,680,164</u>
OTHER FINANCING SOURCES (USES):				
Disposal of fixed assets	-	-	6,500	6,500
Transfers out	(930,083)	(2,581,193)	(2,485,986)	95,207
Total other financing sources (uses)	<u>(930,083)</u>	<u>(2,581,193)</u>	<u>(2,479,486)</u>	<u>101,707</u>
Net change in fund balance	(670,433)	(2,107,239)	(325,368)	1,781,871
Fund balance- January 1, 2011	<u>20,519,859</u>	<u>20,519,859</u>	<u>20,519,859</u>	<u>-</u>
Fund balance December 31, 2011	<u>\$19,849,426</u>	<u>\$18,412,620</u>	<u>\$20,194,491</u>	<u>\$ 1,781,871</u>

See notes to required supplemental information

(Concluded)

CITY OF PIQUA, OHIO

**REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE
STREET MAINTENANCE FUND
FOR YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
REVENUES:				
Municipal income tax	\$ 1,152,000	\$ 1,296,000	\$ 1,340,838	\$ 44,838
State shared revenues	1,127,973	1,127,973	1,150,840	22,867
Licenses and permits, fees	3,000	3,000	3,025	25
Interest income	4,675	4,675	5,573	898
Decrease in fair value of investments	-	-	(26)	(26)
Other fines, rents, and reimbursements	18,000	18,000	35,788	17,788
Total revenues	<u>2,305,648</u>	<u>2,449,648</u>	<u>2,536,038</u>	<u>86,390</u>
EXPENDITURES:				
Personal services/administrative support	833,253	863,253	762,079	101,174
Operating expenditures	1,175,328	1,236,328	942,253	294,075
Capital costs	87,307	87,307	80,412	6,895
Total expenditures	<u>2,095,888</u>	<u>2,186,888</u>	<u>1,784,744</u>	<u>402,144</u>
Net change in fund balance	209,760	262,760	751,294	488,534
Fund balance- January 1, 2011	<u>2,518,751</u>	<u>2,518,751</u>	<u>2,518,751</u>	<u>-</u>
Fund balance December 31, 2011	<u>\$ 2,728,511</u>	<u>\$ 2,781,511</u>	<u>\$ 3,270,045</u>	<u>\$ 488,534</u>

See notes to required supplemental information

CITY OF PIQUA, OHIO

**REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE
STREET LEVY CONSTRUCTION FUND
FOR YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Municipal income tax	\$ 1,028,571	\$ 1,157,143	\$ 1,198,286	\$ 41,143
Grants-capital	1,719,160	1,719,160	-	(1,719,160)
Grants-operating	171,100	171,100	185,829	14,729
Interest income	2,280	2,280	1,328	(952)
Other fines, rents , and reimbursements	-	-	60,138	60,138
Total revenues	<u>2,921,111</u>	<u>3,049,683</u>	<u>1,445,581</u>	<u>(1,604,102)</u>
EXPENDITURES:				
Operating expenditures	325,975	379,475	351,063	28,412
Debt interest payment	-	-	-	-
Capital costs	<u>2,427,589</u>	<u>2,427,589</u>	<u>685,188</u>	<u>1,742,401</u>
Total expenditures	<u>2,753,564</u>	<u>2,807,064</u>	<u>1,036,251</u>	<u>1,770,813</u>
Excess of revenues over expenditures	<u>167,547</u>	<u>242,619</u>	<u>409,330</u>	<u>166,711</u>
OTHER FINANCING (USES):				
Transfers out	<u>(97,368)</u>	<u>(173,755)</u>	<u>(173,755)</u>	<u>-</u>
Total other financing(uses)	<u>(97,368)</u>	<u>(173,755)</u>	<u>(173,755)</u>	<u>-</u>
Net change in fund balance	70,179	68,864	235,575	166,711
Fund balance January 1, 2011	<u>1,560,389</u>	<u>1,560,389</u>	<u>1,560,389</u>	<u>-</u>
Fund balance December 31, 2011	<u>\$ 1,630,568</u>	<u>\$ 1,629,253</u>	<u>\$ 1,795,964</u>	<u>\$ 166,711</u>

See notes to required supplemental information

CITY OF PIQUA, OHIO
Notes to the Required Supplemental Information
December 31, 2011

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

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

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

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

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

Supplemental Data



CITY OF PIQUA, OHIO

NON-MAJOR FUNDS

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

CITY OF PIQUA, OHIO

NON-MAJOR INTERNAL SERVICE/FIDUCIARY FUNDS

Internal Service Funds

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

Fiduciary Funds

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

CITY OF PIQUA, OHIO

**COMBINING BALANCE SHEET- NON MAJOR FUNDS
DECEMBER 31, 2011**

ASSETS:	Revolving Loan/Federal Program Income	Community Development	Trust
Equity in pooled cash and cash equivalents	\$ 83,423	\$ 18,864	\$ 35,680
Equity in pooled investments	-	-	-
Accounts receivable	441	49,024	-
Interfund receivable	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	7,150	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 91,014</u>	<u>\$ 67,888</u>	<u>\$ 35,680</u>
 LIABILITIES AND FUND BALANCE:			
CURRENT LIABILITIES:			
Accounts payable	-	609	-
Interfund payable	-	-	-
Salaries and benefits	-	5,442	-
Accruals	-	49,024	-
Total Current Liabilities	<hr/>	<hr/>	<hr/>
	-	55,075	-
 LONG-TERM LIABILITIES:			
Restricted deposits	-	-	-
Deferred revenue	-	-	-
Total Long Term Liabilities	<hr/>	<hr/>	<hr/>
	-	-	-
Total Liabilities	-	55,075	-
 FUND BALANCES:			
Nonspendable fund balance	7,150	-	-
Restricted fund balance	80,828	12,813	35,680
Assigned fund balance	3,036	148,076	-
Unreserved	-	(148,076)	-
Total fund balances	<hr/>	<hr/>	<hr/>
	91,014	12,813	35,680
Total liabilities and fund balance	<u>\$ 91,014</u>	<u>\$ 67,888</u>	<u>\$ 35,680</u>

(Continued)

CITY OF PIQUA, OHIO

**COMBINING BALANCE SHEET- NON MAJOR FUNDS
DECEMBER 31, 2011**

ASSETS:	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
Equity in pooled cash and cash equivalents	\$ 37,538	\$ 76,070	\$ 251,575
Equity in pooled investments	-	-	-
Accounts receivable	40,277	14,826	104,568
Interfund receivable	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	-	-	7,150
Total Assets	<u>77,815</u>	<u>90,896</u>	<u>363,293</u>
LIABILITIES AND FUND BALANCE:			
CURRENT LIABILITIES:			
Accounts payable	-	-	609
Interfund payable	-	89,930	89,930
Salaries and benefits	-	-	5,442
Accruals	-	963	49,987
Total Current Liabilities	-	90,893	145,968
LONG-TERM LIABILITIES:			
Restricted deposits	-	-	-
Deferred revenue	40,277	-	40,277
Total Long Term Liabilities	40,277	-	40,277
Total Liabilities	40,277	90,893	186,245
FUND BALANCES:			
Nonspendable fund balance	-	-	7,150
Restricted fund balance	37,538	-	166,859
Assigned fund balance	-	39,481	190,593
Unreserved	-	(39,478)	(187,554)
Total fund balances	37,538	3	177,048
Total liabilities and fund balance	<u>\$ 77,815</u>	<u>\$ 90,896</u>	<u>\$ 363,293</u>

(Concluded)

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCE NON MAJOR FUNDS
FOR YEAR ENDED DECEMBER 31, 2011**

	Revolving Loan/Federal Program Income	Community Development	Trust
REVENUES:			
Property taxes	\$ -	\$ 53,837	\$ -
State shared revenues	-	-	-
Licenses and permits, fees	1,380	450	-
Grants: operating	-	57,238	-
Investment income	6,078	2	-
Other fines, rents, and reimbursements	33,836	314	23,858
Total revenues	<u>41,294</u>	<u>111,841</u>	<u>23,858</u>
EXPENDITURES:			
Personal services/administrative support	1,901	450	-
Operation and maintenance	983	62,469	3,400
Capital	-	98,249	-
Total expenditures	<u>2,884</u>	<u>161,168</u>	<u>3,400</u>
Excess (deficiency) of revenues over expenditures	<u>38,410</u>	<u>(49,327)</u>	<u>20,458</u>
OTHER FINANCING SOURCES:			
Issuance of debt	-	49,329	-
Total other financing sources	<u>-</u>	<u>49,329</u>	<u>-</u>
Net change in fund balance	38,410	2	20,458
Fund balance January 1, 2011	<u>52,604</u>	<u>12,811</u>	<u>15,222</u>
Fund balance December 31, 2011	<u>\$ 91,014</u>	<u>\$ 12,813</u>	<u>\$ 35,680</u>

(Continued)

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCE NON MAJOR FUNDS
FOR YEAR ENDED DECEMBER 31, 2011**

	Conservancy	Federal Grants	Total Non major Funds
REVENUES:			
Property taxes	\$ 32,363	\$ -	\$ 86,200
State shared revenues	9,024	-	9,024
Licenses and permits, fees	-	-	1,830
Grants; operating	-	404,451	461,689
Investment income	13	-	6,093
Other fines, rents, and reimbursements	-	-	58,008
Total revenues	<u>41,400</u>	<u>404,451</u>	<u>622,844</u>
EXPENDITURES:			
Personal services/administrative support	-	10,512	12,863
Operation and maintenance	45,802	261,463	374,117
Capital	-	132,476	230,725
Total expenditures	<u>45,802</u>	<u>404,451</u>	<u>617,705</u>
Excess (deficiency) of revenues over expenditures	<u>(4,402)</u>	<u>-</u>	<u>5,139</u>
OTHER FINANCING SOURCES:			
Issuance of debt	-	-	49,329
Total other financing sources	<u>-</u>	<u>-</u>	<u>49,329</u>
Net change in fund balance	(4,402)	-	54,468
Fund balance January 1, 2011	<u>41,940</u>	<u>3</u>	<u>122,580</u>
Fund balance December 31, 2011	<u>\$ 37,538</u>	<u>\$ 3</u>	<u>\$ 177,048</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, 2011**

	Revolving Loan / Federal Program Income			Community Development		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 38,800	\$ 53,837	\$ 15,037
Licenses and permits, fees	1,440	1,380	(60)	450	450	-
Grants: operating	-	-	-	3,000,000	57,238	(2,942,762)
Investment Income	5,560	6,078	518	3	2	(1)
Other	23,971	33,836	9,865	-	314	314
Total revenues	<u>30,971</u>	<u>41,294</u>	<u>10,323</u>	<u>3,039,253</u>	<u>111,841</u>	<u>(2,927,412)</u>
EXPENDITURES:						
Personal services	2,500	1,901	599	450	450	-
Operation and maintenance	32,564	983	31,581	3,026,000	62,469	2,963,531
Capital	-	-	-	98,250	98,249	1
Total expenditures	<u>35,064</u>	<u>2,884</u>	<u>32,180</u>	<u>3,124,700</u>	<u>161,168</u>	<u>2,963,532</u>
Excess (deficiency) of revenues over expenditures	<u>(4,093)</u>	<u>38,410</u>	<u>42,503</u>	<u>(85,447)</u>	<u>(49,327)</u>	<u>36,120</u>
OTHER FINANCING SOURCES:						
Issuance of debt	-	-	-	124,469	49,329	(75,140)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,469</u>	<u>49,329</u>	<u>(75,140)</u>
Net change in fund balance	(4,093)	38,410	42,503	39,022	2	(39,020)
Fund balance January 1, 2011	<u>52,604</u>	<u>52,604</u>	<u>-</u>	<u>12,811</u>	<u>12,811</u>	<u>-</u>
Fund balance December 31, 2011	<u>\$ 48,511</u>	<u>\$ 91,014</u>	<u>\$ 42,503</u>	<u>\$ 51,833</u>	<u>\$ 12,813</u>	<u>\$ (39,020)</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, 2011**

	Trust			Conservancy		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 35,251	\$ 32,363	\$ (2,888)
State shared revenues	-	-	-	11,479	9,024	(2,455)
Licenses and permits, fees	-	-	-	-	-	-
Grants: operating	-	-	-	-	-	-
Investment Income	3	-	(3)	25	13	(12)
Other	35,000	23,858	(11,142)	-	-	-
Total revenues	<u>35,003</u>	<u>23,858</u>	<u>(11,145)</u>	<u>46,755</u>	<u>41,400</u>	<u>(5,355)</u>
EXPENDITURES:						
Personal services	-	-	-	-	-	-
Operation and maintenance	37,600	3,400	34,200	46,700	45,802	898
Capital	-	-	-	-	-	-
Total expenditures	<u>37,600</u>	<u>3,400</u>	<u>34,200</u>	<u>46,700</u>	<u>45,802</u>	<u>898</u>
Net change in fund balance	(2,597)	20,458	23,055	55	(4,402)	(4,457)
Fund balance January 1, 2011	<u>15,222</u>	<u>15,222</u>	<u>-</u>	<u>41,940</u>	<u>41,940</u>	<u>-</u>
Fund balance December 31, 2011	<u>\$ 12,625</u>	<u>\$ 35,680</u>	<u>\$ 23,055</u>	<u>\$ 41,995</u>	<u>\$ 37,538</u>	<u>\$ (4,457)</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, 2011**

	Federal Grants			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 74,051	\$ 86,200	\$ 12,149
State shared revenues	-	-	-	11,479	9,024	(2,455)
Licenses and permits, fees	-	-	-	1,890	1,830	(60)
Grants: operating	1,290,077	404,451	(885,626)	4,290,077	461,689	(3,828,388)
Investment Income	-	-	-	5,591	6,093	502
Other	-	-	-	58,971	58,008	(963)
Total revenues	<u>1,290,077</u>	<u>404,451</u>	<u>(885,626)</u>	<u>4,442,059</u>	<u>622,844</u>	<u>(3,819,215)</u>
EXPENDITURES:						
Personal services	35,000	10,512	24,488	37,950	12,863	25,087
Operation and maintenance	1,122,600	261,463	861,137	4,265,464	374,117	3,891,347
Capital	132,477	132,476	1	230,727	230,725	2
Total expenditures	<u>1,290,077</u>	<u>404,451</u>	<u>885,626</u>	<u>4,534,141</u>	<u>617,705</u>	<u>3,916,436</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(92,082)	5,139	97,221
OTHER FINANCING SOURCES:						
Issurance of debt	-	-	-	124,469	49,329	(75,140)
Total other financing sources	-	-	-	<u>124,469</u>	<u>49,329</u>	<u>(75,140)</u>
Net change in fund balance	-	-	-	32,387	54,468	22,081
Fund balance January 1, 2011	<u>3</u>	<u>3</u>	<u>-</u>	<u>122,580</u>	<u>122,580</u>	<u>-</u>
Fund balance December 31, 2011	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 154,967</u>	<u>\$ 177,048</u>	<u>\$ 22,081</u>

(Concluded)

CITY OF PIQUA, OHIO

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (GAAP BUDGET)-DEBT SERVICE FUND
FOR YEAR ENDED DECEMBER 31, 2011**

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Property taxes	\$ 43,650	\$ 43,647	\$ (3)
Investment income	<u>7,252</u>	<u>9,153</u>	<u>1,901</u>
Total revenues	<u>50,902</u>	<u>52,800</u>	<u>1,898</u>
EXPENDITURES:			
Operating expenditures	69,355	13,972	55,383
Debt principal payment	2,010,986	2,010,985	1
Debt interest payment	<u>206,629</u>	<u>201,592</u>	<u>5,037</u>
Total expenditures	<u>2,286,970</u>	<u>2,226,549</u>	<u>60,421</u>
Excess (deficiency) of revenues over expenditures	<u>(2,236,068)</u>	<u>(2,173,749)</u>	<u>62,319</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>2,111,113</u>	<u>2,157,880</u>	<u>46,767</u>
Total other financing sources	<u>2,111,113</u>	<u>2,157,880</u>	<u>46,767</u>
Net change in fund balance	(124,955)	(15,869)	109,086
Fund balance January 1, 2011	<u>385,122</u>	<u>385,122</u>	<u>-</u>
Fund balance December 31, 2011	<u>\$ 260,167</u>	<u>\$ 369,253</u>	<u>\$ 109,086</u>

CITY OF PIQUA, OHIO

**COMBINING BALANCE SHEET- INTERNAL SERVICE FUNDS
DECEMBER 31, 2011**

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	\$ 254,516	\$ 134,288	\$ 159,520	\$ 264,544	\$ 812,868
Equity in pooled investments	1,175,384	501,993	1,040,508	-	2,717,885
Accounts receivable	3,821	22,029	\$2,461	-	28,311
Prepaid items and other assets	-	-	4,755	-	4,755
Total Current Assets	<u>1,433,721</u>	<u>658,310</u>	<u>1,207,244</u>	<u>264,544</u>	<u>3,563,819</u>
Noncurrent assets:					
Capital assets not being depreciated					
Construction in process				395,938	395,938
Capital assets being depreciated					
Plant and equipment in service, net	-	-	-	176,969	176,969
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>572,907</u>	<u>572,907</u>
Total Assets	<u>\$ 1,433,721</u>	<u>\$ 658,310</u>	<u>\$ 1,207,244</u>	<u>\$ 837,451</u>	<u>\$4,136,726</u>
LIABILITIES AND FUND BALANCE:					
CURRENT LIABILITIES:					
Accounts payable	-	-	275	8,011	8,286
Salaries and benefits	-	-	-	6,017	6,017
Accrued vacation, personal and sick leave	-	-	-	21,862	21,862
Accruals	-	-	3,360	250	3,610
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>3,635</u>	<u>36,140</u>	<u>39,775</u>
NONCURRENT LIABILITIES:					
Accrued vacation, personal and sick leave	-	-	-	51,723	51,723
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,723</u>	<u>51,723</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,635</u>	<u>87,863</u>	<u>91,498</u>
FUND BALANCES:					
Invested in capital assets, net of related debt				572,907	572,907
Unreserved	<u>1,433,721</u>	<u>658,310</u>	<u>1,203,609</u>	<u>176,681</u>	<u>3,472,321</u>
Total Net Assets	<u>1,433,721</u>	<u>658,310</u>	<u>1,203,609</u>	<u>749,588</u>	<u>4,045,228</u>
Total Liabilities and Net Assets	<u>\$ 1,433,721</u>	<u>\$ 658,310</u>	<u>\$ 1,207,244</u>	<u>\$ 837,451</u>	<u>\$4,136,726</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET ASSETS- INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Workers Compensation</u>	<u>Liability Insurance</u>	<u>Health Insurance</u>	<u>Information Technology</u>	<u>Total</u>
OPERATING REVENUES:					
Customer services	\$ 30,928	\$ 72,892	\$ 2,649,163	\$ 530,000	\$ 3,282,983
Penalty charges	-	-	-	-	-
Total operating revenues	30,928	72,892	2,649,163	530,000	3,282,983
OPERATING EXPENSES:					
Salaries and Employee benefits	220,376	-	2,609,470	266,815	3,096,661
Depreciation	-	-	-	14,328	14,328
Outside Services	-	283,369	39,693	82,839	405,901
Total operating expenses	220,376	283,369	2,649,163	363,982	3,516,890
Operating income (loss)	(189,448)	(210,477)	-	166,018	(233,907)
NON-OPERATING REVENUES(EXPENSES):					
Interest income	28,569	19,558	8,081	279	56,487
Increase in fair market value of investments	14,620	(15,300)	7,176	-	6,496
Other, net	-	-	-	117	117
Net non-operating revenues(expenses)	43,189	4,258	15,257	396	63,100
Change in net assets	(146,259)	(206,219)	15,257	166,414	(170,807)
Total net assets-beginning of year	1,579,980	864,529	1,188,352	583,174	4,216,035
Total net assets-end of year	<u>\$ 1,433,721</u>	<u>\$ 658,310</u>	<u>\$ 1,203,609</u>	<u>\$ 749,588</u>	<u>\$ 4,045,228</u>

CITY OF PIQUA, OHIO

COMBINING STATEMENT OF CASH FLOWS-INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Totals
OPERATING ACTIVITIES:					
Receipts from interfund services	\$ 30,928	\$ 267,859	\$ 2,649,108	\$ 530,124	\$ 3,478,019
Cash paid to suppliers for goods or services	-	(283,369)	(39,211)	(86,370)	(408,950)
Cash paid to employees for services	(220,376)	-	(2,609,470)	(257,881)	(3,087,727)
Net cash provided by (used in) operating activities	(189,448)	(15,510)	427	185,873	(18,658)
CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	-	-	-	(193,139)	(193,139)
Net cash provided by (used in) capital & related financing activities	-	-	-	(193,139)	(193,139)
INVESTING ACTIVITIES:					
Purchases of investment securities	(901,800)	-	(1,043,367)	-	(1,945,167)
Proceeds from sale or maturity of investment securities	971,870	-	903,366	-	1,875,236
Interest received	29,658	19,558	9,718	279	59,213
Net cash provided by (used in) investing activities	99,728	19,558	(130,283)	279	(10,718)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(89,720)	4,048	(129,856)	(6,987)	(222,515)
CASH AND CASH EQUIVALENTS - Beginning of year	344,236	130,240	289,376	271,531	1,035,383
CASH AND CASH EQUIVALENTS - End of year	\$ 254,516	\$ 134,288	\$ 159,520	\$ 264,544	812,868
OPERATING INCOME (LOSS)	\$ (189,448)	\$ (210,477)	\$ -	\$ 166,018	(233,907)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	14,328	14,328
(Increase)/Decrease in Accounts Receivable	-	194,967	(55)	6	194,918
(Increase)/Decrease in Prepaids	-	-	1,006	-	1,006
Increase/(Decrease) in Accounts Payable	-	-	(524)	(3,531)	(4,055)
Increase/(Decrease) in Accrued Wages and Benefits	-	-	-	8,934	8,934
Net (Increase)/Decrease in Other Operating Net Assets	-	-	-	118	118
Net cash provided by (used in) operating activities	<u>\$ (189,448)</u>	<u>\$ (15,510)</u>	<u>\$ 427</u>	<u>\$ 185,873</u>	<u>\$ (18,658)</u>
SUPPLEMENTAL INFORMATION:					
Noncash activities:					
Change in fair value of investments	<u>14,620</u>	<u>\$ (15,300)</u>	<u>\$ 7,176</u>	<u>\$ -</u>	<u>\$ 6,496</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2011**

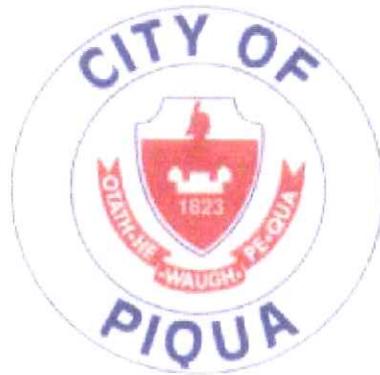
	<u>Unclaimed Funds</u>	<u>Employee Flexible Spending</u>	<u>Total</u>
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 1,736	\$ 14,884	\$ 16,620
Total Assets	<u>\$ 1,736</u>	<u>\$ 14,884</u>	<u>\$ 16,620</u>
LIABILITIES:			
Withholdings payable	\$ -	\$ 14,884	\$ 14,884
Undistributed monies	<u>1,736</u>	<u>-</u>	<u>1,736</u>
Total Liabilities	<u>\$ 1,736</u>	<u>\$ 14,884</u>	<u>\$ 16,620</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR YEAR ENDED DECEMBER 31, 2011**

	Balance at January 1, 2011	Additions	Deductions	Balance at December 31, 2011
Unclaimed Funds				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 1,077	\$ 732	\$ 73	\$ 1,736
Total Assets	<u>\$ 1,077</u>	<u>\$ 732</u>	<u>\$ 73</u>	<u>\$ 1,736</u>
LIABILITIES				
Undistributed monies	\$ 1,077	\$ 732	\$ 73	1,736
Total Liabilities	<u>\$ 1,077</u>	<u>\$ 732</u>	<u>\$ 73</u>	<u>\$ 1,736</u>
Employee Flexible Spending				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 15,108	\$ 154,064	\$ 154,288	\$ 14,884
Total Assets	<u>\$ 15,108</u>	<u>\$ 154,064</u>	<u>\$ 154,288</u>	<u>\$ 14,884</u>
LIABILITIES				
Withholdings payable	\$ 15,108	\$ 154,064	\$ 154,288	\$ 14,884
Total Liabilities	<u>\$ 15,108</u>	<u>\$ 154,064</u>	<u>\$ 154,288</u>	<u>\$ 14,884</u>
Total- All AGENCY FUNDS				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 16,185	\$ 154,796	\$ 154,361	\$ 16,620
Total Assets	<u>\$ 16,185</u>	<u>\$ 154,796</u>	<u>\$ 154,361</u>	<u>\$ 16,620</u>
LIABILITIES				
Withholdings payable	\$ 15,108	\$ 154,064	\$ 154,288	\$ 14,884
Undistributed monies	1,077	732	73	1,736
Total Liabilities	<u>\$ 16,185</u>	<u>\$ 154,796</u>	<u>\$ 154,361</u>	<u>\$ 16,620</u>

Statistical Section



Statistical Section

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	73-77
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	78-80
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	81-83
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	84-86
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	87-90
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

CITY OF PIQUA, OHIO

Table 1

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Government Activities										
Invested in capital assets, net of related debt	\$ 41,507,824	\$ 41,743,160	\$ 41,217,679	\$ 41,291,151	\$ 41,254,589	\$ 36,547,835	\$ 35,515,425	\$ 35,501,878	\$ 34,348,207	\$ 33,775,146
Restricted for other purposes	12,457	18,638	20,665	14,684	33,231					
Restricted for debt service	369,253	385,122	387,228	394,408	394,825	418,841	740,702	1,571,115	976,604	814,300
Unrestricted	27,851,846	25,776,868	24,580,004	23,791,114	20,257,699	18,315,439	12,523,508	10,506,442	10,846,109	9,322,261
Total governmental activities net assets	69,741,380	67,923,788	66,205,576	65,491,357	61,940,344	55,282,115	48,779,635	47,579,435	46,170,920	43,911,707
Business-Type Activities										
Invested in capital assets, net of related debt	49,929,517	48,473,160	49,657,889	50,518,920	50,298,375	49,706,237	49,323,165	48,803,820	48,428,042	48,765,023
Restricted for other purposes	-	-	-	-	727					
Restricted for debt service	50,000	50,000	50,000	50,000	50,000	58,910	66,588	303,180	168,888	173,379
Unrestricted	20,536,212	20,769,224	17,335,666	14,149,144	13,063,211	13,525,087	10,862,242	10,196,051	10,926,471	10,526,551
Total business-type activities net assets	70,515,729	69,292,384	67,043,555	64,718,064	63,412,313	63,290,234	60,251,995	59,303,051	59,523,401	59,464,953
Primary government										
Invested in capital assets, net of related debt	91,437,341	90,216,320	90,875,568	91,810,071	91,552,964	86,254,072	84,838,590	84,305,698	82,776,249	82,540,169
Restricted for other purposes	12,457	18,638	20,665	14,684	33,958					
Restricted for debt service	419,253	435,122	437,228	444,408	444,825	477,751	807,290	1,874,295	1,145,492	987,679
Unrestricted	48,388,058	46,546,092	41,915,670	37,940,258	33,320,910	31,840,526	23,385,750	20,702,493	21,772,580	19,848,812
Total primary government activities net assets	\$ 140,257,109	\$ 137,216,172	\$ 133,249,131	\$ 130,209,421	\$ 125,352,657	\$ 118,572,349	\$ 109,031,630	\$ 106,882,486	\$ 105,694,321	\$ 103,376,660

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 2

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Government activities										
General government	\$ 1,804,464	\$ 1,893,928	\$ 2,099,961	\$ 2,960,257	\$ 2,891,558	\$ 2,252,448	\$ 1,985,407	\$ 1,797,660	\$ 1,859,642	\$ 2,217,319
Public safety	7,655,764	7,797,867	7,859,160	7,796,876	7,878,066	7,784,475	7,667,665	7,363,799	6,844,602	6,539,055
Streets and maintenance	3,166,350	3,250,497	3,574,236	5,143,056	3,168,720	2,855,826	3,456,870	2,787,428	2,424,531	2,824,036
Parks and recreation	425,013	548,724	685,518	915,284	702,284	741,577	716,795	636,230	561,058	593,878
Community development	393,106	628,434	242,528	618,328	343,948	617,750	1,287,935	721,741	604,099	667,877
Interest on long term debt	190,218	250,261	271,155	289,387	197,747	184,603	216,710	234,029	246,298	288,383
Total governmental activities expenses	13,634,915	14,369,711	14,732,558	17,723,188	15,182,323	14,436,679	15,331,382	13,540,887	12,540,230	13,130,548
Business-type Activities										
Electric	23,681,239	22,500,718	22,309,943	23,933,783	22,477,649	15,844,446	16,945,700	17,123,814	16,962,240	17,699,975
Wastewater	3,309,241	2,988,869	2,857,643	2,845,460	2,831,444	2,998,639	2,842,163	2,814,171	2,800,775	2,737,680
Refuse	1,593,925	1,512,243	1,481,691	1,523,263	1,440,545	1,429,689	1,363,145	1,340,265	1,291,240	1,293,568
Water	3,300,788	2,920,323	2,793,284	2,850,285	2,754,437	2,564,675	2,589,854	2,408,664	2,205,581	2,303,948
Stormwater	419,626	414,092	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golf	705,354	612,350	657,378	688,377	729,467	710,890	699,461	738,514	674,858	621,579
Fort Piqua Plaza	280,600	229,821	185,207	42,372	n/a	n/a	n/a	n/a	n/a	n/a
Municipal Pool	178,125	170,542	190,158	199,277	191,162	171,160	175,944	161,821	160,093	159,458
Total business-type activities expenses	33,468,898	31,348,958	30,475,304	32,102,817	30,424,704	23,719,499	24,616,267	24,587,249	24,094,787	25,016,158
Total Primary Government activities expenses	\$ 47,103,813	\$ 45,718,669	\$ 45,207,862	\$ 49,826,005	\$ 45,607,027	\$ 38,156,178	\$ 39,947,649	\$ 38,128,136	\$ 36,635,017	\$ 38,146,706
Program revenues										
Government activities										
Charges for Services:	\$ 412,803	\$ 630,460	\$ 692,334	\$ 624,510	\$ 465,664	\$ 1,436,056	\$ 298,340	\$ 264,426	\$ 212,377	\$ 323,247
Public safety	1,083,295	800,027	876,722	772,244	909,784	566,672	311,871	328,505	240,543	238,819
Streets and maintenance	98,951	68,198	33,705	93,392	28,295	63,390	49,462	50,637	76,011	26,050
Parks and recreation	22,258	31,297	109,577	88,900	31,346	31,798	20,415	20,357	15,706	20,557
Community development	36,826	18,152	20,681	26,146	19,974	7,042	67,397	73,226	9,712	25,024
Operating grants and contributions	778,247	1,414,559	460,718	1,219,765	2,301,314	3,208,242	739,860	742,628	640,700	759,557
Capital grants and contributions	109,763	392,849	534,122	1,822,124	3,978,896	859,305	60,487	596,094	737,223	567,605
Total governmental activities program revenues	2,542,143	3,355,542	2,727,859	4,647,081	7,729,282	6,172,053	1,559,215	2,075,931	1,932,272	3,760,859
Business-type Activities										
Charges for Services:										
Electric	23,709,030	23,124,555	23,374,930	24,242,210	21,135,872	18,181,498	18,415,430	16,702,913	16,745,273	17,346,946
Wastewater	3,422,060	3,470,636	3,258,977	3,098,853	2,715,642	2,698,928	2,671,979	2,643,578	2,620,654	3,113,672
Refuse	1,762,814	1,757,375	1,767,803	1,659,648	1,530,335	1,408,455	1,340,337	1,281,788	1,261,666	1,222,548
Water	3,322,920	3,335,091	3,180,412	3,051,532	2,791,370	2,722,614	2,586,120	2,565,055	2,542,575	2,953,493
Stormwater	819,270	651,694	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golf	470,297	533,600	594,230	605,828	625,414	599,742	623,714	591,972	533,654	501,279
Fort Piqua Plaza	106,192	129,689	63,946	18,200	n/a	n/a	n/a	n/a	n/a	n/a
Municipal Pool	80,060	74,220	79,048	92,746	89,109	89,373	95,138	73,923	75,478	90,855
Operating grants and contributions	240,032	240,032	155	261	261	261	271	-	-	-
Capital grants and contributions	112,500	-	65,000	-	726,507	688,466	13,073	64,276	66,651	-
Total business-type activities program revenues	34,045,175	33,174,448	32,384,501	32,769,017	29,616,797	26,389,337	25,746,262	23,923,497	23,845,951	25,228,793
Total primary government program revenues	\$ 36,587,318	\$ 36,529,990	\$ 35,112,360	\$ 37,416,098	\$ 37,346,079	\$ 32,561,390	\$ 27,303,477	\$ 25,999,428	\$ 25,778,223	\$ 28,989,652
Net revenue (expense)	\$ (11,092,772)	\$ (11,014,169)	\$ (12,004,699)	\$ (13,076,107)	\$ (7,453,041)	\$ (8,264,626)	\$ (13,772,167)	\$ (11,464,956)	\$ (10,607,958)	\$ (9,369,689)
Business-type activities	576,277	1,825,490	1,909,197	666,200	(807,907)	2,669,838	1,129,995	(663,752)	(248,836)	212,635
Total primary government net revenue (expense)	\$ (10,516,495)	\$ (9,188,679)	\$ (10,095,502)	\$ (12,409,907)	\$ (8,260,948)	\$ (5,594,788)	\$ (12,642,172)	\$ (12,128,708)	\$ (10,856,794)	\$ (9,157,054)

(Continued)

CITY OF PIQUA, OHIO

Table 2

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General revenues and other changes in net assets										
Governmental activities										
Property taxes	\$1,289,519	\$1,402,952	\$1,349,521	\$1,452,709	\$1,466,214	\$1,505,317	\$1,525,944	\$1,452,019	\$1,503,856	\$1,516,613
State Shared taxes	2,597,120	2,992,428	3,404,050	3,443,434	2,522,305	2,953,529	3,280,931	2,431,261	2,786,967	2,441,040
Income tax	8,209,488	7,256,729	6,999,179	10,275,491	8,351,952	8,611,614	8,378,103	7,338,490	7,364,357	6,913,931
Locally levied taxes	1,180,220	1,173,438	1,123,045	1,259,107	1,291,091	1,309,110	1,249,360	1,095,211	1,057,683	1,084,235
Investment earnings	129,378	159,445	134,406	388,469	661,171	578,256	289,066	177,473	199,911	529,466
Miscellaneous	6,500	56,482	9,515	1,852	18,468	6,383	385,572	73,018	93,971	-
Transfers	(501,861)	(309,093)	(300,798)	(193,942)	(129,931)	(197,103)	(136,609)	(230,861)	(139,574)	(51,281)
Total governmental activities general revenues and other changes in net assets	12,910,364	12,732,381	12,718,918	16,627,120	14,111,270	14,767,106	14,972,367	12,336,611	12,867,171	12,434,004
Business-type Activities										
Investment earnings	145,207	114,246	115,496	445,609	730,055	603,404	287,164	173,763	167,710	559,412
Special item	-	-	-	-	-	(432,106)	(604,824)	-	-	-
Transfers	501,861	309,093	300,798	193,942	199,931	197,103	136,609	230,861	139,574	51,281
Total business-type activities general revenues and other changes in net assets	647,068	423,339	416,294	639,551	929,986	368,401	(181,051)	404,624	307,284	610,693
Total primary government general revenues and other changes in net assets	13,557,432	13,155,720	13,135,212	17,266,671	15,041,256	15,135,507	14,791,316	12,741,235	13,174,455	13,044,697
Change in net assets										
Governmental activities	1,817,592	1,718,212	714,219	3,551,013	6,638,229	6,502,480	1,200,200	871,655	2,259,213	3,064,315
Business-type activities	1,223,345	2,248,829	2,325,491	1,305,751	122,079	3,038,239	948,944	(239,128)	58,448	823,328
Total primary government activities	\$3,040,937	\$3,967,041	\$3,039,710	\$4,856,764	\$6,760,308	\$9,540,719	\$2,149,144	\$612,527	\$2,317,661	\$3,887,643

Source: City of Piqua Finance Department
 Fort Piqua Plaza enterprise began in October 2008
 Storm Water enterprise began in April 2010

(Concluded)

CITY OF PIQUA, OHIO

Table 3

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Nonspendable	\$ 9,801,232	\$ 12,515,872	\$ 12,514,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	12,457	18,638	20,665	-	-	-	-	-	-	-
Assigned	3,343,766	2,638,668	2,138,600	-	-	-	-	-	-	-
Reserved	-	-	-	10,834,537	9,926,096	4,039,446	413,703	867,692	181,424	967,139
Unassigned	7,037,036	5,346,681	5,294,013	7,987,100	6,674,596	8,594,514	7,675,124	5,827,239	6,961,400	4,694,765
Total General Fund	20,194,491	20,519,859	19,967,351	18,821,637	16,600,692	12,633,960	8,088,827	6,694,931	7,142,824	5,661,904
Street Maintenance Fund										
Restricted	2,980,963	2,276,323	1,754,063	-	-	-	-	-	-	-
Assigned	289,082	242,428	230,172	-	-	-	-	-	-	-
Reserved	-	-	-	359,365	50,166	163,780	10,766	4,121	1,432	230,919
Unassigned	-	-	-	1,374,925	1,433,773	1,003,903	610,379	435,921	282,168	15,563
Total Street Maintenance Fund	3,270,045	2,518,751	1,984,235	1,734,290	1,483,939	1,167,683	621,145	440,042	283,600	246,482
Street Levy Fund										
Restricted	1,703,787	1,434,873	1,311,585	-	-	-	-	-	-	-
Assigned	92,177	125,516	45,701	-	-	-	-	-	-	-
Reserved	-	-	-	197,384	409,802	45,903	86,492	30,642	228,872	438,821
Unassigned	-	-	-	1,145,679	384,273	410,922	227,390	207,500	95,817	(327,053)
Total Street Levy Fund	1,795,964	1,560,389	1,357,286	1,343,063	794,075	456,825	313,882	238,142	324,689	111,768
Other Governmental Funds										
Nonspendable	7,150	7,150	7,150	-	-	-	-	-	-	-
Restricted	166,859	115,427	511,724	-	-	-	-	-	-	-
Assigned	190,593	3	65,522	-	-	-	-	-	-	-
Reserved	-	-	-	1,025,223	949,265	863,657	642,604	430,985	360,451	446,431
Unassigned reported in:										
Revolving Loan/Program Income	-	-	-	33,117	72,554	49,165	52,846	51,418	38,357	37,361
Community Development	(148,076)	-	(19,999)	(130,314)	11,504	17,092	461,290	429,535	480,370	13,541
Trust	-	-	-	3,172	22,417	27,974	-	35,435	40,449	34,036
Conservancy	-	-	-	42,144	40,625	41,127	-	56,060	51,677	45,595
Safety Pension	-	-	-	-	72,456	60,676	39,106	107,463	107,463	73,886
Federal Grants	(39,478)	-	(40,320)	4,109	(103,727)	(5,410)	(152,714)	7,954	(44,177)	291,280
Total Other Governmental Funds	177,048	122,580	524,077	977,451	1,065,094	1,054,281	1,043,132	1,038,158	1,034,590	942,130
Governmental Funds										
Nonspendable	9,808,382	12,523,022	12,521,223	-	-	-	-	-	-	-
Restricted	4,864,066	3,845,261	3,598,037	-	-	-	-	-	-	-
Assigned	3,915,618	3,006,615	2,479,995	-	-	-	-	-	-	-
Reserved	-	-	-	12,416,509	11,335,329	5,112,786	1,153,565	1,333,440	772,179	2,083,310
Unassigned	6,849,482	5,346,681	5,233,694	10,459,932	8,608,471	10,199,963	8,913,421	7,077,833	8,013,524	4,878,974
Total Governmental Funds	\$ 25,437,548	\$ 24,721,519	\$ 23,832,949	\$ 22,876,441	\$ 19,943,800	\$ 15,312,749	\$ 10,066,986	\$ 8,411,273	\$ 8,785,703	\$ 6,962,284

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 4

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
REVENUES										
Municipal income tax	\$ 8,382,273	\$ 7,374,993	\$ 7,002,778	\$ 10,267,939	\$ 8,260,918	\$ 8,300,977	\$ 8,378,103	\$ 7,338,490	\$ 7,364,357	\$ 6,913,931
Property taxes	1,289,519	1,402,952	1,349,521	1,466,214	1,466,214	1,505,317	1,525,944	1,452,019	1,503,856	1,464,328
State shared revenues	2,585,245	2,764,569	3,781,537	3,199,733	2,530,167	3,192,533	3,086,008	2,440,954	2,309,931	2,428,657
Locally levied taxes	1,180,220	1,173,438	1,123,045	1,259,107	1,291,091	1,309,110	1,249,360	1,095,211	1,057,683	1,084,235
Licenses and permits, fees	1,333,529	1,054,458	1,020,519	949,578	1,073,084	574,837	314,412	358,178	282,538	351,468
Grants: capital	109,763	392,849	512,522	1,766,624	3,975,696	208,958	3,365	402,414	665,148	-
Grants: operating	683,653	863,231	372,788	765,164	1,954,777	600,798	713,537	714,033	623,044	3,053,192
Investment income	141,194	157,392	109,066	253,369	492,617	420,761	249,393	150,072	176,014	241,329
Increase in fair market value of investments	(34,239)	(22,878)	(11,293)	55,323	12,071	18,769	(33,256)	(29,936)	(78,911)	8,739
Donations: capital	-	-	21,600	55,500	3,200	650,347	57,122	193,680	72,075	73,627
Donations: operating	94,594	551,328	180,976	361,555	346,537	2,607,444	26,321	28,595	17,656	343
Other fines, rents, and reimbursements	322,528	524,995	716,342	657,330	325,783	1,518,010	444,458	367,119	271,811	249,637
Total revenues	16,088,279	16,237,327	16,179,401	21,043,931	21,732,155	20,907,861	16,014,767	14,510,829	14,265,202	15,869,486
EXPENDITURES										
General government administration	1,210,761	1,278,817	1,287,163	1,501,156	1,694,424	1,356,040	1,115,766	1,147,891	1,109,423	1,258,233
Public safety	7,192,718	7,464,385	7,506,391	7,775,613	7,676,395	7,567,735	7,117,151	7,134,397	6,442,819	6,142,233
Public health	329,242	360,499	435,469	496,914	521,419	393,863	331,834	318,869	301,939	273,225
Street repairs and maintenance	2,060,615	2,192,766	2,639,293	4,137,209	2,221,531	1,936,590	2,591,792	1,941,396	1,680,773	2,260,992
Parks and recreation	361,895	461,977	609,908	828,421	633,438	661,920	637,044	573,008	509,630	514,476
Community planning and development	378,885	610,155	321,094	942,424	544,972	749,395	1,281,353	703,930	593,528	637,002
Other	63,174	55,043	55,521	112,288	78,846	106,092	160,982	103,674	142,634	65,991
Capital improvements	1,132,280	1,240,777	2,123,231	1,581,034	5,093,251	1,991,144	1,306,288	2,407,139	2,105,214	4,516,303
Debt service:										
Principal	2,010,985	871,353	802,604	737,596	683,457	524,404	805,840	448,413	415,805	381,299
Interest	201,592	248,969	273,818	293,522	192,915	184,195	217,845	231,512	248,143	268,308
Payment of pension liability	-	-	-	-	-	-	-	-	-	-
Total expenditures	14,942,147	14,784,741	16,054,492	18,406,177	19,340,648	15,471,378	15,565,895	15,010,229	13,549,908	16,318,062
Excess (deficiency) of revenues over expenditures	1,146,132	1,452,586	124,909	2,637,754	2,391,507	5,436,483	448,872	(499,400)	715,294	(448,576)
OTHER FINANCING SOURCES (USES):										
Issuance of debt	49,329	73,777	1,122,882	486,977	2,421,007	-	474,842	236,037	99,155	-
Disposal of capital assets	6,500	56,482	9,515	1,852	18,468	6,383	385,572	73,018	93,971	-
Transfers in	2,157,880	1,051,569	1,024,720	1,051,982	689,718	657,677	899,980	1,258,438	2,430,459	4,931,844
Transfers out	(2,659,741)	(1,366,662)	(1,325,518)	(1,245,924)	(889,649)	(854,780)	(1,036,588)	(1,489,298)	(1,490,406)	(4,983,125)
Total other financing sources (uses)	(446,032)	(178,834)	831,599	294,887	2,239,544	(190,720)	723,806	78,195	1,133,179	(51,281)
Net change in fund balances	\$ 700,100	\$ 1,273,752	\$ 956,508	\$ 2,932,641	\$ 4,631,051	\$ 5,245,763	\$ 1,172,678	\$ (421,205)	\$ 1,848,473	\$ (499,857)
Debt service as a percentage of Noncapital expenditures	16.0%	8.3%	7.7%	6.1%	6.2%	5.3%	7.2%	5.4%	5.8%	5.5%

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 5

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2011	1.75%	\$ 8,184,808	\$ 6,258,548	77%	\$ 1,276,083	16%	\$ 650,177	8%
2010	1.75%	\$ 7,531,133	\$ 5,910,484	79%	\$ 1,004,631	13%	\$ 616,018	8%
2009	1.75%	\$ 8,772,129	\$ 6,659,669	76%	\$ 533,486	6%	\$ 1,578,974	18%
2008	1.75%	\$ 9,299,939	\$ 6,635,823	71%	\$ 1,070,972	12%	\$ 1,593,144	17%
2007	1.75%	\$ 8,278,497	\$ 6,441,487	78%	\$ 1,279,369	15%	\$ 557,641	7%
2006	1.75%	\$ 8,304,428	\$ 6,300,579	76%	\$ 1,458,825	18%	\$ 545,024	6%
2005	1.75%	\$ 8,285,031	\$ 6,394,175	77%	\$ 1,316,266	16%	\$ 574,590	7%
2004	1.75%	\$ 7,291,145	\$ 5,858,601	80%	\$ 872,733	12%	\$ 559,811	8%
2003	1.75%	\$ 7,377,796	\$ 5,773,887	78%	\$ 1,030,707	14%	\$ 573,202	8%
2002	1.75%	\$ 6,987,530	\$ 5,911,906	85%	\$ 594,701	9%	\$ 480,923	6%

Source: City of Piqua Income Tax Department

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

Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2010	0-20,000	3,686	43.45%	30,140,775	8.54%
2010	20,001-40,000	2,165	25.52%	62,966,356	17.84%
2010	40,001-60,000	1,153	13.59%	56,532,271	16.01%
2010	60,001-80,000	668	7.87%	46,150,475	13.07%
2010	80,001-100,000	354	4.17%	31,501,041	8.92%
2010	over 100,000	458	5.40%	125,718,520	35.61%
	Total	8,484		353,009,438	
2009	0-20,000	3,853	44.03%	31,893,835	9.70%
2009	20,001-40,000	2,222	25.39%	64,796,876	19.71%
2009	40,001-60,000	1,201	13.72%	58,741,763	17.87%
2009	60,001-80,000	673	7.69%	46,361,870	14.10%
2009	80,001-100,000	350	4.00%	30,959,276	9.42%
2009	over 100,000	452	5.17%	95,978,422	29.20%
	Total	8,751		328,732,042	
2008	0-20,000	3,239	40.84%	26,422,402	6.00%
2008	20,001-40,000	2,039	25.71%	59,730,456	13.57%
2008	40,001-60,000	1,154	14.55%	56,625,342	12.86%
2008	60,001-80,000	688	8.67%	47,651,794	10.82%
2008	80,001-100,000	347	4.37%	30,879,337	7.01%
2008	over 100,000	465	5.86%	218,983,220	49.74%
	Total	7,932		440,292,551	
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	6,663		283,946,816	
2006	0-20,000	2,887	43.04%	23,417,853	8.42%
2006	20,001-40,000	1,685	25.12%	49,085,205	17.65%
2006	40,001-60,000	996	14.85%	48,996,734	17.61%
2006	60,001-80,000	551	8.21%	37,597,868	13.52%
2006	80,001-100,000	270	4.03%	23,845,560	8.57%
2006	over 100,000	319	4.75%	95,221,726	34.23%
	Total	6,708		278,164,946	
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	6,519		270,394,222	
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	6,788		299,634,422	

Source: City of Piqua, Ohio Income Tax Department-certain amounts may be estimates-years are tax years. The City instituted a mandatory filing requirement in 2008. Comparisons between 2008 and prior years may be exaggerated. Prior to 2008 the number of filers does not equal total taxpayers due to taxpayers paying city taxes through employer withholding without a filing requirement. Tax years 2003, 2002, and 2001 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	City Millage	Total Levy	Current Collection	Percent of Total Levy Collected	Cumulative Delinquency	Real Property		Personal and Utilities		Total Assessed Value	Estimated Total Property Value of City
						Assessed Value	Property Assessed Value	Assessed Value	Property Assessed Value		
2010	4.42	\$ 1,406,037	\$ 1,363,450	96.97	\$ 93,825	\$309,425,580	\$ 2,046,590	\$311,472,170	\$1,071,973,217		
2009	4.42	1,488,065	1,442,184	96.92	100,176	331,920,190	2,239,240	334,159,430	1,137,054,885		
2008	4.42	1,483,596	1,431,473	96.49	113,228	326,538,330	18,107,090	344,645,420	1,005,395,017		
2007	4.42	1,558,181	1,510,445	96.94	178,881	326,748,650	35,134,860	361,883,510	1,074,107,011		
2006	4.42	1,545,521	1,485,097	96.09	115,635	301,859,760	52,758,960	354,618,720	1,073,492,297		
2005	4.42	1,550,670	1,512,109	97.51	92,928	296,243,040	63,527,520	359,770,560	1,100,518,766		
2004	4.42	1,581,499	1,544,095	97.63	91,922	291,828,330	65,159,360	356,987,690	1,073,492,297		
2003	4.42	1,533,847	1,492,929	97.33	80,678	277,754,750	70,142,460	347,897,210	1,094,432,669		
2002	4.42	1,543,196	1,501,773	97.32	80,815	275,053,010	76,389,910	351,442,920	1,091,425,383		
2001	4.42	1,549,860	1,511,981	97.56	69,998	270,749,680	73,192,390	343,942,070	1,066,340,074		

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

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities										
General obligation bonds	\$ 290,000	\$ 325,000	\$ 875,000	\$ 1,000,000	\$ 1,455,000	\$ 1,898,347	\$ 2,315,740	\$ 2,713,133	\$ 3,083,620	\$ 3,434,107
Special assessment bonds	129,028	95,664	62,602	91,397	124,230	136,089	175,960	193,654	186,042	180,571
Pension refunding bonds	275,000	295,000	315,000	335,000	355,000	375,000	390,000	405,000	420,000	435,000
Taxable revenue bonds	-	1,800,000	2,010,000	2,210,000	2,400,000	-	-	-	-	-
Promissory Notes	1,019,201	1,159,221	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	1,713,229	3,674,885	4,472,461	4,152,183	4,402,801	2,665,251	3,189,655	3,520,652	3,689,662	4,049,678
Business type activities										
General obligation bonds	1,022,126	1,529,281	2,021,437	2,498,590	2,960,745	3,634,555	4,294,317	4,944,078	5,821,380	6,080,893
Mortgage revenue bonds	-	-	-	-	-	-	-	-	-	-
Promissory Notes	5,906,473	6,619,079	6,893,177	3,482,775	3,971,061	4,401,095	4,615,594	4,233,098	4,907,971	5,456,063
Total gross business-type activities indebtedness	6,928,599	8,148,360	8,914,614	5,981,365	6,931,806	8,035,650	8,909,911	9,177,176	10,729,351	11,536,956
Total gross primary government indebtedness	8,641,828	11,823,245	13,387,075	10,133,548	11,334,607	10,700,901	12,099,566	12,697,828	14,419,013	15,586,634
Percent of personal income	2.07%	2.80%	2.80%	2.09%	2.36%	2.24%	2.62%	2.85%	3.35%	3.75%
Per capita	\$ 420	\$ 575	\$ 646	\$ 489	\$ 547	\$ 516	\$ 583	\$ 612	\$ 695	\$ 752
Less debt outside limitations:										
Less debt service fund balance	3,983	4,100	52,509	71,080	82,573	77,135	66,779	63,193	49,208	50,472
Exempt self-supporting obligation debt:	\$1,022,126	\$1,529,281	\$2,021,437	\$2,498,590	\$2,960,745	\$3,634,555	\$4,294,317	\$4,944,078	\$5,821,380	\$6,080,893
Pension refunding bonds	275,000	295,000	315,000	335,000	355,000	375,000	390,000	405,000	420,000	435,000
Exempt self-supporting tax revenue bonds	-	1,800,000	2,010,000	2,210,000	2,400,000	-	-	-	-	-
Special assessment bonds	129,028	95,664	62,602	91,397	124,230	136,089	175,960	193,654	186,042	180,571
Exempt self-supporting notes	6,925,674	7,778,300	8,103,036	3,969,752	3,971,061	4,550,095	4,764,594	4,233,098	4,907,971	5,456,063
Net debt within limitation for both Voted and Unvoted debt	286,017	320,900	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635
Percent of estimated actual property value	0.09%	0.10%	0.24%	0.26%	0.41%	0.54%	0.67%	0.82%	0.86%	0.98%
Per capita	\$ 14	\$ 16	\$ 40	\$ 46	\$ 69	\$ 93	\$ 116	\$ 138	\$ 146	\$ 163
Debt limitation for both voted and unvoted debt 10.5% of assessed valuation	32,704,578	35,086,740	36,187,769	37,997,769	37,234,966	37,775,909	37,483,707	36,529,207	36,901,507	36,113,917
Legal debt margin for voted and unvoted debt	32,418,561	34,765,840	35,365,278	37,040,040	35,793,988	35,847,882	35,075,791	33,670,402	33,867,095	32,730,282
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	0.87%	0.91%	2.27%	2.52%	3.87%	5.10%	6.42%	7.83%	8.22%	9.37%
Net debt within limitation for both voted and unvoted limitation	286,017	320,900	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635
Less voted debt	-	-	-	-	-	-	-	-	-	-
Net debt with limitation for unvoted debt	286,017	320,900	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635
Debt limitation for Unvoted debt 5.5% of assessed valuation	17,130,969	18,378,769	18,955,498	19,903,593	19,504,030	19,787,381	19,634,323	19,134,347	19,329,361	18,916,814
Legal debt margin for unvoted debt	16,844,952	18,057,869	18,133,007	18,945,864	18,063,052	17,859,354	17,226,407	16,275,542	16,294,949	15,533,179
Net debt within limitation for unvoted debt as a percentage of debt limit	1.67%	1.75%	4.34%	4.81%	7.39%	9.74%	12.26%	14.94%	15.70%	17.89%

Source: City of Piqua Finance Department

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2011

	<u>Gross Debt</u>	<u>Debt Service</u>	<u>Net Debt</u>	<u>Percent Applicable to City (1)</u>	<u>City's Share</u>
Piqua School District	\$13,737,294	\$ 942,770	\$ 12,794,524	76.70%	\$ 9,813,340
Upper Valley Joint Vocational School	7,285,000	657,706	6,627,294	13.60	901,312
Miami County	<u>20,690,339</u>	<u>43,203</u>	<u>20,647,136</u>	14.37	<u>2,966,993</u>
Total overlapping debt	41,712,633	1,643,679	40,068,954		13,681,645
City of Piqua	8,641,828	368,769	8,273,059	100.00%	8,273,059
Total net direct and overlapping debt	<u>\$50,354,461</u>	<u>\$ 2,012,448</u>	<u>\$ 48,342,013</u>		<u>\$ 21,954,704</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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Power										
Gross revenues	\$ 23,577,274	\$ 24,367,582	\$ 23,275,187	\$ 24,078,303	\$ 21,488,905	\$ 18,725,494	\$ 18,393,373	\$ 16,768,510	\$ 16,872,661	\$ 17,648,101
Direct operating expenses	21,555,462	20,803,628	20,383,460	21,765,513	20,643,787	14,259,799	15,553,778	15,403,238	15,151,271	15,639,200
Net revenue available for debt service	2,021,812	3,563,954	2,891,727	2,312,790	845,118	4,465,695	2,839,595	1,365,272	1,721,390	2,008,901
General obligation debt service requirements	408,430	405,590	406,690	410,259	408,495	410,539	402,880	403,789	488,902	449,075
Revenue obligation debt service requirements	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service coverage	495	879	711	564	207	1,088	705	338	352	447
Wastewater										
Gross revenues	\$ 3,421,874	\$ 3,484,594	\$ 3,261,068	\$ 3,112,707	\$ 2,756,313	\$ 2,730,291	\$ 2,690,664	\$ 2,650,812	\$ 2,640,767	\$ 2,673,074
Direct operating expenses	2,128,589	1,832,970	1,864,562	1,767,872	1,678,005	1,832,516	1,629,290	1,588,385	1,532,618	1,414,830
Net revenue available for debt service	1,293,285	1,651,624	1,396,506	1,344,835	1,078,308	897,775	1,061,374	1,062,427	1,108,150	1,258,244
General obligation debt service requirements	-	-	-	-	176,963	188,925	200,888	212,850	224,813	236,775
Revenue obligation debt service requirements	\$ 809,929	\$ 781,841	\$ 506,537	\$ 506,537	\$ 506,537	\$ 506,537	\$ 820,578	\$ 824,628	\$ 824,628	\$ 824,628
Debt service coverage	160	211	276	265	158	129	104	102	106	119
Water										
Gross revenues	\$ 3,157,271	\$ 3,339,333	\$ 3,125,486	\$ 3,004,270	\$ 2,751,678	\$ 2,673,640	\$ 2,545,102	\$ 2,516,706	\$ 2,505,710	\$ 2,531,566
Direct operating expenses	2,734,125	2,515,982	2,316,503	2,321,310	2,246,806	2,109,256	2,185,363	2,025,244	1,845,434	2,116,968
Net revenue available for debt service	423,146	823,351	808,983	682,960	504,872	564,384	359,739	491,462	660,276	414,598
General obligation debt service requirements	-	-	-	-	50,947	52,910	50,238	48,281	50,468	52,578
Revenue obligation debt service requirements	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 135,122	\$ 223,753	\$ 66,411	\$ -	\$ -	\$ -
Debt service coverage	288	559	550	464	271	204	308	1,018	1,308	789
Golf										
Gross revenues	\$ 471,609	\$ 536,337	\$ 596,423	\$ 608,369	\$ 623,722	\$ 600,967	\$ 625,511	\$ 594,655	\$ 562,643	\$ 504,753
Direct operating expenses	440,196	467,903	502,379	525,446	568,058	550,122	539,118	541,073	467,023	390,479
Net revenue available for debt service	31,413	68,434	94,044	82,923	55,664	50,845	86,393	53,582	95,620	114,274
General obligation debt service requirements	167,285	\$ 171,308	\$ 170,118	\$ 168,385	\$ 180,231	\$ 177,532	\$ 180,205	\$ 265,233	\$ 215,598	\$ 230,774
Debt service coverage	19	40	55	49	31	29	48	20	44	50
Pool										
Gross revenues	\$ 79,027	\$ 74,967	\$ 80,052	\$ 93,172	\$ 89,708	\$ 90,075	\$ 96,102	\$ 74,383	\$ 77,338	\$ 91,672
Direct operating expenses	136,185	131,471	148,190	155,035	150,393	130,650	134,709	120,242	118,075	116,283
Net revenue available for debt service	(57,158)	(56,504)	(68,138)	(61,863)	(60,685)	(40,575)	(38,607)	(45,859)	(40,737)	(24,611)
General obligation debt service requirements	\$ 8,435	\$ 8,637	\$ 8,577	\$ 8,490	\$ 8,622	\$ 8,493	\$ 8,603	\$ 12,932	\$ 10,410	\$ 11,156
Debt service coverage	(678)	(654)	(794)	(729)	(704)	(478)	(449)	(355)	(391)	(221)

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

Source: City of Piqua Finance Department

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2011**

<u>NAME OF EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL EMPLOYMENT</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Industry Products	Manufacturer of die cutting equipment	351	3.6%
Walmart Stores Inc.	Retail store	345	3.6%
Piqua City Schools	Public school district	357	3.7%
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	285	2.9%
Tailwind Technologies Inc.	Manufacturer of aircraft propellers	268	2.8%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	240	2.5%
Upper Valley JVS	Regional joint vocational school	235	2.4%
City of Piqua	Municipal government	218	2.3%
Edison Community College	State community college	227	2.3%
Jackson Tube Service Inc.	Manufacturer of steel tubing	160	1.7%
Total available employment		9,675	

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2002**

<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%
Jackson Tube Service Inc.	Manufacturer of steel tubing	350	3.6%
Charter Corporation	Manufacturer of aircraft propellers	313	3.2%
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	252	2.6%
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	185	1.9%
Edison Community College	State community college	174	1.8%
Total available employment		9,661	

Source: City of Piqua Income Tax Office

Table 12

CITY OF PIQUA, OHIO

PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2011
LAST EIGHT YEARS

Name of Taxpayer	Nature of Business	2011 Assessed Valuation	Percent of Total Assessed Valuation	2010	2009	2008	2007	2006	2005	2004
				Assessed Valuation						
Midamco	Shopping mall	\$ 4,825,900	1.55%	\$ 6,473,830	\$ 9,302,280	\$ 8,964,070	\$ 8,973,950	\$ 8,819,110	\$ 8,792,120	\$ 9,677,310
Harvey Tolson Real Estate	Shopping mall	4,057,130	1.30%	4,057,130	4,284,110	4,284,110	4,284,110	-	-	-
Walmart Stores Inc.	Retailer of consumer goods	3,180,870	1.02%	3,180,870	3,180,870	3,644,050	3,230,090	3,804,410	-	-
HCF Inc.	Nursing home	2,822,910	0.91%	2,822,910	2,822,910	2,863,080	2,863,080	2,863,080	2,863,080	2,606,780
Miami Valley Steel	Manufacturer of split rolled steel	2,324,010	0.75%	2,324,010	2,324,010	2,951,210	3,002,120	4,086,600	6,144,020	5,404,790
Spalding & Evenflo Co., Inc.	Manufacturer of juvenile furniture	2,177,460	0.70%	2,177,460	2,161,150	3,325,430	4,739,550	6,838,690	7,502,000	8,650,400
Home Depot Inc.	Hardware retailer	2,096,970	0.67%	2,096,970	2,084,010	2,408,880	2,819,960	3,071,200	3,240,210	3,240,210
Jackson Tube Service Inc.	Manufacturer of steel tubing	2,087,550	0.67%	2,087,550	3,045,220	4,144,950	5,959,740	8,455,350	9,498,430	9,099,760
Hartzell Industries	Manufacturer Industrial Fans	1,643,160	0.53%	1,643,160	1,643,160	1,643,160	1,643,160	1,643,160	1,643,160	1,643,160
BreRetail Residual LLC	Shopping mall	1,447,120	0.46%	1,447,120	1,234,770	2,342,310	2,120,300	1,313,880	1,215,880	1,607,140
TOTAL		\$ 26,663,080	8.56%	\$ 28,311,010	\$ 32,082,490	\$ 36,571,250	\$ 39,636,060	\$ 40,895,480	\$ 40,898,900	\$ 41,929,550
TOTAL ASSESSED VALUATION		\$ 311,472,170		\$ 334,159,430	\$ 344,645,420	\$ 361,883,510	\$ 354,618,720	\$ 359,770,560	\$ 356,987,690	\$ 347,897,210

Source: Miami County Auditor's Office

CITY OF PIQUA, OHIO

Table 13

**DEMOGRAPHIC AND
ECONOMIC STATISTICS
LAST TEN YEARS**

Year	Population ¹	Estimated		Per capita Personal Income ²	Miami County Unemployment rate ³	Household Median Income ²	Avg Sale Price for a Single Family Home ⁴
		Total Personal Income of City	Personal Income				
2011	20,552	\$ 416,732,904	\$ 20,277	7.4%	\$ 39,493	\$ 89,235	
2010	20,552	\$ 421,768,144	\$ 20,522	9.6%	\$ 42,226	\$ 91,387	
2009	20,738	478,499,000	23,074	12.2	44,347	101,200	
2008	20,738	484,937,000	23,384	8.1	44,566		
2007	20,738	481,080,000	23,198	6.3	44,212		
2006	20,738	477,264,000	23,014	5.4	43,861		
2005	20,738	461,109,000	22,235	5.4	42,378		
2004	20,738	445,514,000	21,483	6.4	40,945		
2003	20,738	430,459,000	20,757	5.8	39,560		
2002	20,738	415,901,000	20,055	6.1	38,222		

Source:

- (1) 2000-2010 United State Census Bureau
- (2) 2009 American Community Survey
- (3) Ohio Department of Jobs and Family Services LMI
- (4) Miami County Ohio, Auditors office

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

<u>PROGRAM</u>	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
GOVERNMENTAL ACTIVITIES										
General Government:										
City Building	-	0.50	1.00	1.00	1.00	1.00	1.00	1.00	-	-
City Manager	2.00	2.00	2.00	3.00	3.25	3.25	2.25	2.00	3.00	3.00
Law Department	2.00	2.00	2.00	2.00	1.75	1.25	1.25	1.25	1.25	1.25
Planning and Zoning	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-
Prosecutor	-	-	-	-	-	1.00	0.75	0.75	0.75	1.00
Human Resources	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75
Finance	20.00	21.00	21.00	20.00	20.00	20.00	20.00	19.50	20.00	21.00
Purchasing	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Engineering	4.50	4.50	4.50	3.50	4.50	4.50	6.00	6.00	6.00	6.00
Hotel Project Manager	-	-	-	1.00	1.00	1.00	-	-	-	-
Health	4.00	3.50	4.50	6.00	6.00	6.00	5.00	5.00	5.00	5.00
Public Safety:										
Police	35.00	40.00	40.00	38.00	40.00	40.00	40.00	40.50	40.00	39.00
Fire	28.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Streets:	15.00	16.00	15.00	17.00	17.00	17.00	17.00	16.00	17.50	19.00
Parks:	7.50	8.00	7.50	11.00	11.00	11.00	9.75	9.75	13.00	13.00
Community Development:	2.00	2.00	2.00	2.00	2.75	2.75	2.75	3.00	3.00	2.00
Total governmental activities	125.00	134.50	134.50	139.50	143.25	143.50	140.50	137.50	141.25	142.00
BUSINESS-TYPE ACTIVITIES										
Power:	25.50	26.50	26.50	26.50	33.50	33.50	37.00	37.00	37.00	38.00
Wastewater:	14.00	14.70	14.50	14.50	14.00	14.00	14.00	14.00	14.00	15.50
Water:	15.50	17.70	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50
Stormwater	1.50	1.00	-	-	-	-	-	-	-	-
Refuse:	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Golf:	10.00	9.00	8.00	7.00	13.00	14.00	13.00	14.00	14.00	10.50
Pool:	16.00	16.00	16.00	14.00	15.00	14.00	15.00	15.00	15.50	16.50
Total business-type activities	90.50	92.90	91.50	88.50	102.00	102.00	105.50	106.50	107.00	107.00
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	218.50	230.40	229.00	231.00	248.25	248.50	249.00	247.00	251.25	252.00

Source: City of Piqua 2011-2002 annual budgets

Method: Using 1.0 for each full-time employee and increments of 0.5 for each part-time employee.

Count taken at December 31.

CITY OF PIQUA, OHIO

Table 15

OPERATING INDICATORS
BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Health Department										
Restaurant inspections	439	750	965	536	672	702	688	501	789	697
Swimming pool inspections	42	45	64	52	70	60	42	31	66	61
Nuisance consultations	924	1,526	1,931	2,285	2,551	3,447	2,235	1,753	1,891	1,898
Housing/Property maintenance enforcements	198	618	1,888	2,016	2,910	2,501	1,395	1,333	1,441	1,248
Public Works										
Right of way opening permits	121	110	90	110	100	77	87	52	26	0
Subdivision construction plan approvals	0	0	0	0	2	2	2	0	4	n/a
Area of City (in square miles)	11.8	11.8	11.8	11.4	11.4	11.4	11.4	11.3	11.3	11.3
Street Maintenance										
Miles of streets	103	103	103	103	103	100.4	100.4	103.3	103	100.3
Miles of streets repaved	8.3	3.9	1.8	3.4	5.8	2.5	4.2	3.9	1.9	2.5
Cubic yards of leaves disposed of	2070	2057	1209	907	804	1555	1022	n/a	n/a	n/a
Tons of salt used	2,250	2,500	1,500	2,750	3,000	450	2,300	n/a	n/a	n/a
Parks District										
Number of parks	19	19	19	19	19	19	19	19	19	19
Acreage in parks	441.8	441.8	441.8	441.8	441.8	441.8	441.8	441.8	441.8	429
Building rentals Mote Park	189	196	266	252	260	340	311	301	320	329
Building rentals all other parks	157	270	228	198	189	200	199	189	186	129
Fire Department										
Fire calls	482	474	439	540	514	500	466	450	475	489
Ems Response calls	3,536	3,176	3,153	3,230	3,083	3,120	2,990	3,083	2,787	2,551
Number of Sworn officers	27	28	29	29	29	29	29	29	29	29
Number of Fire houses	1	1	1	1	1	1	1	1	1	1
Number of ambulances and fire response vehicles	13	13	13	13	13	13	13	12	11	11
Police Department										
Calls for service	20,628	20,628	23,053	23,195	22,618	24,627	28,895	31,318	31,103	33,393
Traffic citations	1,299	1,299	1,666	763	1,240	2,182	1,737	1,978	1,931	2,144
Number of sworn officers	31	31	33	33	34	34	34	34	34	33
Number of police response vehicles	25	25	25	26	26	26	26	24	24	24
Planning & Zoning Department										
Zoning Permit applications	179	167	99	142	152					
Commercial construction permits	115	82	37	40	47					
Commercial construction value in (,000)	\$ 2,667	\$ 4,635	\$ 2,497	\$ 3,957	\$ 12,124	\$ 7,244	\$ 11,774	\$ 12,619	\$ 7,939	\$ 2,681
Residential construction permits	64	85	62	98	103	107	44	50	34	56
Residential construction value in (,000)	\$ 1,322	\$ 1,649	\$ 1,417	\$ 2,790	\$ 2,836	\$ 4,807	\$ 8,195	\$ 8,558	\$ 5,284	\$ 8,244

(Continued)

CITY OF PIQUA, OHIO

Table 15

OPERATING INDICATORS
BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Power utility										
Residential KWH billed (,000)	91,442	92,475	87,344	91,290	94,310	91,042	93,113	86,429	86,476	89,791
Residential billed revenue (,000)	\$ 8,512	\$ 8,590	\$ 8,242	\$ 7,805	\$ 6,825	\$ 5,675	\$ 5,824	\$ 5,198	\$ 5,211	\$ 5,534
Commercial KWH billed (,000)	103,290	107,057	109,155	113,026	114,998	119,563	118,880	114,671	108,145	110,991
Commercial billed revenue (,000)	\$ 7,896	\$ 8,132	\$ 8,521	\$ 8,339	\$ 7,219	\$ 6,670	\$ 6,719	\$ 6,258	\$ 5,921	\$ 6,233
Industrial KWH billed (,000)	112,516	103,184	91,855	110,693	110,690	105,373	96,145	91,083	93,246	95,461
Industrial billed revenue (,000)	\$ 7,217	\$ 6,664	\$ 6,310	\$ 7,087	\$ 6,180	\$ 5,141	\$ 4,853	\$ 4,380	\$ 4,559	\$ 4,816
Customer base	10,935	10,962	10,941	11,086	11,047	11,081	11,124	11,072	11,015	10,941
Construction line vehicles	25	25	25	25	25	25	25	25	25	25
Water utility										
Residential gallons billed (,000)	378,982	393,495	409,533	417,479	441,838	437,129	462,664	456,342	455,804	466,323
Residential billed revenue (,000)	\$ 2,285	\$ 2,354	\$ 2,264	\$ 2,149	\$ 1,937	\$ 1,871	\$ 1,856	\$ 1,834	\$ 1,830	\$ 1,855
Commercial gallons billed (,000)	131,499	132,298	129,742	139,917	160,127	156,082	160,263	155,211	148,757	159,680
Commercial billed revenue (,000)	\$ 652	\$ 635	\$ 622	\$ 563	\$ 533	\$ 517	\$ 500	\$ 491	\$ 480	\$ 499
Industrial gallons billed (,000)	41,973	43,209	44,350	56,398	48,475	41,575	39,167	41,267	38,294	46,166
Industrial billed revenue (,000)	\$ 164	\$ 169	\$ 161	\$ 179	\$ 139	\$ 120	\$ 111	\$ 115	\$ 110	\$ 125
Customer base	8,789	8,721	8,726	8,715	8,776	8,892	8,828	8,811	8,733	8,670
Vehicles in repair fleet	10	10	10	10	10	10	10	10	10	10
Wastewater utility										
Residential gallons billed (,000)	378,651	379,749	396,510	404,465	427,048	427,332	452,488	443,564	446,267	448,764
Residential billed revenue (,000)	\$ 2,595	\$ 2,602	\$ 2,451	\$ 2,287	\$ 2,002	\$ 1,960	\$ 2,035	\$ 2,003	\$ 2,006	\$ 2,014
Commercial gallons billed (,000)	113,783	115,551	124,461	127,089	129,902	134,651	135,340	133,097	129,590	135,082
Commercial billed revenue (,000)	\$ 555	\$ 554	\$ 544	\$ 500	\$ 436	\$ 438	\$ 438	\$ 434	\$ 425	\$ 440
Industrial gallons billed (,000)	47,955	47,559	49,626	63,343	60,383	57,949	53,457	49,427	44,058	56,070
Industrial billed revenue (,000)	\$ 234	\$ 235	\$ 225	\$ 247	\$ 196	\$ 183	\$ 171	\$ 161	\$ 147	\$ 175
Customer base	8,400	8,387	8,400	8,507	8,471	8,491	8,489	8,487	8,413	8,365
Vehicles in repair fleet	9	9	9	9	9	9	8	8	8	8
Refuse utility										
Residential customers billed	7,718	7,659	7,648	7,593	7,600	7,652	7,648	7,594	7,490	7,465
Commercial customers billed	98	103	99	96	97	74	75	78	77	76
Residential and commercial revenue billed (,000)	\$ 1,447	\$ 1,438	\$ 1,439	\$ 1,349	\$ 1,245	\$ 1,108	\$ 1,082	\$ 1,037	\$ 1,023	\$ 1,031
Tons of refuse collected	7751	7608	7782	8484	8745	9375	9271	9476	9656	9256
Tons of recycled refuse collected	1448	1104	1189	1246	1171	1192	1069	912	1079	1043
Recycling fees collected(,000)	285	285	288	266	244	224	219	212	209	169
Vehicles in service	7	7	7	7	7	7	7	7	7	7
Stormwater utility										
Residential customers billed	2734	2737	n/a							
Commercial customers billed	5159	5176	n/a							
Residential and commercial revenue billed (,000)	814	647	n/a							

(Continued)

CITY OF PIQUA , OHIO

Table 15

OPERATING INDICATORS
BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Golf Course										
Annual memberships	159	161	145	162	151	153	256	131	154	384
Rounds of golf played	15,205	12,800	19,018	22,969	22,750	22,965	25,033	24,151	22,230	28,262
Revenue collected (,000)	\$ 472	\$ 534	\$ 596	\$ 605	\$ 618	\$ 597	\$ 623	\$ 593	\$ 562	\$ 501
Municipal swimming pool										
Annual memberships	567	408	328	316	373	n/a	n/a	n/a	n/a	n/a
Annual attendance	9,921	15,697	13,930	19,273	18,119	20,435	21,439	24,670	25,283	25,552
Revenue collected (,000)	\$ 79	\$ 75	\$ 80	\$ 93	\$ 89	\$ 89	\$ 95	\$ 74	\$ 77	\$ 91
Fort Piqua Plaza										
Large room rentals	78	56	42	n/a						
Small room rentals	51	71	43	n/a						
Audio visual equipment rentals	129	48	27	n/a						
Revenue collected (,000)	\$ 106	\$ 115	\$ 62	n/a						
General government information										
Number of street lights	2,884	2,884	2,884	2,884	2,884	2,884	2,884	2,884	2,899	2,902
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Volumes of books in public libraries	139,927	134,615	132,048	123,333	140,181	136,023	137,389	136,096	165,179	107,000
High school enrollment	3,638	3,692	3,737	3,737	3,766	3,792	3,922	3,932	3,932	3,861

Source: City of Piqua

(Concluded)