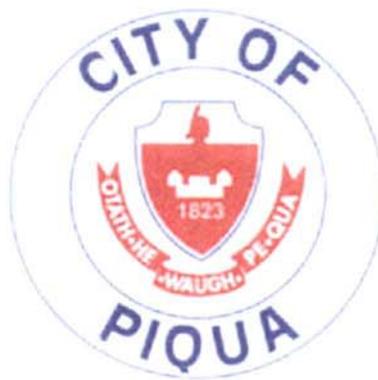




Comprehensive Annual Financial Report
for the year ended December 31, 2012



CITY OF PIQUA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2012

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

Introductory Section



**CITY OF PIQUA, OHIO
TABLE OF CONTENTS**

<u>INTRODUCTORY SECTION:</u>	Page
Letter of Transmittal	1-5
City Officials	6
City Organizational Chart	7
Certificate of Achievement for Excellence in Financial Reporting	8
<u>FINANCIAL SECTION:</u>	
Independent Auditors' Report	9-10
Management's Discussion and Analysis	11-21
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	22
Statement of Activities	23
Fund Financial Statements:	
Balance Sheet Governmental Funds	24
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	25
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	26
Balance Sheet Proprietary Funds	27-28
Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds	29
Statement of Cash Flows Proprietary Funds	30
Statement of Fiduciary Net Position/Statement of Changes in Fiduciary Net Position	31
Notes to the Basic Financial Statements	32-50
<u>REQUIRED SUPPLEMENTAL INFORMATION:</u>	
Budget (GAAP BUDGET) to Actual Comparison Schedules:	
General Fund	51-53
Street Maintenance Fund	54
Street Levy Construction Fund	55
Notes to the Required Supplemental Information	56

**CITY OF PIQUA, OHIO
TABLE OF CONTENTS**

OTHER SUPPLEMENTAL DATA: (NON-MAJOR)

	Table	Page
Descriptions of Non Major Funds		57
Descriptions of Non Major Internal Service/Fiduciary Funds		58
Combining Balance Sheet Non Major Funds		59-60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non Major Funds		61-62
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (GAAP Budget) Non Major Funds		63-65
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (GAAP Budget)-Debt Service Fund		66
Combining Balance Sheet-Internal Service Funds		67
Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds		68
Combining Statement of Cash Flows-Internal Service Funds		69
Combining Statement of Fiduciary Net Position		70
Combining Statement of Changes in Assets and Liabilities-Agency Funds		71

STATISTICAL SECTION:

Table of Contents		72
Net Position by Component - Last Ten Years	1	73
Changes in Net Position - Last Ten Years	2	74-75
Governmental Fund Balances - Last Ten Years	3	76
Changes in Fund Balances of all Governmental Funds - Last Ten Years	4	77
Income Tax Revenue Collections by Type - Last Ten Years	5	78
Income Tax Collections by Income Range - Last Eight Years	6	79
Ad Valorem - Property Tax Levies, Collection; Real, & Utility Assessed Values - Last Ten Years	7	80
Ratio of Outstanding Debt by Type and General Bonded Debt Outstanding and Legal Debt Margin - Last Ten Years	8	81
Computation of Direct and Overlapping Debt	9	82
Debt Coverage Business Type Activities - Last Ten Years	10	83
Principal Employers - Current year and Ten years ago	11	84
Principal Property Taxpayers - Last Nine Years	12	85
Demographic and Economic Statistics - Last Ten Years	13	86
Full Time Employees by Program/Department - Last Ten Years	14	87
Operating Indicators/Capital Asset Statistics and Demographics by Function/Program - Last Ten Years	15	88-90



CITY OF PIQUA, OHIO

201 West Water Street • Piqua, Ohio 45356
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June 27, 2013

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, 2012. 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 5,212 students, is located on the east side of the city.

The City does not depend on one firm for local employment; as many as eight companies employ in excess of 200 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 of our highest priorities.

In 2012, the City of Piqua saw continued recovery in our local economy. Construction activity totaled \$11.3 million and represented one of the stronger years over the past decade. During 2012 there were four major expansion projects by leading employers: Hartzell Air Movement, Industry Products Company, Crayex Corporation and Industrial Spring Company. Total investment by these companies in new facilities, equipment and inventory exceeded \$15 million with new employment expected to reach 150 and more than 750 jobs retained.

Major Initiatives

Current Year Projects: During 2013 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 eleventh round and applying for its twelfth round of Federal Comprehensive Housing Improvement Programs in which local housing rehabilitation loans and grants totaling \$4,878,448 were given to some 370 qualified low and moderate income property owners. The City is also making available an additional \$90,000 in small business assistance loans.

The following significant events took place in 2012:

- Redevelopment of the City's downtown and surrounding areas.
- Neighborhood improvements through the Neighborhood Associations, City's Neighborhood Improvement Team and new Housing Enhancement League of Piqua (HELP).
- Completed East Ash Street reconstruction project
- Continued study, assessment and grant application for demolishing the Electric Power Plant.
- Completed construction of the Power System's new service center.
- Completed water source exploration decided to move forward with new Water Plant design.
- Continued monitoring long range financial plan.
- Continued ICMA performance benchmarks for all City departments.
- Awarded grant and started demolition of an area hospital to ready for redevelopment.
- Received the 2012 Healthiest Employer Award from the Dayton Business Journal

Future Projects: The city anticipates the following significant events to take place in 2013:

- Continue the redevelopment 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, City's Neighborhood Improvement Team and Housing Enhancement League of Piqua (HELP)
- Begin Phase II street reconstruction of North 25A
- Apply for Downtown redevelopment grant to continue façade improvements to downtown structures.
- Complete redevelopment of riverfront area adjacent to Power Plant with grant assistance.
- Begin beautification project on East Ash Street and US 36
- Apply for Ohio Department of Transportation signalization grant for College Street enhancements.
- Begin implementation of a City owned high speed fiber optic loop.
- Redeveloped hospital site will be transferred to the Piqua City Schools for a new school building
- Staffing for Adequate Fire and Emergency Response (SAFER) grant of over \$1 million for 2013-14.
- Implemented the Adopt-A-Program for city facilities and created a Community Garden area.

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 2012.

General Government

General Governmental Revenues: The 2012 municipal income tax revenue of \$8,024,044 decreased slightly; property and other tax revenues dropped. Interest revenue remained relatively the same and is expected to be similar in 2014 as rates remain low. Municipal income tax revenue is up slightly through May 2013 but is expected to be similar to 2012 levels. Grants were significantly higher in 2012 based on one time projects and are not expected to continue at that level in 2013.

General Governmental Expenditures: The 2012 General Governmental expenditures and other financing uses decreased 3.1% compared with 2011. In 2012, while more capital and community development projects were completed much less debt was retired.

General Fund Balances: Current year activity contributed to a \$318,444 decrease in the unassigned fund balance from 2011.

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 \$23.7 million with usage up 1.2% compared to 2011 levels. Revenues remained stable based on increased industrial use. Operating and capital grants of \$.4 million were received in 2012. With operating costs slightly higher, revenues exceeded expenses in 2012 by \$1,968,735.

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 2011 and 2012 Piqua achieved Platinum status, one of only fifty-six municipal electric systems in the country, representing less than 3% of all eligible electric systems for its superior reliability, safety, workforce development and system improvement programs.

Water System: Customer revenues of \$4.3 million were higher than 2011 levels due to a rate increase, a reimbursement, and usage up 28.3%. Operating expenses of \$3.1 million were down increasing the net income to \$1,211,803. More than 8,600 accounts are serviced by Piqua's municipal water system.

Wastewater System: Customer revenues of \$3.5 million were slightly higher than 2011 levels as usage was up 1.8%. Operating Expenses of \$3.4 million were up slightly. Net income was \$114,173 in 2012.

Refuse System: System revenues of \$1.8 million were similar to 2011 levels. Operating expenses of \$1.6 million remained near 2011 levels. Net income was slightly higher at \$179,241. Refuse service is provided to more than 7,800 customers.

Stormwater System: Customer revenues of \$819,584 represented the second full year of operations. Stormwater service received a capital grant of \$264,382 for a large project. Operating expenses of \$398,234 were similar to 2011. Net income was \$685,732 in 2012. 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 2012 audit was completed by Clark, Schaefer, Hackett & Co. and represents the thirty-third 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-second 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, 2012. 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-two consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

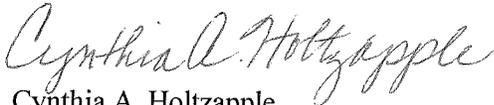
Acknowledgments

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

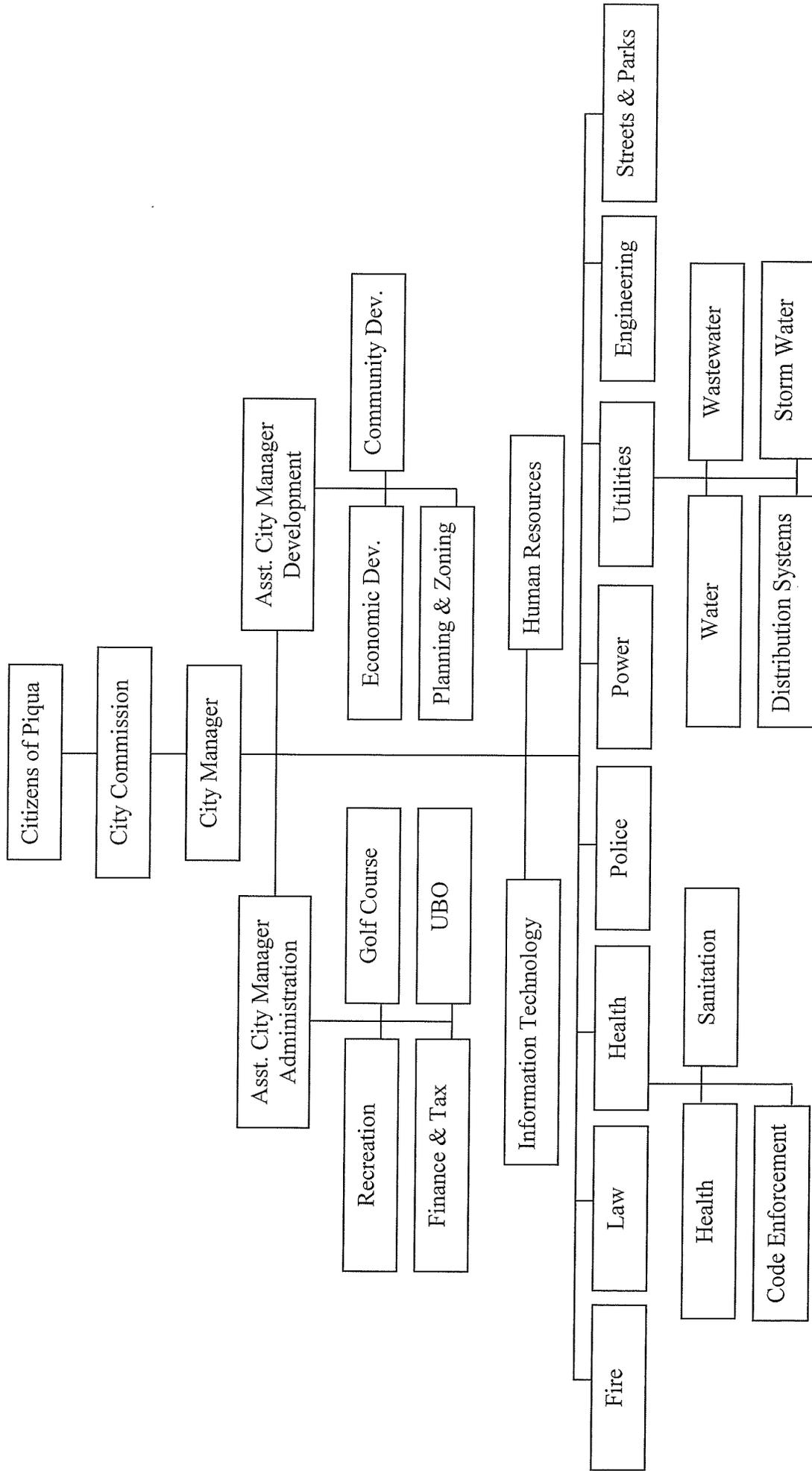
CITY MANAGER

Gary A. Huff

INDEPENDENT AUDITORS

Clark Schaefer Hackett & Co

City of Piqua 2012 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, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Emmer

Executive Director

Financial Section



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Ohio, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matters

Change in Accounting Principles

As described in Note R, during the year ended December 31, 2012, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Additionally, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Springfield, Ohio
June 27, 2013

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(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, 2012. 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, 2012 by \$147.2 million (net position). Of this amount, \$48.0 million is considered unrestricted. The unrestricted net position of the City's governmental activities is \$29.2 million and may be used to meet the government's on-going obligations. The unrestricted net position of the City's business-type activities are \$18.8 million and may be used to meet the on-going obligations of the City's business-type activities, including the water, wastewater, refuse, stormwater, and electricity enterprises.
- The City's total net position increased by \$7.0 million in 2012. Net position of the governmental activities increased \$2.8 million, which represents a 4.0 percent increase from 2011.
- The total cost of the City's programs decreased \$.1 million or .3 percent. The cost of governmental activities increased \$1.6 million or 11.7 percent, while the cost of business-type activities decreased \$1.7 million or 5.2 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$27.2 million. The combined governmental funds fund balance increased \$1.4 million from the prior year's ending fund balance. Approximately \$6.7 million of the \$27.2 million fund balance is considered unassigned at December 31, 2012.
- The general fund reported a fund balance of \$20.7 million at the end of the current fiscal year. The unassigned fund balance for the general fund was \$6.7 million or 65 percent of total general fund expenditures (including transfers out). There was a \$0.5 million increase in the total general fund balance for the year ended December 31, 2012.
- The City had \$1.1 million less in debt of bonds and notes outstanding at December 31, 2012 than at December 31, 2011.
- Total costs of governmental services increased by \$1.6 million, while net costs of services for governmental activities decreased by \$1.5 million.

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(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 Position 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 non-major funds presented in total in one column.

Reporting the City of Piqua as a Whole

Statement of Net Position 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 2012?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows 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 position and the changes in net position. This change in net position 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 Position 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, 2012
(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 Position and the Statement of Activities) and governmental funds in 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, 2012
(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 Position 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 Position and the Statement of Activities report information to help answer this question. The Net Position statement shows the difference between assets with deferred outflows and liabilities with deferred inflows, which is one way to measure the City's financial position. As reviewed over time, increases or decreases in the City's net position 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 position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities for both 2012 and 2011.

The amount by which the City's assets and deferred outflows exceed its liabilities and deferred inflows is called net position. Net position may serve over time as a useful indicator of a government's financial position. At year-end, the City's net position were \$147.2 million compared to \$140.2 million in 2011, an increase of \$7.0 million. Net Position for governmental activities increased \$2.8 million, while business-type activities increased \$4.2 million.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated
Current and other assets	\$ 34,612,005	\$ 32,670,644	\$ 22,679,758	\$ 23,794,591	\$ 57,291,763	\$ 56,465,235
Capital assets	44,117,335	42,946,053	61,928,404	56,858,116	106,045,739	99,804,169
<i>Total assets</i>	78,729,340	75,616,697	84,608,162	80,652,707	163,337,502	156,269,404
Total deferred outflows of resources			25,249	37,873	25,249	37,873
Long-term debt	3,403,006	3,540,559	7,511,265	8,225,770	10,914,271	11,766,329
Other liabilities	1,196,710	616,848	2,414,484	1,978,497	3,611,194	2,595,345
<i>Total liabilities</i>	4,599,716	4,157,407	9,925,749	10,204,267	14,525,465	14,361,674
Total deferred inflows of resources	1,632,410	1,717,910			1,632,410	1,717,910
Net position:						
Net investment in capital assets	42,875,580	41,507,824	55,839,322	49,929,517	98,714,902	91,437,341
Restricted for other purpose	10,894	12,457	-	-	10,894	12,457
Restricted for debt service	430,978	369,253	50,000	50,000	480,978	419,253
Unrestricted	29,179,762	27,851,846	18,818,340	20,506,796	47,998,102	48,358,642
<i>Total net position</i>	\$ 72,497,214	\$ 69,741,380	\$ 74,707,662	\$ 70,486,313	\$ 147,204,876	\$ 140,227,693

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

Of that amount, in 2012 approximately \$98.7 million (67%) was invested in capital assets, net of debt related to those assets. At year-end 2011 that amount was approximately \$91.4 million (65%). The largest portion of the City's net position (67%) reflects investments in net capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

During the period 2007 – 2009 the City loaned \$4.3 million to the Piqua Investment Fund, LLC and \$3.975 million to the Fort Piqua Redevelopment Corporation for the hotel restoration project. The loan is for a period of thirty years making these funds unavailable for use in the near future. The outstanding loan to the Fort Piqua Redevelopment Corporation at December 31, 2012 was \$1.293 million.

For 2012 another \$.5 million (.3%) was subject to legislative and external restrictions upon its use. The remaining \$48.0 million (32.6%) in 2012 was unrestricted and available for future use. For 2011 \$.4 million (.3%) was subject to external restrictions and \$48.4 million (34.5%) was unrestricted.

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

Our total net position of the City's governmental activities increased \$2.8 million during the current year, primarily due to an increase in net investment in capital assets. Unrestricted net position increased by \$1.3 million, while restricted net position increased slightly.

Total net position of the City's business-type activities increased \$4.2 million during the current year; \$5.9 million due to increased net capital assets and \$1.7 million due to a decrease in unrestricted net position.

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

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated
Revenues:						
Program revenues:						
Charges for Services	\$ 1,646,862	\$ 1,654,133	\$ 34,790,778	\$ 33,692,643	\$ 36,437,640	\$ 35,346,776
Operating Grants/Contributions	2,052,279	778,247	142,603	240,032	2,194,882	1,018,279
Capital Grants/Contributions	1,890,719	109,763	540,523	112,500	2,431,242	222,263
General revenues:						
Property Taxes	1,271,907	1,289,519			1,271,907	1,289,519
Income Taxes	8,024,044	8,209,488			8,024,044	8,209,488
Other Taxes	3,373,350	3,777,340			3,373,350	3,777,340
Investment Earnings & Misc.	116,475	135,878	78,751	145,207	195,226	281,085
Total Revenues	18,375,636	15,954,368	35,552,655	34,190,382	53,928,291	50,144,750
Program Expenses						
General Government	1,878,876	1,804,464			1,878,876	1,804,464
Public Safety	7,778,195	7,655,764			7,778,195	7,655,764
Street and Maintenance	3,081,248	3,166,350			3,081,248	3,166,350
Parks and Recreation	475,706	425,013			475,706	425,013
Community Development	1,944,480	393,106			1,944,480	393,106
Interest on long-term debt	68,013	190,218			68,013	190,218
Electric			22,146,622	23,673,009	22,146,622	23,673,009
Wastewater			3,369,098	3,307,060	3,369,098	3,307,060
Water			3,051,979	3,300,788	3,051,979	3,300,788
Refuse			1,594,550	1,593,925	1,594,550	1,593,925
Stormwater			398,234	419,626	398,234	419,626
Golf			683,046	702,282	683,046	702,282
Ft. Piqua Plaza			277,319	280,600	277,319	280,600
Pool			203,742	177,970	203,742	177,970
Total Expenses	15,226,518	13,634,915	31,724,590	33,455,260	46,951,108	47,090,175
Increase (Decrease) in Net Position before Transfers & Proceeds	3,149,118	2,319,453	3,828,065	735,122	6,977,183	3,054,575
Transfers	(393,284)	(501,861)	393,284	501,861	-	-
Increase(Decrease) in Net Position	\$ 2,755,834	\$ 1,817,592	\$ 4,221,349	\$ 1,236,983	\$ 6,977,183	\$ 3,054,575
Net Position Beginning	69,741,380	67,923,788	70,486,313	69,249,330	140,227,693	137,173,118
Net Position Ending	\$ 72,497,214	\$ 69,741,380	\$ 74,707,662	\$ 70,486,313	\$ 147,204,876	\$ 140,227,693

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

Governmental Activities

Governmental activities increased the City's net position by \$2,755,834, in 2012 as compared to an increase of \$1,817,592 during 2011, thereby accounting for 3.9 percent of growth in total net position. Total revenues increased by \$2,421,268 due to increased operating and capital grants. Our program expenses increased by \$1,591,603 due to a large community development project this year.

Several types of revenues fund our governmental activities with city income tax being the largest contributor. The income tax revenue for 2012 was down slightly at \$8,024,044 compared to \$8,209,488 in 2011, a decrease of 2.3 percent. The City's income tax rate was 1.75 percent for 2012, 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 2012, we received \$403,990 less than in 2011, a 10.7% decrease due to lower Kilowatt-hour and Property taxes. Program revenues saw a decrease of \$7,271 in charges for services while operating and capital grants increased \$3,054,988 as projects were completed. Overall increases in program revenues totaled \$3,047,717 or 119.9%. 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.

The largest program function for the City relates to Public Safety, which accounts for 51.1 percent of total program expenses. Street Maintenance accounts for 20.2 percent of total program expenses, while General Government accounts for 12.3 percent. Street and Maintenance cost of services decreased while Parks and Recreation increased slightly as projects were implemented.

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	
	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated
General Government	\$ 1,878,876	\$ 1,804,464	\$ 441,847	\$ 514,668	\$ 1,437,029	\$ 1,289,796
Public Safety	7,778,195	7,655,764	1,144,944	1,232,109	6,633,251	6,423,655
Street and Maintenance	3,081,248	3,166,350	1,585,372	284,780	1,495,876	2,881,570
Parks and Recreation	475,706	425,013	442,150	21,436	33,556	403,577
Community Development	1,944,480	393,106	1,975,547	489,150	(31,067)	(96,044)
Interest on long-term debt	68,013	190,218	-	-	68,013	190,218
Total	\$ 15,226,518	\$ 13,634,915	\$ 5,589,860	\$ 2,542,143	\$ 9,636,658	\$ 11,092,772

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

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 position by \$4,221,349 in 2012.

Table 4
Business-type Activities

	Total Cost of Services		Program Revenues		Net Revenue (Expense) from Operations	
	2012	2011 Restated	2012	2011 Restated	2012	2011 Restated
Electric	\$ 22,146,622	\$ 23,673,009	\$ 24,115,357	\$ 23,834,008	\$ 1,968,735	\$ 160,999
Wastewater	3,369,098	3,307,060	3,483,271	3,422,060	114,173	115,000
Water	3,051,979	3,300,788	4,263,782	3,435,420	1,211,803	134,632
Refuse	1,594,550	1,593,925	1,773,791	1,762,814	179,241	168,889
Stormwater	398,234	419,626	1,083,966	819,270	685,732	399,644
Golf	683,046	702,282	568,437	585,351	(114,609)	(116,931)
Ft. Piqua Plaza	277,319	280,600	109,010	106,192	(168,309)	(174,408)
Pool	203,742	177,970	76,290	80,060	(127,452)	(97,910)
Total	\$ 31,724,590	\$ 33,455,260	\$ 35,473,904	\$ 34,045,175	\$ 3,749,314	\$ 589,915

For 2012 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 \$242,061 in 2012 as compared to \$214,841 in 2011. The Ft. Piqua Plaza activity funds have expenses in excess of program revenues of \$168,309 in 2012 compared to \$174,408 in 2011. There was decreased use of the Golf Course and the Pool based on a weaker local economy. For 2012, Ft. Piqua Plaza program revenues increased and cost of services decreased 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 2012 of \$18.1 million compared to \$16.1 million in 2011. All governmental funds had expenditures in 2012 of \$16.4 million compared to \$14.9 million in 2011. The most significant fund is our general fund, which had an unassigned fund balance at year-end of \$6.7 million in 2012 compared to \$7.0 million in 2011. 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 \$927,793 in 2012 as compared to \$2,154,118 in 2011. The funds are monitored consistently with adjustments made to the budgets to accommodate yearly revenues.

Within the Street Maintenance Fund, revenues exceeded expenditures by \$648,506 in 2012 as compared to \$751,294 in 2011. Fund balance at year-end in 2012 was \$3,918,551 as compared to \$3,270,045 in 2011. The City was able to increase fund balance for use on planned construction needs in 2013.

Within the Street Levy Construction Fund, revenues exceeded expenditures by \$370,663 in 2012 compared to \$409,330 in 2011. Fund balance at year-end in 2012 was \$1,977,761 as compared to \$1,795,964 in 2011. The City was able to maintain a stable fund balance in anticipation of street maintenance needs in 2013.

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 \$33.9 million in 2012 and \$33.3 million in 2011. Operating expenses were \$31.4 million in 2012 and \$33.1 million in 2011.

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

The enterprise fund balances increased \$4,212,184 with the Electric fund increasing \$2.0 million based on an increase in non-operating revenue, Wastewater increasing \$0.1 million, Water increasing \$1.2 million from a rate increase and one-time reimbursement and Refuse \$0.2 million based on controlling costs. Stormwater was added as a new utility during 2010 and increased its 2012 fund balance by \$0.7 million. The other fund balances were similar to 2011. 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 2012, the City amended its general fund budget during the middle and at the end of the fiscal year. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the 2012 general fund, original budgeted revenues were \$9.8 million. The final budgeted revenue amount was \$10.8 million. Actual revenues were \$10.8 million. Actual revenues were slightly higher due to shared state revenues and capital donations. For the 2011 general fund, original budgeted revenues were \$10.3 million. The final budgeted revenue amount was \$10.5 million. Actual revenues collected were \$11.4 million.

For 2012, original general fund appropriations were budgeted at \$10.3 million. Final budgeted appropriations were \$10.6 million. Actual expenditures were \$9.9 million. This decrease was achieved through continued lower personnel costs and general government operating expenditures. 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 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	
	2012	2011 Restated	2012	2011 Restated
Land and Land Improvements	\$ 4,528,378	\$ 4,528,378	\$ 1,856,163	\$ 1,869,319
Infrastructure Land	1,374,365	1,374,365	-	-
Construction in Progress	3,581,615	1,310,432	7,003,939	1,377,753
Buildings and Improvements	8,948,758	8,862,551	10,784,404	11,639,480
Furniture, Fixtures and Equipmer	1,605,996	2,061,313	31,407,341	30,416,082
Infrastructure	24,078,223	24,809,014	-	-
Underground Piping	-	-	9,367,723	9,952,418
Intangible Assets	-	-	1,508,834	1,603,064
Total Capital Assets	\$44,117,335	\$42,946,053	\$61,928,404	\$ 56,858,116

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

Total Capital Assets for the City of Piqua for the year ended December 31, 2012 were \$106,045,739, an increase of \$6,241,570 over 2011. Additions in 2012 were \$6,417,411 more than in 2011 based on certain large water and electric projects started in 2011 and completed in 2012. 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, 2012, the City of Piqua had \$1.1 million less in debt of bonds and notes at \$7.6 million compared to \$8.6 million in debt outstanding at December 31, 2011.

Table 6
Outstanding Debt at December 31

	Governmental Activities		Business-type Activities	
	2012	2011 Restated	2012	2011 Restated
General Obligation Bonds	\$ 255,000	\$ 290,000	\$ 925,000	\$ 1,060,000
Pension Bonds	250,000	275,000	-	-
Special Assessment Bonds	111,805	129,028	-	-
State Infrastructure Bank Note	874,950	1,019,201	-	-
OWDA Loans	-	-	5,164,082	5,906,473
Total	\$ 1,491,755	\$ 1,713,229	\$ 6,089,082	\$ 6,966,473

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.

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.

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, 904,200 on December 31, 2012.

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2012
(Unaudited)

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 2013 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 2013 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 2013 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources.

General fund expenditure appropriations for 2013 have been approved by City Commission in the amount of \$11.5 million. This appropriation level is approximately \$1.6 million more than actual 2012 general fund budgetary basis expenditures (including transfers out). The appropriation level was set based on lower estimated revenues in the General Fund compared to 2012 levels.

Current Financial Related Activities

The City anticipates the following significant events to take place in 2013:

- Continue Community Housing Improvement and Streetscaping programs.
- Begin installing a City-owned high speed fiber optic loop
- Continue study and assessment of demolishing the Electric Power Plant.
- Begin East Ash Street and US 36 Beautification Project
- Continued implementation of a Storm Water Utility based on the feasibility study to address sanitary sewer overflow infiltration.
- New Water Treatment Plant design and construction
- Wastewater Treatment Plant Pilot Study
- Begin phase II of North 25-A street reconstruction

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-two 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 POSITION
DECEMBER 31, 2012**

	Government Activities	Business Type Activities	Total Activities
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 14,815,346	\$ 12,845,476	\$ 27,660,822
Equity in pooled investments	4,978,059	3,559,215	8,537,274
Accounts receivable	5,058,217	5,446,048	10,504,265
Allowance for Bad Debts	-	(357,261)	(357,261)
Interfund balances	(228,474)	228,474	-
Inventories	-	841,781	841,781
Prepaid items and other assets	188,511	116,025	304,536
Loans receivable, net of allowance	9,800,346	-	9,800,346
Capital assets not being depreciated	9,484,358	8,226,174	17,710,532
Capital assets being depreciated, net	34,632,977	53,702,230	88,335,207
Total assets	<u>78,729,340</u>	<u>84,608,162</u>	<u>163,337,502</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	-	25,249	25,249
Total deferred outflow of resources	<u>-</u>	<u>25,249</u>	<u>25,249</u>
LIABILITIES:			
Accounts payable	627,933	1,867,627	2,495,560
Salary and benefits payable	223,977	106,359	330,336
Other accruals	344,800	437,951	782,751
Unearned revenue	-	2,547	2,547
Long-term debt:			
Due within one year	847,813	1,412,810	2,260,623
Due in more than one year	2,555,193	6,098,455	8,653,648
Total liabilities	<u>4,599,716</u>	<u>9,925,749</u>	<u>14,525,465</u>
DEFERRED INFLOWS OF RESOURCES:			
Property taxes	1,341,052	-	1,341,052
Reimbursements	291,358	-	291,358
Total deferred inflows of resources	<u>1,632,410</u>	<u>-</u>	<u>1,632,410</u>
NET POSITION:			
Net investment in capital assets	42,875,580	55,839,322	98,714,902
Restricted by: legislation	10,894	-	10,894
Restricted by: debt covenants	430,978	50,000	480,978
Unrestricted	29,179,762	18,818,340	47,998,102
Total net position	<u>72,497,214</u>	<u>74,707,662</u>	<u>147,204,876</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

ASSETS	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
Equity in pooled cash and cash equivalents	\$ 8,114,573	\$ 3,139,420	\$ 2,007,343	\$ 318,753	\$ 382,913	\$ 13,963,002
Equity in pooled investments	2,005,419	543,831	-	111,806	-	2,661,056
Accounts receivable	2,839,470	729,083	436,718	286,419	670,354	4,962,044
Interfund receivable	144,872	26,313	-	-	-	171,185
Prepaid items and other assets	6,956	-	-	-	-	6,956
Loans Receivable, net of allowance	9,793,197	-	-	-	7,149	9,800,346
Total Assets	\$ 22,904,487	\$ 4,438,647	\$ 2,444,061	\$ 716,978	\$ 1,060,416	\$ 31,564,589
LIABILITIES						
CURRENT LIABILITIES:						
Accounts payable	\$ 59,813	\$ 59,878	\$ 119,171	\$ -	\$ 353,443	\$ 592,305
Interfund payable	5,907	-	-	-	165,278	171,185
Salaries and benefits	187,096	27,600	-	-	4,384	219,080
Accruals	4,180	369	-	-	333,833	338,382
Total Current Liabilities	256,996	87,847	119,171	-	856,938	1,320,952
LONG-TERM LIABILITIES:						
Restricted deposits	25,550	-	-	-	-	25,550
Total Long Term Liabilities	25,550	-	-	-	-	25,550
Total Liabilities	\$ 282,546	\$ 87,847	\$ 119,171	\$ -	\$ 856,938	\$ 1,346,502
DEFERRED INFLOWS OF RESOURCES						
Property taxes	\$ 1,337,986	\$ -	\$ -	\$ 286,000	\$ 16	\$ 1,624,002
State shared taxes	352,909	369,785	-	-	-	722,694
Income taxes	272,165	62,464	55,771	-	-	390,400
Reimbursements	-	-	291,358	-	-	291,358
Total deferred inflows of resources	\$ 1,963,060	\$ 432,249	\$ 347,129	\$ 286,000	\$ 16	\$ 3,028,454
FUND BALANCES						
Nonspendable fund balance	\$ 9,800,153	\$ -	\$ -	\$ -	\$ 7,150	\$ 9,807,303
Restricted fund balance	10,894	3,667,556	1,931,546	430,978	191,923	6,232,897
Assigned fund balance	4,129,242	250,995	46,215	-	4,389	4,430,841
Unassigned fund balance	6,718,592	-	-	-	-	6,718,592
Total fund balances	\$ 20,658,881	\$ 3,918,551	\$ 1,977,761	\$ 430,978	\$ 203,462	\$ 27,189,633
Total liabilities, deferred inflows of resources, and fund balances	\$ 22,904,487	\$ 4,438,647	\$ 2,444,061	\$ 716,978	\$ 1,060,416	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 44,117,335
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	1,396,044
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	(1,491,755)
Sick leave benefits	(1,885,701)
Accrued interest on bonds payable	(6,169)
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 position	3,177,827
Net position of governmental activities	\$ 72,497,214

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, 2012**

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
REVENUES:						
Municipal income tax	\$ 5,401,347	\$ 1,239,653	\$ 1,107,219	\$ -	\$ -	\$ 7,748,219
Property taxes	1,161,918	-	-	76,290	33,699	1,271,907
State shared revenues	1,088,648	1,157,114	-	-	7,337	2,253,099
Locally levied taxes	1,185,433	-	-	-	-	1,185,433
Licenses and permits, fees	1,327,975	1,000	-	-	1,380	1,330,355
Grants: capital	19,980	-	1,462,096	-	-	1,482,076
Grants: operating	35,220	4,385	-	-	1,984,131	2,023,736
Investment income	82,051	15,322	1,052	11,890	5,366	115,681
Decrease in fair market value of investments	(26,855)	(5,788)	-	-	-	(32,643)
Donations:						
Capital	408,643	-	-	-	-	408,643
Operating	28,543	-	-	-	-	28,543
Other fines, rents, and reimbursements	107,279	18,014	99,877	-	95,995	321,165
Total revenues	<u>10,820,182</u>	<u>2,429,700</u>	<u>2,670,244</u>	<u>88,180</u>	<u>2,127,908</u>	<u>18,136,214</u>
EXPENDITURES:						
General government administration	1,310,975	-	-	-	-	1,310,975
Public safety	7,375,404	-	-	-	-	7,375,404
Public health	259,316	-	-	-	53,014	312,330
Street repairs and maintenance	2,724	1,781,194	150,533	-	-	1,934,451
Parks and recreation	418,280	-	-	-	-	418,280
Community planning and development	56,788	-	-	-	1,916,311	1,973,099
Other	-	-	-	12,957	45,769	58,726
Debt principal payment	-	-	-	221,476	-	221,476
Debt interest payment	-	-	-	69,815	-	69,815
Capital costs	468,902	-	2,149,048	-	86,400	2,704,350
Total expenditures	<u>9,892,389</u>	<u>1,781,194</u>	<u>2,299,581</u>	<u>304,248</u>	<u>2,101,494</u>	<u>16,378,906</u>
Excess (deficiency) of revenues over expenditures	<u>927,793</u>	<u>648,506</u>	<u>370,663</u>	<u>(216,068)</u>	<u>26,414</u>	<u>1,757,308</u>
OTHER FINANCING SOURCES (USES):						
Disposal of capital assets	18,808	-	-	-	-	18,808
Transfers, in	-	-	-	277,793	-	277,793
Transfers, out	(482,211)	-	(188,866)	-	-	(671,077)
Total other financing sources (uses)	<u>(463,403)</u>	<u>-</u>	<u>(188,866)</u>	<u>277,793</u>	<u>-</u>	<u>(374,476)</u>
Net change in fund balance	464,390	648,506	181,797	61,725	26,414	1,382,832
Fund balance-beginning 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>
Fund balance-end of year	<u>\$ 20,658,881</u>	<u>\$ 3,918,551</u>	<u>\$ 1,977,761</u>	<u>\$ 430,978</u>	<u>\$ 203,462</u>	<u>\$ 27,189,633</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, 2012**

Total net change in fund balances Governmental funds	\$ 1,382,832
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures; however in the Statement of Activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays (\$2,704,350) exceed depreciation expense (\$1,577,423)	1,126,927
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: (State shared taxes (\$65,182), Income taxes \$275,825, and Ems billings (\$4,658))	205,985
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	221,476
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	(67,666)
Interest payable	1,802
The net book value of assets retired (the difference of original cost (\$261,720) and accumulated depreciation (\$261,716) is not recorded on the Governmental Fund Statements, but is recorded as a expense on the Statement of Activities	(4)
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	(115,518)
Change in the net position of governmental activities on the Statement of Activities	<u>\$ 2,755,834</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2012**

**ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES**

CURRENT ASSETS:

Equity in pooled cash and cash equivalents
Equity in pooled investments
Accounts receivable
Allowance for uncollectible accounts
Inventories
Prepaid items and other assets
Total Current Assets

Business-type Activities

	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Governmental Activities - Internal Service Funds
	\$ 6,395,532	\$ 2,185,180	\$ 824,524	\$ 2,473,819	\$ 848,102	\$ 90,878	\$ 11,188	\$ 16,253	\$ 12,845,476	\$ 852,344
	2,648,332	576,418	310,634	23,831	-	-	-	-	3,559,215	2,317,003
	3,468,186	476,304	244,085	1,179,905	50,016	5,604	21,939	9	5,446,048	96,173
	(219,862)	(51,245)	(27,924)	(48,187)	(10,043)	-	-	-	(357,261)	-
	685,437	-	-	139,639	-	16,705	-	-	841,781	-
	4,291	3,912	61,000	45,022	1,800	-	-	-	116,025	181,555
	12,981,916	3,190,569	1,412,319	3,814,029	889,875	113,187	33,127	16,262	22,451,284	3,447,075

NONCURRENT ASSETS:

Capital assets not being depreciated
Land
Construction in process
Capital assets being depreciated
Plant and equipment in service, net
Total Capital Assets

27

DEFERRED OUTFLOWS OF RESOURCES:

Deferred charge on refunding
Total Deferred Outflows of Resources

	-	-	-	-	-	-	-	1,212	25,249	-
	-	-	-	-	-	24,037	-	1,212	25,249	-
	\$ 49,589,942	\$ 15,100,867	\$ 1,827,556	\$ 14,727,916	\$ 1,351,076	\$ 1,567,597	\$ 33,127	\$ 206,856	\$ 84,404,937	\$ 4,064,341

See accompanying notes to the basic financial statements

Continued

CITY OF PIQUA, OHIO

**BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2012**

LIABILITIES

CURRENT LIABILITIES:

Accounts payable
Salaries and benefits
Accrued vacation, personal, and sick leave
Accruals and prepaid memberships
Current portion of long term debt

Business-type Activities

	Business-type Activities										Governmental Activities - Internal Service Funds
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total		
\$	1,515,537	37,273	66,516	232,954	3,397	3,861	7,255	834	1,867,627	\$	35,628
	38,884	21,710	10,314	21,792	2,572	11,087	-	-	106,359		4,897
	233,886	94,522	48,150	91,001	14,514	17,296	-	-	499,369		28,873
	367,988	618	390	63,231	70	6,183	1,800	218	440,498		249
	-	637,243	-	136,198	-	133,280	-	6,720	913,441		-
Total Current Liabilities	2,156,295	791,366	125,370	545,176	20,553	171,707	9,055	7,772	3,827,294		69,647
LONG-TERM LIABILITIES:											
Accrued vacation, personal, and sick leave	367,696	217,384	77,950	211,954	14,505	33,325	-	-	922,814		55,818
Long term debt	-	4,177,339	-	213,302	-	747,320	-	37,680	5,175,641		-
Total Long-Term Liabilities	367,696	4,394,723	77,950	425,256	14,505	780,645	-	37,680	6,098,455		55,818
Total Liabilities	2,523,991	5,186,089	203,320	970,432	35,058	952,352	9,055	45,452	9,925,749		125,465
NET POSITION											
Net investment in capital assets	36,608,026	7,095,716	415,237	10,564,387	461,201	549,773	-	144,982	55,839,322		617,266
Restricted by debt covenants	-	50,000	-	-	-	-	-	-	50,000		-
Unrestricted	10,457,925	2,769,062	1,208,999	3,193,097	854,817	65,472	24,072	16,422	18,589,866		3,321,610
Total Net Position	47,065,951	9,914,778	1,624,236	13,757,484	1,316,018	615,245	24,072	161,404	74,479,188		3,938,876
Total Liabilities and Net Position	\$ 49,589,942	\$ 15,100,867	\$ 1,827,556	\$ 14,727,916	\$ 1,351,076	\$ 1,567,597	\$ 33,127	\$ 206,856	\$ 9,925,749		\$ 4,064,341
Adjustment to consolidate the internal service fund activities											228,474
Total net position per the government-wide Statement of Net Position											<u>\$ 74,707,662</u>

See accompanying notes to the basic financial statements

Concluded

CITY OF PIQUA, OHIO

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012**

	Business-type Activities							Governmental Activities- Internal Service Funds	
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza		Municipal Pool
OPERATING REVENUES:									
Customer services	\$ 23,411,525	\$ 3,420,984	\$ 1,741,346	\$ 3,513,083	\$ 814,044	\$ 557,181	\$ 108,890	\$ 73,870	\$ 33,640,923
Penalty charges	142,109	35,962	20,174	34,413	5,390	-	-	-	238,048
Total operating revenues	23,553,634	3,456,946	1,761,520	3,547,496	819,434	557,181	108,890	73,870	33,878,971
OPERATING EXPENSES:									
Fossil fuels used for production	57,591	-	-	-	-	-	-	-	57,591
Purchased power	16,255,863	-	-	-	-	-	-	-	16,255,863
Salaries and employee benefits	1,938,429	1,072,873	499,312	1,167,294	202,987	254,848	-	107,137	5,066,794
Depreciation	1,716,223	1,021,649	34,842	378,379	7,128	94,612	-	35,015	2,242,880
Materials and supplies	318,456	104,229	84,041	247,344	40,802	141,910	10,931	23,269	3,287,848
Utilities	56,252	150,509	5,368	184,090	9,174	56,862	39,390	15,079	970,982
Outside services	1,135,558	567,696	862,760	519,132	87,852	24,610	211,565	5,595	516,724
Billing costs	417,843	222,609	100,425	257,047	30,866	-	-	-	3,414,768
Chemicals	-	9,778	-	188,245	-	-	-	-	1,028,790
Other	239,988	30,556	8,214	88,893	21,728	29,521	-	10,538	238,082
Total operating expenses	22,136,203	3,179,899	1,594,962	3,030,424	400,537	624,764	277,319	2,223	429,436
Operating income (loss)	1,417,431	277,047	166,558	517,072	418,897	(67,583)	(168,429)	(124,986)	2,436,007
NON-OPERATING REVENUES (EXPENSES):									
Interest on debt	-	(199,123)	-	(15,587)	-	(50,634)	-	(2,552)	(267,896)
Interest income	78,029	12,634	3,812	7,739	-	73	-	4	102,291
Net (decrease) in fair market value of investments	(41,468)	(2,427)	(472)	(2,068)	-	-	-	-	(46,435)
Other, net	177,332	4,702	8,847	713,227	150	6,372	120	1,057	911,807
Operating grants	132,463	123	3,424	346	-	4,884	-	1,363	142,603
Capital grants	251,928	21,500	-	2,713	264,382	-	-	-	540,523
Net non-operating revenues (expenses)	598,284	(162,591)	15,611	706,370	264,532	(39,305)	120	(128)	1,382,893
Transfers, in	-	-	-	-	-	-	-	-	-
Change in net position	2,015,715	114,456	182,169	1,223,442	683,429	116,268	171,716	105,300	393,284
Total net position-beginning of year-restated	45,050,236	9,800,322	1,442,067	12,534,042	632,589	605,865	3,407	(19,814)	4,212,184
Total net position-end of year	\$ 47,065,951	\$ 9,914,778	\$ 1,624,236	\$ 13,757,484	\$ 1,316,018	\$ 615,245	\$ 24,072	\$ 161,404	\$ 3,938,876

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Business-type Activities										Total	Governmental Activities- Internal Service Funds	
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total				
OPERATING ACTIVITIES:													
Cash received for services	\$ 23,523,070	\$ 3,464,106	\$ 1,762,065	\$ 3,499,419	\$ 1,079,011	\$ 661,619	\$ 109,471	\$ 76,200	\$ 34,174,961	\$ 698,647			
Cash paid to suppliers for goods or services	(18,144,644)	(1,072,099)	(1,061,523)	(1,561,272)	(189,314)	(368,492)	(279,737)	(57,074)	(22,534,155)	(540,584)			
Cash paid to employees for services	(1,922,404)	(1,023,367)	(474,215)	(1,117,802)	(191,150)	(231,367)	-	(107,136)	(5,067,441)	(496,809)			
Net cash provided by (used in) operating activities	3,456,022	1,368,640	226,327	1,020,345	698,547	61,760	(170,266)	(88,010)	6,573,365	(338,746)			
NONCAPITAL FINANCING ACTIVITIES:													
Transfers, in	-	-	-	-	-	116,268	171,716	105,300	393,284	-			
Net cash provided by (used in) noncapital financing activities	-	-	-	-	-	116,268	171,716	105,300	393,284	-			
CAPITAL AND RELATED FINANCING ACTIVITIES:													
Principal paid on bonds and notes	-	(610,806)	-	(131,586)	-	(128,520)	-	(6,480)	(877,392)	-			
Interest paid on bonds and notes	-	(199,122)	-	(15,587)	-	(39,194)	-	(1,975)	(255,878)	-			
Acquisition and construction of capital assets	(6,987,936)	(304,434)	(136,613)	(605,410)	(410,266)	-	-	-	(8,444,659)	(64,734)			
Disposals of capital assets	85,399	1,123	-	-	-	-	-	-	86,522	-			
Net cash provided by (used in) capital & related financing activities	(6,902,537)	(1,113,239)	(136,613)	(752,583)	(410,266)	(167,714)	-	(8,455)	(9,491,407)	(64,734)			
INVESTING ACTIVITIES:													
Purchases of investment securities	(2,643,699)	(576,288)	(310,634)	(23,701)	-	-	-	-	(3,554,322)	(2,065,410)			
Proceeds from sale or maturity of investment securities	3,217,350	1,198,910	310,000	498,910	-	-	-	-	5,225,170	2,460,870			
Interest received	86,486	15,035	3,911	9,571	-	71	-	4	115,078	47,496			
Net cash provided by (used in) investing activities	660,137	637,657	3,277	484,780	-	71	-	4	1,785,926	442,956			
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	(2,786,378)	893,058	92,991	752,542	288,281	10,385	1,450	8,839	(738,832)	39,476			
CASH AND CASH EQUIVALENTS - Beginning of year	9,181,910	1,292,122	731,533	1,721,277	559,821	80,493	9,738	7,414	13,584,308	812,868			
CASH AND CASH EQUIVALENTS - End of year	\$ 6,395,532	\$ 2,185,180	\$ 824,524	\$ 2,473,819	\$ 848,102	\$ 90,878	\$ 11,188	\$ 16,253	\$ 12,845,476	\$ 852,344			
OPERATING INCOME (LOSS)	\$ 1,417,431	\$ 277,047	\$ 166,558	\$ 517,072	\$ 418,897	\$ (67,583)	\$ (168,429)	\$ (124,986)	\$ 2,436,007	(143,877)			
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:													
Depreciation	1,716,223	1,021,649	34,842	378,379	7,128	94,612	-	35,015	3,287,848	20,375			
(Increase)/Decrease in Accounts Receivable	(592,285)	(19,168)	(11,725)	(764,367)	(4,957)	91,939	461	(10)	(1,300,112)	(72,413)			
(Increase)/Decrease in Inventory	41,219	-	-	(14,074)	-	(721)	-	-	26,424	-			
(Increase)/Decrease in Prepaids	(215)	(177)	-	(2,262)	(1,800)	-	-	-	(4,454)	(176,800)			
Increase/(Decrease) in Accounts Payable	295,903	13,456	(715)	139,816	2,909	(92,467)	(2,418)	(369)	356,115	23,982			
Increase/(Decrease) in Accrued Wages and Benefits	16,025	49,506	25,097	49,492	11,837	23,481	-	-	175,438	9,985			
Increase/(Decrease) in Deferred Revenues	-	-	-	-	-	1,242	-	(80)	1,162	-			
Net (Increase)/Decrease in Other Operating Net Position	561,721	26,327	12,270	716,289	264,533	11,257	120	2,420	1,594,937	2			
Net cash provided by (used in) operating activities	\$ 3,456,022	\$ 1,368,640	\$ 226,327	\$ 1,020,345	\$ 698,547	\$ 61,760	\$ (170,266)	\$ (88,010)	\$ 6,573,365	\$ (338,746)			
SUPPLEMENTAL INFORMATION:													
Noncash activities:													
Change in fair value of investments	(41,468)	(2,427)	(472)	(2,068)	-	-	-	-	(46,435)	(5,422)			

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012**

ASSETS:	<u>Private Purpose Centennial Trust</u>	<u>Agency Funds</u>
Equity in pooled cash and cash equivalents	\$ 466	\$ 20,932
Total Assets	<u>\$ 466</u>	<u>\$ 20,932</u>
 LIABILITIES:		
Withholdings payable		\$ 6,147
Undistributed monies		<u>14,785</u>
Total Liabilities		<u>\$ 20,932</u>
 NET POSITION		
Held in trust for other purposes	<u>\$ 466</u>	

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012**

ADDITIONS	
Interest income	<u>\$ -</u>
Total additions	<u>\$ -</u>
Change in net position	\$ -
Total net position-beginning of year	<u>\$ 466</u>
Total net position-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, 2012

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 position 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 Position. These eliminations minimize the duplicating effect on assets, deferred outflows of resources, liabilities, and deferred inflows of resources, within the 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 an 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, proprietary, and fiduciary—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, 2012

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), deferred outflows of resources, liabilities, deferred inflows of resources, 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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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 Position 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 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:

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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 Finance Director determines, in the Director’s professional opinion, that the assigning of the revenue is the desire of the City Commission and in the best interest of the City. This authority is given to the Finance Director through the City Charter.

The City applies restricted resources first when expenditures are incurred for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The City has not adopted a formal fund balance policy.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources— In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until that time. For the City, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance 2013 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statement. Unavailable revenue is reported on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the city unavailable

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

revenue includes property taxes and intergovernmental reimbursements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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 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.

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

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, 2012 the City had cash on hand in the amount of \$4,675.

At December 31, 2012, the carrying amount of the City's deposits was \$33,264,536 while the balance as shown by the bank statements was \$33,836,775. As of December 31, 2012, \$11,585,582 of the City's bank balance was exposed to custodial risk as discussed above, while \$22,251,194 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, 2012.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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, 2012, all investments were registered in the name of the City.

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

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

<u>Investment Type</u>	<u>Quality Rating</u>	<u>Fair Value</u>
City of Piqua Bonds	Non-Rated	\$ 361,806
U.S. Government Agency Obligations	AA+	2,166,831
STAR Ohio	AAAm	421,646
Total		<u>\$ 2,950,283</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, 2012.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
City of Piqua Bonds	\$ 361,806	12.27%
FNMA	2,166,831	73.44%
STAR Ohio	421,646	14.29%
Total	<u>\$ 2,950,283</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 FNMA securities at December 31, 2012

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	\$ 50,701	\$ 227,236	\$ 83,869	\$ 361,806
FNMA		2,166,831		2,166,831
STAR Ohio	421,646			421,646
Total	<u>\$ 472,347</u>	<u>\$2,394,067</u>	<u>\$ 83,869</u>	<u>\$ 2,950,283</u>

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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 2010.

The property tax calendar is as follows:

Levy date	January 1, 2011
Lien date	January 1, 2012
Tax bill mailed	January 20, 2012
First installment payment due	February 20, 2012
Second installment payment due	July 20, 2012

The assessed values for the City at January 1, 2012 were as follows:

Real estate	\$ 310,998,080
Tangible personal property	<u>2,375,250</u>
Total	<u>\$ 313,373,330</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, 2012, nor are they intended to finance 2012 operations. Therefore, the City has recorded property taxes receivable with a corresponding amount as deferred inflows of resources.

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 2012, 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, 2012

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	\$ 249,425
Local government revenue assistance	605,651
Gasoline taxes	682,855
Vehicle license taxes	475,671
Miscellaneous other taxes	<u>174,315</u>
	<u>\$ 2,187,917</u>

The City has two locally issued taxes; a KWH tax totaling \$1,125,224 which is recognized based upon sales of electrical services, and a hotel/motel tax totaling \$60,209 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 \$1,091,161 with an estimated allowance for forgiveness of \$1,084,012.

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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>1,310,432</u>	<u>2,271,183</u>	<u>-</u>	<u>-</u>	<u>3,581,615</u>
Assets not depreciated	<u>7,213,175</u>	<u>2,271,183</u>	<u>-</u>	<u>-</u>	<u>9,484,358</u>
Capital assets being depreciated:					
Buildings and improvements	11,879,776	343,643	(2,230)	-	12,221,189
Furniture, fixtures and equipment	10,173,147	154,258	(259,490)	-	10,067,915
Infrastructure	<u>33,176,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,176,453</u>
Depreciated capital assets	55,229,376	497,901	(261,720)	-	55,465,557
Accumulated depreciation:					
Buildings and improvements	(3,017,225)	(257,432)	2,226	-	(3,272,431)
Furniture, fixtures and equipment	(8,111,834)	(609,575)	259,490	-	(8,461,919)
Infrastructure	<u>(8,367,439)</u>	<u>(730,791)</u>	<u>-</u>	<u>-</u>	<u>(9,098,230)</u>
Total accumulated depreciation	<u>(19,496,498)</u>	<u>(1,597,798)</u>	<u>261,716</u>	<u>-</u>	<u>(20,832,580)</u>
Net capital assets being depreciated	<u>\$ 35,732,878</u>	<u>\$(1,099,897)</u>	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ 34,632,977</u>
Net capital assets	<u>\$ 42,946,053</u>	<u>\$1,171,286</u>	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ 44,117,335</u>

* Depreciation expense was charged to governmental functions as follows:

General governmental	\$ 186,110
Public safety	271,366
Street repairs and maintenance	1,075,949
Parks	43,897
Community Development	<u>101</u>
Governmental functions depreciation expense	1,577,423
Information technology (internal service fund)	<u>20,375</u>
Total depreciation expense	<u>\$1,597,798</u>

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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

	Beginning Balance	Increases	Decreases	Construction In Process Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 1,222,235	\$ -	\$ -	\$ -	\$ 1,222,235
Construction in progress	<u>1,377,753</u>	<u>7,339,625</u>	<u>-</u>	<u>(1,713,439)</u>	<u>7,003,939</u>
Assets not depreciated	<u>2,599,988</u>	<u>7,339,625</u>	<u>-</u>	<u>(1,713,439)</u>	<u>8,226,174</u>
Capital assets being depreciated:					
Land improvements	1,047,204	-	-	-	1,047,204
Buildings and improvements	25,514,270	-	(164,145)	6,105	25,356,230
Underground piping	24,262,129	-	-	-	24,262,129
Furniture, fixtures and equipment	74,819,826	1,105,033	(58,016)	1,707,334	77,574,177
Intangible assets	<u>2,711,978</u>	<u>-</u>	<u>(23,416)</u>	<u>-</u>	<u>2,688,562</u>
Depreciated capital assets	128,355,407	1,105,033	(245,577)	1,713,439	130,928,302
Accumulated depreciation:					
Land improvements	(400,120)	(13,156)	-	-	(413,276)
Buildings and improvements	(13,874,790)	(697,036)	-	-	(14,571,826)
Underground piping	(14,309,711)	(584,695)	-	-	(14,894,406)
Furniture, fixtures and equipment	(44,403,744)	(1,913,158)	150,066	-	(46,166,836)
Intangible assets	<u>(1,108,914)</u>	<u>(79,803)</u>	<u>8,989</u>	<u>-</u>	<u>(1,179,728)</u>
Total accumulated depreciation	<u>(74,097,279)</u>	<u>(3,287,848)</u>	<u>159,055</u>	<u>-</u>	<u>(77,226,072)</u>
Net capital assets being depreciated	<u>54,258,128</u>	<u>(2,182,815)</u>	<u>(86,522)</u>	<u>1,713,439</u>	<u>53,702,230</u>
Net capital assets	<u>\$ 56,858,116</u>	<u>\$ 5,156,810</u>	<u>\$ (86,522)</u>	<u>\$ -</u>	<u>\$ 61,928,404</u>

* Depreciation expense was charged to enterprise functions as follows:

Electric	\$ 1,716,223
Water	378,379
Wastewater	1,021,649
Refuse	34,842
Storm Water	7,128
Golf	94,612
Municipal Pool	<u>35,015</u>
Total depreciation expense	<u>\$ 3,287,848</u>

There wasn't any capitalized interest for the fiscal year 2012. Although beginning asset balances and accumulated depreciation balances agree in total, reclassifications were made from the prior year.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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, 2012 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	\$ 290,000	\$ -	\$ 35,000	\$ 255,000	\$ 40,000
Total governmental general obligation bonds		290,000	-	35,000	255,000	40,000
Special assessment bonds, 9% (See note below)*	12/15/2022	129,028	-	17,223	111,805	25,701
State Infrastructure Bank Note, 3%	4/29/2020	1,019,201	-	144,251	874,950	148,612
Compensated absences		1,806,929	609,044	530,272	1,885,701	608,500
Restricted deposits		20,401	8,410	3,261	25,550	-
Other—Pension refunding bonds, 6.25%	12/01/2020	275,000	-	25,000	250,000	25,000
Total governmental long-term liabilities		<u>\$ 3,540,559</u>	<u>\$ 617,454</u>	<u>\$ 755,007</u>	<u>\$ 3,403,006</u>	<u>\$ 847,813</u>

* Special assessment bonds mature annually on 12/15 through 2022.

Business-Type Activities:

OWDA Loan-1995, 4.56%	1/1/2015	\$ 1,405,538	\$ -	\$ 447,488	\$ 958,050	\$ 468,126
OWDA Loan-2009, 3.52%	1/1/2030	4,019,850	-	163,318	3,856,532	169,117
OWDA Loan-2005, 3.5%	7/1/2015	433,972	-	118,662	315,310	122,852
OWDA Loan-2006, 3.25%	7/1/2015	47,113	-	12,923	34,190	13,346
Recreational facility bonds G.O., 2.0%-4.1% *	11/15/2018	1,060,000	-	135,000	925,000	140,000
Compensated Absences		1,229,882	622,308	430,007	1,422,183	499,369
Total long-term liabilities		<u>\$ 8,196,355</u>	<u>\$ 622,308</u>	<u>\$ 1,307,398</u>	<u>\$ 7,511,265</u>	<u>\$ 1,412,810</u>

*Beginning balance restated to reflect GASB 65 changes of \$37,874

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 \$1,013,074. Principal and interest paid for the current year and total customer net revenues were \$506,537 and \$1,316,155, 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 remaining to be paid on the note is \$5,157,661. Principal and interest paid for the current year and total customer net revenues were \$303,392 and \$1,316,155, respectively.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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 \$367,930. Principal and interest paid for the current year and total customer net revenues were \$147,172 and \$1,616,763, 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 \$955,648. 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.

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 \$144,143. Principal and interest paid for the current year and total net revenue were \$28,837 and \$46,301 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, 2012 are listed as follows:

Year Ending December 31	General Obligation Bonds				Notes Payable			
	Governmental Activities		Business Type Activities		Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 40,000	\$ 10,463	\$ 140,000	\$36,310	\$ 148,612	\$ 25,142	\$ 773,441	\$ 183,659
2014	40,000	9,062	145,000	31,130	153,104	20,650	806,019	151,081
2015	40,000	7,562	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	45,000	4,050	165,000	13,570	167,410	6,344	194,448	108,943
2018—2022	45,000	2,025	170,000	6,970	85,593	1,284	849,338	364,230
2023—2027	-	-	-	-	-	-	1,242,746	274,213
2028—2030	-	-	-	-	-	-	856,640	53,536
Total	<u>\$ 255,000</u>	<u>\$ 39,125</u>	<u>\$ 925,000</u>	<u>\$ 133,370</u>	<u>\$ 874,949</u>	<u>\$ 80,698</u>	<u>\$ 5,164,082</u>	<u>\$1,374,581</u>

Year Ending December 31	Pension Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
	2013	\$ 25,000	\$ 15,625	\$ 25,701
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	30,000	8,750	10,491	2,048
2018-2022	<u>110,000</u>	<u>14,062</u>	<u>12,262</u>	<u>2,949</u>
Total	<u>\$ 250,000</u>	<u>\$ 75,625</u>	<u>\$ 111,805</u>	<u>\$ 32,337</u>

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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

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

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, 2012 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 144,872	\$ 5,907
Street Maintenance Fund	26,313	-
Non-major Governmental Funds	-	<u>165,278</u>
	<u>\$ 171,185</u>	<u>\$ 171,185</u>

Transfers are used to move revenues; from the fund that statute or budget requires to collect them, to the fund that the statute or budget requires to expend them; or moving unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; or to provide additional resources for current operations or debt service. Interfund transfers for the year ended December 31, 2012 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental		
General Fund	\$ -	\$ 482,211
Street Levy Construction	-	188,866
Debt Service	277,793	-
Proprietary		
Golf	116,268	-
Fort Piqua Plaza	171,716	-
Municipal Pool	<u>105,300</u>	<u>-</u>
	<u>\$ 671,077</u>	<u>\$ 671,077</u>

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

J. PENSION PLAN OBLIGATIONS

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, 2012, 2011 and 2010 were \$1,338,231, \$1,330,137 and \$1,370,792, which consisted of \$915,816, \$909,751 and \$937,064 from the City and \$422,415, \$420,386, and \$433,728 from the employees, respectively, or 57% of the required contributions for 2012 and 62% of the required contributions for 2011 and 55% of the required contributions for 2010. The unpaid portion of \$75,078 is reported as liability in the respective funds.

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

OPERS administers three separate pension plans as described below:

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

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

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

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

The Ohio Revised Code also provides statutory authority for member and employer contributions. For 2012, 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, 2012, 2011 and 2010 were \$1,669,558, \$1,677,848, and \$1,711,042 respectively, equal to the required contributions for the year.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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 2012 and 2011 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, 2011, the date of the last actuarial valuation available, was 15,572 for police and 11,506 for firemen. OP&F’s total health care expense for the year ending December 31, 2011, the date of the last actuarial valuation available, was \$113,812,105, which was net of member contributions of \$62,528,377. The City’s contributions that were used to pay post employment benefits by Ohio Police and Fire for the years ended December 31, 2012, 2011, and 2010 were \$285,130, \$283,575, and \$292,766 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 2012 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 2012.

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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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 2012) 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, 2012. The portion of employer contribution allocated to health care for members in the Combined Plan was 6.05% for year ended December 31, 2012. 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, 2012, 2011, and 2010 were \$278,322, \$279,626, and \$362,094 respectively.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

L. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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

M. OHIO PROFESSIONAL FIRE FIGHTERS DEFERRED COMPENSATION PROGRAM

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

N. CONTINGENCIES

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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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 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 2012, 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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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. PURCHASED POWER

The City's electric distribution system during 2012 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 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).

Q. 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 \$9,807,303. 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 \$6,956. The City reported restricted fund balance of \$6,232,897, which is comprised of debt restrictions of \$430,978, donor restrictions of \$13,581, grant restrictions of \$103,290, and legislative restrictions of \$5,685,048. The City reported assigned fund balance of \$4,430,841, which is comprised of amounts management has set aside for; future equipment purchases of \$272,033, encumbrances of \$175,231, and managerially assigned assets of \$3,983,577. The City reported unassigned fund balance of \$6,718,592.

R. CHANGE IN ACCOUNTING PRINCIPALS

For the fiscal year 2012, the City implemented the provision of Governmental Accounting Standards Board (GASB) Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November, 1989 FASB and AICPA Pronouncements, which became effective with fiscal years beginning after December 15, 2011. GASB Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncement:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA)Committee on Accounting Procedures

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2012

For Fiscal year 2012, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which became effective with fiscal years beginning after December 15, 2011. GASB Statement No. 63 provides financial reporting guidance to the City for deferred outflows of resources and deferred inflows of resources. The statement also identifies net position as the residual of all other elements presented in a balance sheet, amending the net asset reporting requirements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure of the balance sheet and by renaming that measure as net position. The implementation of GASB Statement 63 did not require the City to restate any prior year balances.

For the fiscal year 2012, the City implemented the provision of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No. 65 reclassifies as deferred outflows of resources or deferred inflows of resources items that were previously reported as assets and liabilities. Statement No. 65 reclassifies losses on advanced or current debt refundings from the City's recreational facility bonds as deferred outflows of resources. The Statement also requires the debt issuance costs of the Ohio Water Development Authority, and General Obligation bond costs to be expensed in the period incurred. The implementation of GASB Statement No. 65 requires the restatement of prior year net position for previously deferred issuance costs as detailed in Note S.

S. PRIOR PERIOD ADJUSTMENT—IMPLEMENTATION OF GASB STATEMENT NO. 65

Prior to 2012, the City recognized deferred bond issuance costs as an asset and amortized those costs over the life of the associated bond issue. Effective January 1, 2012, the City began recognizing all issuance costs as an expense in the period incurred. Accordingly, deferred debt issuance expense was no longer recognized as an asset for issuances prior to 2012, and subsequently were written off. As a result, net position as of January 1, 2012 has been restated, resulting in a decrease as follows:

	Wastewater	Golf	Municipal Pool	Net Position
Net Position, December 31, 2011	\$ 9,807,411	\$ 627,117	\$ 182,293	\$ 70,515,729
Implementation GASB 65:	<u>(7,089)</u>	<u>(21,252)</u>	<u>(1,075)</u>	<u>(29,416)</u>
Restated Net Position, December 31, 2011	<u>\$ 9,800,322</u>	<u>\$ 605,865</u>	<u>\$ 181,218</u>	<u>\$ 70,486,313</u>

Required Supplemental Information



CITY OF PIQUA, OHIO

**REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Municipal income tax	\$ 5,228,571	\$ 5,228,571	\$ 5,401,347	\$ 172,776
Property taxes	1,202,836	1,205,061	1,161,918	(43,143)
State shared revenues	823,392	1,311,785	1,088,648	(223,137)
Locally levied taxes	1,174,500	1,190,000	1,185,433	(4,567)
Licenses and permits, fees	1,193,420	1,283,811	1,327,975	44,164
Grants-capital	-	70,197	19,980	(50,217)
Grants-operating	14,570	32,546	35,220	2,674
Interest income	88,285	84,633	82,051	(2,582)
Decrease in fair value of investments	-	-	(26,855)	(26,855)
Donations:				
Capital	-	250,000	408,643	158,643
Operating	30,000	31,435	28,543	(2,892)
Other fines, rents, and reimbursements	72,005	65,899	107,279	41,380
Total revenues	<u>9,827,579</u>	<u>10,753,938</u>	<u>10,820,182</u>	<u>66,244</u>
EXPENDITURES:				
GENERAL GOVERNMENT ADMINISTRATION:				
City building:				
Operating expenditures	89,365	94,265	72,636	21,629
Total city building	<u>89,365</u>	<u>94,265</u>	<u>72,636</u>	<u>21,629</u>
City commission:				
Personal services/administrative support	34,894	34,894	34,735	159
Operating expenditures	66,082	66,082	42,804	23,278
Total city commission	<u>100,976</u>	<u>100,976</u>	<u>77,539</u>	<u>23,437</u>
Office of city manager:				
Personal services/administrative support	60,987	61,740	61,089	651
Operating expenditures	11,208	11,174	6,047	5,127
Total office of city manager	<u>72,195</u>	<u>72,914</u>	<u>67,136</u>	<u>5,778</u>
Purchasing department:				
Personal services/administrative support	1,814	1,814	2,014	(200)
Operating expenditures	133	133	130	3
Total purchasing department	<u>1,947</u>	<u>1,947</u>	<u>2,144</u>	<u>(197)</u>
Law department:				
Personal services/administrative support	77,284	77,284	71,658	5,626
Operating expenditures	6,651	6,651	5,406	1,245
Total law department	<u>83,935</u>	<u>83,935</u>	<u>77,064</u>	<u>6,871</u>
Finance department:				
Personal services/administrative support	146,150	146,150	142,549	3,601
Operating expenditures	11,026	11,026	5,679	5,347
Total finance department	<u>157,176</u>	<u>157,176</u>	<u>148,228</u>	<u>8,948</u>

See notes to required supplemental information

(Continued)

CITY OF PIQUA, OHIO
REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Human resources department:				
Personal services/administrative support	23,556	23,416	21,745	1,671
Operating expenditures	2,061	2,201	1,887	314
Total human resources department	<u>25,617</u>	<u>25,617</u>	<u>23,632</u>	<u>1,985</u>
Engineering department:				
Personal services/administrative support	63,463	63,441	62,357	1,084
Operating expenditures	5,441	5,463	4,633	830
Total engineering department	<u>68,904</u>	<u>68,904</u>	<u>66,990</u>	<u>1,914</u>
Income tax department:				
Personal services/administrative support	174,614	174,614	164,247	10,367
Operating expenditures	175,696	175,696	150,513	25,183
Total income tax department	<u>350,310</u>	<u>350,310</u>	<u>314,760</u>	<u>35,550</u>
Planning and zoning:				
Personal services/administrative support	178,674	178,674	170,060	8,614
Operating expenditures	14,400	15,000	15,394	(394)
Total planning and zoning	<u>193,074</u>	<u>193,674</u>	<u>185,454</u>	<u>8,220</u>
General government:				
Operating expenditures	224,350	221,430	188,213	33,217
Total general government	<u>224,350</u>	<u>221,430</u>	<u>188,213</u>	<u>33,217</u>
Civil Service Commission:				
Operating expenditures	18,600	18,630	10,471	8,159
Total civil service commission	<u>18,600</u>	<u>18,630</u>	<u>10,471</u>	<u>8,159</u>
Pro Piqua:				
Operating expenditures	59,000	59,000	56,788	2,212
Total pro piqua	<u>59,000</u>	<u>59,000</u>	<u>56,788</u>	<u>2,212</u>
TOTAL GENERAL GOVERNMENT	<u><u>1,445,449</u></u>	<u><u>1,448,778</u></u>	<u><u>1,291,055</u></u>	<u><u>157,723</u></u>
PUBLIC SAFETY:				
Fire department:				
Personal services/administrative support	3,175,034	3,220,034	3,127,097	92,937
Operating expenditures	398,148	405,473	362,327	43,146
Capital	219,900	174,900	19,514	155,386
Total fire department	<u>3,793,082</u>	<u>3,800,407</u>	<u>3,508,938</u>	<u>291,469</u>
Police department:				
Personal services/administrative support	3,541,215	3,541,215	3,435,516	105,699
Operating expenditures	596,222	596,222	450,464	145,758
Capital	124,300	124,300	105,745	18,555
Total police department	<u>4,261,737</u>	<u>4,261,737</u>	<u>3,991,725</u>	<u>270,012</u>
TOTAL PUBLIC SAFETY	<u><u>8,054,819</u></u>	<u><u>8,062,144</u></u>	<u><u>7,500,663</u></u>	<u><u>561,481</u></u>

See notes to required supplemental information

(Continued)

**REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2012**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
NEIGHBORHOOD IMPROVEMENT TEAM:				
Personal services/administrative support	12,082	3,590	3,573	17
Operating expenditures	<u>14,110</u>	<u>12,365</u>	<u>11,684</u>	<u>681</u>
Total neighborhood improvement team	<u><u>26,192</u></u>	<u><u>15,955</u></u>	<u><u>15,257</u></u>	<u><u>698</u></u>
HEALTH:				
Personal services/administrative support	249,678	249,678	247,062	2,616
Operating expenditures	<u>94,800</u>	<u>94,830</u>	<u>73,707</u>	<u>21,123</u>
Total health department	<u><u>344,478</u></u>	<u><u>344,508</u></u>	<u><u>320,769</u></u>	<u><u>23,739</u></u>
PIQUA TREE DONATIONS:				
Operating expenditures	<u>3,000</u>	<u>3,491</u>	<u>2,722</u>	<u>769</u>
Total Piqua Tree Donations department	<u><u>3,000</u></u>	<u><u>3,491</u></u>	<u><u>2,722</u></u>	<u><u>769</u></u>
PARKS AND RECREATION:				
Personal services/administrative support	267,179	283,279	268,771	14,508
Operating expenditures	168,672	168,672	149,509	19,163
Capital	<u>-</u>	<u>250,000</u>	<u>343,643</u>	<u>(93,643)</u>
Total parks and recreation	<u><u>435,851</u></u>	<u><u>701,951</u></u>	<u><u>761,923</u></u>	<u><u>(59,972)</u></u>
Total expenditures	<u><u>10,309,789</u></u>	<u><u>10,576,827</u></u>	<u><u>9,892,389</u></u>	<u><u>684,438</u></u>
Excess of revenues over expenditures	<u>(482,210)</u>	<u>177,111</u>	<u>927,793</u>	<u>750,682</u>
OTHER FINANCING SOURCES (USES):				
Disposal of fixed assets	-	5,876	18,808	12,932
Transfers out	<u>(573,927)</u>	<u>(622,367)</u>	<u>(482,211)</u>	<u>140,156</u>
Total other financing sources (uses)	<u><u>(573,927)</u></u>	<u><u>(616,491)</u></u>	<u><u>(463,403)</u></u>	<u><u>153,088</u></u>
Net change in fund balance	(1,056,137)	(439,380)	464,390	903,770
Fund balance- January 1, 2012	<u>20,194,491</u>	<u>20,194,491</u>	<u>20,194,491</u>	<u>-</u>
Fund balance December 31, 2012	<u><u>\$ 19,138,354</u></u>	<u><u>\$ 19,755,111</u></u>	<u><u>\$ 20,658,881</u></u>	<u><u>\$ 903,770</u></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, 2012**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
REVENUES:				
Municipal income tax	\$ 1,200,000	\$ 1,200,000	\$ 1,239,653	\$ 39,653
State shared revenues	1,123,053	1,114,039	1,157,114	43,075
Grants operating	-	-	4,385	4,385
Licenses and permits, fees	3,000	825	1,000	175
Interest income	4,150	13,300	15,322	2,022
Decrease in fair value of investments	-	-	(5,788)	(5,788)
Other fines, rents, and reimbursements	18,786	15,375	18,014	2,639
Total revenues	<u>2,348,989</u>	<u>2,343,539</u>	<u>2,429,700</u>	<u>86,161</u>
EXPENDITURES:				
Personal services/administrative support	868,657	868,657	758,268	110,389
Operating expenditures	1,512,632	1,535,469	1,022,926	512,543
Capital costs	184,000	184,000	-	184,000
Total expenditures	<u>2,565,289</u>	<u>2,588,126</u>	<u>1,781,194</u>	<u>806,932</u>
Net change in fund balance	(216,300)	(244,587)	648,506	893,093
Fund balance- January 1, 2012	<u>3,270,045</u>	<u>3,270,045</u>	<u>3,270,045</u>	<u>-</u>
Fund balance December 31, 2012	<u>\$ 3,053,745</u>	<u>\$ 3,025,458</u>	<u>\$ 3,918,551</u>	<u>\$ 893,093</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, 2012**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
REVENUES:				
Municipal income tax	\$ 1,071,429	\$ 1,071,429	\$ 1,107,219	\$ 35,790
Grants-capital	2,170,674	1,394,524	1,462,096	67,572
Interest income	1,480	837	1,052	215
Other fines, rents , and reimbursements	100,000	100,000	99,877	(123)
Total revenues	<u>3,343,583</u>	<u>2,566,790</u>	<u>2,670,244</u>	<u>103,454</u>
EXPENDITURES:				
Operating expenditures	338,348	338,348	150,533	187,815
Capital costs	2,782,759	2,782,759	2,149,048	633,711
Total expenditures	<u>3,121,107</u>	<u>3,121,107</u>	<u>2,299,581</u>	<u>821,526</u>
Excess of revenues over expenditures	<u>222,476</u>	<u>(554,317)</u>	<u>370,663</u>	<u>924,980</u>
OTHER FINANCING (USES):				
Transfers out	<u>(188,866)</u>	<u>(188,866)</u>	<u>(188,866)</u>	<u>-</u>
Total other financing(uses)	<u>(188,866)</u>	<u>(188,866)</u>	<u>(188,866)</u>	<u>-</u>
Net change in fund balance	33,610	(743,183)	181,797	924,980
Fund balance January 1, 2012	<u>1,795,964</u>	<u>1,795,964</u>	<u>1,795,964</u>	<u>-</u>
Fund balance December 31, 2012	<u>\$ 1,829,574</u>	<u>\$ 1,052,781</u>	<u>\$ 1,977,761</u>	<u>\$ 924,980</u>

See notes to required supplemental information

CITY OF PIQUA, OHIO
Notes to the Required Supplemental Information
December 31, 2012

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.

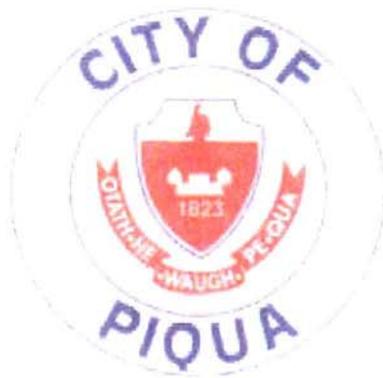
The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Commission on an annual basis. Public hearings are held to obtain taxpayer comments. The Commission enacts the budget through passage of an appropriations ordinance. The appropriations ordinance controls 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.

The General fund had an excess of expenditures over appropriations in the parks and recreation department of \$93,643 due to unforeseen donated capital received at year end.

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

**COMBINING BALANCE SHEET- NON MAJOR FUNDS
DECEMBER 31, 2012**

ASSETS:	Revolving Loan/Federal Program Income	Community Development	Trust
Equity in pooled cash and cash equivalents	\$ 105,901	\$ 95,193	\$ 44,279
Equity in pooled investments	-	-	-
Accounts receivable	356	612,504	-
Interfund receivable	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	7,149	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 113,406</u>	<u>\$ 707,697</u>	<u>\$ 44,279</u>
 LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	-	353,443	-
Interfund payable	-	3,224	-
Salaries and benefits	-	4,384	-
Accruals	-	333,833	-
Total Current Liabilities	<hr/>	<hr/>	<hr/>
	-	694,884	-
Total Liabilities	-	694,884	-
 DEFERRED INFLOWS OF RESOURCES:			
Property taxes	-	-	-
Total deferred inflows of resources	<hr/>	<hr/>	<hr/>
	-	-	-
 FUND BALANCES:			
Nonspendable fund balance	7,150	-	-
Restricted fund balance	101,867	12,813	44,279
Assigned fund balance	4,389	-	-
Unassigned	-	-	-
Total fund balances	<hr/>	<hr/>	<hr/>
	113,406	12,813	44,279
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 113,406</u>	<u>\$ 707,697</u>	<u>\$ 44,279</u>

(Continued)

CITY OF PIQUA, OHIO

**COMBINING BALANCE SHEET- NON MAJOR FUNDS
DECEMBER 31, 2012**

ASSETS:	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
Equity in pooled cash and cash equivalents	\$ 31,541	\$ 105,999	\$ 382,913
Equity in pooled investments	-	-	-
Accounts receivable	16	57,478	670,354
Interfund receivable	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	-	-	7,149
	<u>31,557</u>	<u>163,477</u>	<u>1,060,416</u>
Total Assets			
	<u>31,557</u>	<u>163,477</u>	<u>1,060,416</u>
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	-	-	353,443
Interfund payable	-	162,054	165,278
Salaries and benefits	-	-	4,384
Accruals	-	-	333,833
Total Current Liabilities	<u>-</u>	<u>162,054</u>	<u>856,938</u>
Total Liabilities	-	162,054	856,938
DEFERRED INFLOWS OF RESOURCES:			
Property taxes	16	-	16
Total deferred inflows of resources	<u>16</u>	<u>-</u>	<u>16</u>
FUND BALANCES:			
Nonspendable fund balance	-	-	7,150
Restricted fund balance	31,541	1,423	191,923
Assigned fund balance	-	-	4,389
Unassigned	-	-	-
Total fund balances	<u>31,541</u>	<u>1,423</u>	<u>203,462</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 31,557</u>	<u>\$ 163,477</u>	<u>\$ 1,060,416</u>

(Concluded)

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCE NON MAJOR FUNDS
FOR YEAR ENDED DECEMBER 31, 2012**

	Revolving Loan/Federal Program Income	Community Development	Trust
REVENUES:			
Property taxes	\$ -	\$ 1,274	\$ -
State shared revenues	-	-	-
Licenses and permits, fees	1,380	-	-
Grants: operating	-	1,616,209	-
Investment income	5,356	-	-
Other fines, rents, and reimbursements	35,656	-	60,339
Total revenues	<u>42,392</u>	<u>1,617,483</u>	<u>60,339</u>
EXPENDITURES:			
Personal services/administrative support	-	-	-
Operation and maintenance	20,000	1,617,483	51,740
Capital	-	-	-
Total expenditures	<u>20,000</u>	<u>1,617,483</u>	<u>51,740</u>
Excess (deficiency) of revenues over expenditures	<u>22,392</u>	<u>-</u>	<u>8,599</u>
Net change in fund balance	22,392	-	8,599
Fund balance January 1, 2012	<u>91,014</u>	<u>12,813</u>	<u>35,680</u>
Fund balance December 31, 2012	<u>\$ 113,406</u>	<u>\$ 12,813</u>	<u>\$ 44,279</u>

(Continued)

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCE NON MAJOR FUNDS
FOR YEAR ENDED DECEMBER 31, 2012**

	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
REVENUES:			
Property taxes	\$ 32,425	\$ -	\$ 33,699
State shared revenues	7,337	-	7,337
Licenses and permits, fees	-	-	1,380
Grants; operating	-	367,922	1,984,131
Investment income	10	-	5,366
Other fines, rents, and reimbursements	-	-	95,995
Total revenues	<u>39,772</u>	<u>367,922</u>	<u>2,127,908</u>
EXPENDITURES:			
Personal services/administrative support	-	16,251	16,251
Operation and maintenance	45,769	263,851	1,998,843
Capital	-	86,400	86,400
Total expenditures	<u>45,769</u>	<u>366,502</u>	<u>2,101,494</u>
Excess (deficiency) of revenues over expenditures	<u>(5,997)</u>	<u>1,420</u>	<u>26,414</u>
Net change in fund balance	(5,997)	1,420	26,414
Fund balance January 1, 2012	<u>37,538</u>	<u>3</u>	<u>177,048</u>
Fund balance December 31, 2012	<u>\$ 31,541</u>	<u>\$ 1,423</u>	<u>\$ 203,462</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, 2012**

	Revolving Loan / Federal Program Income			Community Development		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 2,594	\$ 1,274	\$ (1,320)
State shared revenues	-	-	-	-	-	-
Licenses and permits, fees	1,440	1,380	(60)	-	-	-
Grants: operating	-	-	-	2,000,000	1,616,209	(383,791)
Investment Income	4,875	5,356	481	-	-	-
Other	34,962	35,656	694	-	-	-
Total revenues	<u>41,277</u>	<u>42,392</u>	<u>1,115</u>	<u>2,002,594</u>	<u>1,617,483</u>	<u>(385,111)</u>
EXPENDITURES:						
Personal services	-	-	-	-	-	-
Operation and maintenance	60,500	20,000	40,500	2,008,594	1,617,483	391,111
Capital	-	-	-	-	-	-
Total expenditures	<u>60,500</u>	<u>20,000</u>	<u>40,500</u>	<u>2,008,594</u>	<u>1,617,483</u>	<u>391,111</u>
Excess (deficiency) of revenues over expenditures	<u>(19,223)</u>	<u>22,392</u>	<u>41,615</u>	<u>(6,000)</u>	<u>-</u>	<u>6,000</u>
Net change in fund balance	(19,223)	22,392	41,615	(6,000)	-	6,000
Fund balance January 1, 2012	<u>91,014</u>	<u>91,014</u>	<u>-</u>	<u>12,813</u>	<u>12,813</u>	<u>-</u>
Fund balance December 31, 2012	<u>\$ 71,791</u>	<u>\$ 113,406</u>	<u>\$ 41,615</u>	<u>\$ 6,813</u>	<u>\$ 12,813</u>	<u>\$ 6,000</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, 2012**

	Trust			Conservancy		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 32,425	\$ 32,425	\$ -
State shared revenues	-	-	-	6,718	7,337	619
Licenses and permits, fees	-	-	-	-	-	-
Grants: operating	-	-	-	-	-	-
Investment Income	-	-	-	8	10	2
Other	79,209	60,339	(18,870)	-	-	-
Total revenues	<u>79,209</u>	<u>60,339</u>	<u>(18,870)</u>	<u>39,151</u>	<u>39,772</u>	<u>621</u>
EXPENDITURES:						
Personal services	-	-	-	-	-	-
Operation and maintenance	80,374	51,740	28,634	46,700	45,769	931
Capital	-	-	-	-	-	-
Total expenditures	<u>80,374</u>	<u>51,740</u>	<u>28,634</u>	<u>46,700</u>	<u>45,769</u>	<u>931</u>
Net change in fund balance	(1,165)	8,599	9,764	(7,549)	(5,997)	1,552
Fund balance January 1, 2012	<u>35,680</u>	<u>35,680</u>	<u>-</u>	<u>37,538</u>	<u>37,538</u>	<u>-</u>
Fund balance December 31, 2012	<u>\$ 34,515</u>	<u>\$ 44,279</u>	<u>\$ 9,764</u>	<u>\$ 29,989</u>	<u>\$ 31,541</u>	<u>\$ 1,552</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, 2012**

	Federal Grants			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 35,019	\$ 33,699	\$ (1,320)
State shared revenues	-	-	-	6,718	7,337	619
Licenses and permits, fees	-	-	-	1,440	1,380	(60)
Grants: operating	451,714	367,922	(83,792)	2,451,714	1,984,131	(467,583)
Investment Income	-	-	-	4,883	5,366	483
Other	-	-	-	114,171	95,995	(18,176)
Total revenues	<u>451,714</u>	<u>367,922</u>	<u>(83,792)</u>	<u>2,613,945</u>	<u>2,127,908</u>	<u>(486,037)</u>
EXPENDITURES:						
Personal services	16,251	16,251	-	16,251	16,251	-
Operation and maintenance	349,063	263,851	85,212	2,545,231	1,998,843	546,388
Capital	86,400	86,400	-	86,400	86,400	-
Total expenditures	<u>451,714</u>	<u>366,502</u>	<u>85,212</u>	<u>2,647,882</u>	<u>2,101,494</u>	<u>546,388</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,420</u>	<u>1,420</u>	<u>(33,937)</u>	<u>26,414</u>	<u>60,351</u>
Net change in fund balance	-	1,420	1,420	(33,937)	26,414	60,351
Fund balance January 1, 2012	<u>3</u>	<u>3</u>	<u>-</u>	<u>177,048</u>	<u>177,048</u>	<u>-</u>
Fund balance December 31, 2012	<u>\$ 3</u>	<u>\$ 1,423</u>	<u>\$ 1,420</u>	<u>\$ 143,111</u>	<u>\$ 203,462</u>	<u>\$ 60,351</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, 2012**

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Property taxes	\$ 45,246	\$ 76,290	\$ 31,044
Investment income	11,865	11,890	25
Total revenues	<u>57,111</u>	<u>88,180</u>	<u>31,069</u>
EXPENDITURES:			
Operating expenditures	69,355	12,957	56,398
Debt principal payment	221,476	221,476	-
Debt interest payment	69,815	69,815	-
Total expenditures	<u>360,646</u>	<u>304,248</u>	<u>56,398</u>
Excess (deficiency) of revenues over expenditures	<u>(303,535)</u>	<u>(216,068)</u>	<u>87,467</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>277,793</u>	<u>277,793</u>	-
Total other financing sources	<u>277,793</u>	<u>277,793</u>	-
Net change in fund balance	(25,742)	61,725	87,467
Fund balance January 1, 2012	<u>369,253</u>	<u>369,253</u>	-
Fund balance December 31, 2012	<u>\$ 343,511</u>	<u>\$ 430,978</u>	<u>\$ 87,467</u>

CITY OF PIQUA, OHIO

**COMBINING BALANCE SHEET- INTERNAL SERVICE FUNDS
DECEMBER 31, 2012**

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	\$ 339,454	\$ 153,677	\$ 3,712	\$ 355,501	\$ 852,344
Equity in pooled investments	1,001,440	291,593	1,023,970	-	2,317,003
Accounts receivable	2,195	92,140	1,838	-	96,173
Prepaid items and other assets	-	-	181,555	-	181,555
Total Current Assets	<u>1,343,089</u>	<u>537,410</u>	<u>1,211,075</u>	<u>355,501</u>	<u>3,447,075</u>
Noncurrent assets:					
Capital assets not being depreciated					
Construction in process	-	-	-	460,672	460,672
Capital assets being depreciated					
Plant and equipment in service, net	-	-	-	156,594	156,594
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>617,266</u>	<u>617,266</u>
Total Assets	<u>\$ 1,343,089</u>	<u>\$ 537,410</u>	<u>\$ 1,211,075</u>	<u>\$ 972,767</u>	<u>\$ 4,064,341</u>
 LIABILITIES:					
CURRENT LIABILITIES:					
Accounts payable	-	-	-	35,628	35,628
Salaries and benefits	-	-	-	4,897	4,897
Accrued vacation, personal and sick leave	-	-	-	28,873	28,873
Accruals	-	-	-	249	249
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,647</u>	<u>69,647</u>
NONCURRENT LIABILITIES:					
Accrued vacation, personal and sick leave	-	-	-	55,818	55,818
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,818</u>	<u>55,818</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,465</u>	<u>125,465</u>
 NET POSITION:					
Net investment in capital assets				617,266	617,266
Unrestricted	<u>1,343,089</u>	<u>537,410</u>	<u>1,211,075</u>	<u>230,036</u>	<u>3,321,610</u>
Total Net Position	<u>1,343,089</u>	<u>537,410</u>	<u>1,211,075</u>	<u>847,302</u>	<u>3,938,876</u>
Total Liabilities and Net Position	<u>\$ 1,343,089</u>	<u>\$ 537,410</u>	<u>\$ 1,211,075</u>	<u>\$ 972,767</u>	<u>\$ 4,064,341</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION- INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Total
OPERATING REVENUES:					
Customer services	\$ 116,867	\$ 124,192	\$ -	\$ 530,000	\$ 771,059
Penalty charges	-	-	-	-	-
Total operating revenues	116,867	124,192	-	530,000	771,059
OPERATING EXPENSES:					
Salaries and Employee benefits	232,959	-	-	273,835	506,794
Depreciation	-	-	-	20,375	20,375
Materials and supplies	-	-	-	14,505	14,505
Utilities	-	-	-	24,084	24,084
Outside Services	-	-	66	98,850	98,916
Other	-	249,396	-	866	250,262
Total operating expenses	232,959	249,396	66	432,515	914,936
Operating income (loss)	(116,092)	(125,204)	(66)	97,485	(143,877)
NON-OPERATING REVENUES(EXPENSES):					
Interest income	25,845	8,834	8,039	225	42,943
market value of investments	(385)	(4,530)	(507)	-	(5,422)
Other, net	-	-	-	4	4
Net non-operating revenues(expenses)	25,460	4,304	7,532	229	37,525
Change in net position	(90,632)	(120,900)	7,466	97,714	(106,352)
Total net position-beginning of year	1,433,721	658,310	1,203,609	749,588	4,045,228
Total net position-end of year	<u>\$ 1,343,089</u>	<u>\$ 537,410</u>	<u>\$ 1,211,075</u>	<u>\$ 847,302</u>	<u>\$ 3,938,876</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF CASH FLOWS-INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Totals
OPERATING ACTIVITIES:					
Receipts from interfund services	\$ 116,867	\$ 51,563	\$ 215	\$ 530,002	\$ 698,647
Cash paid to suppliers for goods or services	-	(249,396)	(180,501)	(110,687)	(540,584)
Cash paid to employees for services	(232,959)	-	-	(263,850)	(496,809)
Net cash provided by (used in) operating activities	<u>(116,092)</u>	<u>(197,833)</u>	<u>(180,286)</u>	<u>155,465</u>	<u>(338,746)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	-	-	-	(64,734)	(64,734)
Net cash provided by (used in) capital & related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,734)</u>	<u>(64,734)</u>
INVESTING ACTIVITIES:					
Purchases of investment securities	(751,440)	(290,000)	(1,023,970)	-	(2,065,410)
Proceeds from sale or maturity of investment securities	925,000	495,870	1,040,000	-	2,460,870
Interest received	27,470	11,352	8,448	226	47,496
Net cash provided by (used in) investing activities	<u>201,030</u>	<u>217,222</u>	<u>24,478</u>	<u>226</u>	<u>442,956</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	84,938	19,389	(155,808)	90,957	39,476
CASH AND CASH EQUIVALENTS - Beginning of year	254,516	134,288	159,520	264,544	812,868
CASH AND CASH EQUIVALENTS - End of year	\$ 339,454	\$ 153,677	\$ 3,712	\$ 355,501	852,344
OPERATING INCOME (LOSS)	\$ (116,092)	\$ (125,204)	\$ (66)	\$ 97,485	(143,877)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	20,375	20,375
(Increase)/Decrease in Accounts Receivable	-	(72,629)	215	1	(72,413)
(Increase)/Decrease in Prepays	-	-	(176,800)	-	(176,800)
Increase/(Decrease) in Accounts Payable	-	-	(3,635)	27,617	23,982
Increase/(Decrease) in Accrued Wages and Benefits	-	-	-	9,985	9,985
Net (Increase)/Decrease in Other Operating Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Net cash provided by (used in) operating activities	<u>\$ (116,092)</u>	<u>\$ (197,833)</u>	<u>\$ (180,286)</u>	<u>\$ 155,465</u>	<u>\$ (338,746)</u>
SUPPLEMENTAL INFORMATION:					
Noncash activities:					
Change in fair value of investments	<u>\$ (385)</u>	<u>\$ (4,530)</u>	<u>\$ (507)</u>	<u>\$ -</u>	<u>\$ (5,422)</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
DECEMBER 31, 2012**

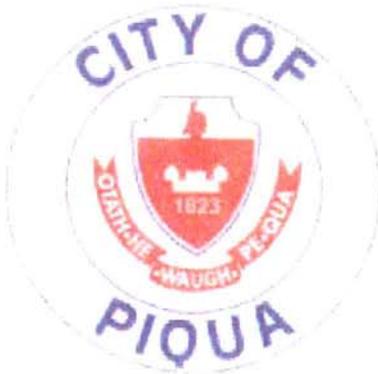
	<u>Unclaimed Funds</u>	<u>Employee Flexible Spending</u>	<u>Total</u>
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 2,951	\$ 17,981	\$ 20,932
Total Assets	<u>\$ 2,951</u>	<u>\$ 17,981</u>	<u>\$ 20,932</u>
LIABILITIES:			
Withholdings payable	\$ -	\$ 6,147	\$ 6,147
Undistributed monies	<u>2,951</u>	<u>11,834</u>	<u>14,785</u>
Total Liabilities	<u>\$ 2,951</u>	<u>\$ 17,981</u>	<u>\$ 20,932</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR YEAR ENDED DECEMBER 31, 2012**

	Restated Balance at January 1, 2012	Additions	Deductions	Balance at December 31, 2012
Unclaimed Funds				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 1,736	\$ 1,335	\$ 120	\$ 2,951
Total Assets	<u>\$ 1,736</u>	<u>\$ 1,335</u>	<u>\$ 120</u>	<u>\$ 2,951</u>
LIABILITIES				
Undistributed monies	\$ 1,736	\$ 1,335	\$ 120	2,951
Total Liabilities	<u>\$ 1,736</u>	<u>\$ 1,335</u>	<u>\$ 120</u>	<u>\$ 2,951</u>
Employee Flexible Spending				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 14,884	\$ 160,046	\$ 156,949	\$ 17,981
Total Assets	<u>\$ 14,884</u>	<u>\$ 160,046</u>	<u>\$ 156,949</u>	<u>\$ 17,981</u>
LIABILITIES				
Withholdings payable	\$ 2,997	\$ 160,046	\$ 156,896	\$ 6,147
Undistributed monies	11,887	-	53	11,834
Total Liabilities	<u>\$ 14,884</u>	<u>\$ 160,046</u>	<u>\$ 156,949</u>	<u>\$ 17,981</u>
Total- All AGENCY FUNDS				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 16,620	\$ 161,381	\$ 157,069	\$ 20,932
Total Assets	<u>\$ 16,620</u>	<u>\$ 161,381</u>	<u>\$ 157,069</u>	<u>\$ 20,932</u>
LIABILITIES				
Withholdings payable	\$ 2,997	\$ 160,046	\$ 156,896	\$ 6,147
Undistributed monies	13,623	1,335	173	14,785
Total Liabilities	<u>\$ 16,620</u>	<u>\$ 161,381</u>	<u>\$ 157,069</u>	<u>\$ 20,932</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.

CITY OF PIQUA, OHIO

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Government Activities										
Net investment in capital assets	\$ 42,875,580	\$ 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
Restricted for other purposes	10,894	12,457	18,638	20,665	14,684	33,231	-	-	-	-
Restricted for debt service	430,978	369,253	385,122	387,228	394,408	394,825	418,841	740,702	1,571,115	976,604
Unrestricted	29,179,762	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
Total governmental activities net position	72,497,214	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
Business-Type Activities										
Net investment in capital assets	55,839,322	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
Restricted for other purposes	-	-	-	-	-	727	-	-	-	-
Restricted for debt service	50,000	50,000	50,000	50,000	50,000	50,000	58,910	66,588	303,180	168,888
Unrestricted	18,818,340	20,506,796	20,726,170	17,278,974	14,078,814	12,979,243	13,427,481	10,750,998	10,071,169	10,787,951
Total business-type activities net position	74,707,662	70,486,313	69,249,330	66,986,863	64,647,734	63,328,345	63,192,628	60,140,751	59,178,169	59,384,881
Primary government										
Net investment in capital assets	98,714,902	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
Restricted for other purposes	10,894	12,457	18,638	20,665	14,684	33,958	-	-	-	-
Restricted for debt service	480,978	419,253	435,122	437,228	444,408	444,825	477,751	807,290	1,874,295	1,145,492
Unrestricted	47,998,102	48,358,642	46,503,038	41,858,978	37,869,928	33,236,942	31,742,920	23,274,506	20,577,611	21,634,060
Total primary government activities net position	\$ 147,204,876	\$ 140,227,693	\$ 137,173,118	\$ 133,192,439	\$ 130,139,091	\$ 125,268,689	\$ 118,474,743	\$ 108,920,386	\$ 106,757,604	\$ 105,555,801

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 2

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Government activities										
General government	\$ 1,878,876	\$ 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
Public safety	7,778,195	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
Streets and maintenance	3,081,248	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
Parks and recreation	475,706	425,013	548,724	685,518	702,284	716,795	716,795	716,795	636,230	561,058
Community development	1,944,480	393,106	628,434	242,528	618,328	343,948	617,750	1,287,935	721,741	604,099
Interest on long term debt	68,013	190,218	250,261	271,155	289,387	197,747	184,603	216,710	234,029	246,298
Total governmental activities expenses	15,226,518	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
Business-type Activities										
Electric	22,146,622	23,673,009	22,492,488	22,301,713	23,945,553	22,469,419	15,836,216	16,937,470	17,115,584	17,028,335
Wastewater	3,369,098	3,307,060	2,986,688	2,855,462	2,843,279	2,829,263	2,996,458	2,839,982	2,811,990	2,798,594
Refuse	1,594,550	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
Water	3,051,979	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
Stormwater	398,234	419,626	414,092	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golf	683,046	702,282	609,278	654,306	685,305	726,395	707,818	696,389	735,442	720,689
Fort Piqua Plaza	277,319	280,600	229,821	185,207	42,372	n/a	n/a	n/a	n/a	n/a
Municipal Pool	203,742	177,970	170,387	190,003	199,122	191,007	171,005	175,789	161,666	162,408
Total business-type activities expenses	31,724,590	33,455,260	31,335,320	30,461,666	32,089,179	30,411,066	23,705,861	24,602,629	24,573,611	24,206,847
Total Primary Government activities expenses	\$ 46,951,108	\$ 47,090,175	\$ 45,705,031	\$ 45,194,224	\$ 49,812,367	\$ 45,593,389	\$ 38,142,540	\$ 39,934,011	\$ 38,114,498	\$ 36,747,077
Program revenues										
Government activities										
Charges for Services:										
General government	\$ 427,061	\$ 412,803	\$ 630,460	\$ 692,334	\$ 624,510	\$ 465,664	\$ 1,436,056	\$ 298,340	\$ 264,426	\$ 212,377
Public safety	1,042,684	1,083,295	800,027	876,722	772,244	909,784	566,672	311,871	328,505	240,543
Streets and maintenance	118,891	98,951	68,198	33,705	93,392	28,295	63,390	49,462	50,637	76,011
Parks and recreation	21,190	22,258	31,297	109,577	88,900	25,355	31,346	20,415	15,798	15,706
Community development	37,036	36,826	18,152	26,146	26,146	19,974	7,042	67,397	73,226	9,712
Operating grants and contributions	2,052,279	778,247	1,414,559	460,718	1,219,765	2,301,314	3,208,242	739,860	742,628	640,700
Capital grants and contributions	1,890,719	109,763	392,849	534,122	1,822,124	3,978,896	859,305	60,487	596,094	737,223
Total governmental activities program revenues	5,589,860	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
Business-type Activities										
Charges for Services:										
Electric	23,730,966	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
Wastewater	3,461,648	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
Refuse	1,770,367	1,762,814	1,757,375	1,767,803	1,659,648	1,530,335	1,408,455	1,340,537	1,281,780	1,261,666
Water	4,260,723	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
Stormwater	819,584	819,270	651,694	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Golf	563,553	470,297	533,600	594,230	605,828	625,414	599,742	623,714	591,972	533,654
Fort Piqua Plaza	109,010	106,192	129,689	63,946	18,200	n/a	n/a	n/a	n/a	n/a
Municipal Pool	74,927	80,060	74,220	79,048	92,746	89,109	89,373	95,138	73,923	75,478
Operating grants and contributions	142,603	240,032	97,588	155	-	2,548	261	271	-	-
Capital grants and contributions	540,523	112,500	-	65,000	-	726,507	688,466	13,073	64,276	66,651
Total business-type activities program revenues	35,473,904	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
Total primary government program revenues	\$ 41,063,764	\$ 36,587,318	\$ 36,529,990	\$ 35,112,360	\$ 37,416,098	\$ 37,346,079	\$ 32,561,390	\$ 27,305,477	\$ 25,999,428	\$ 25,778,223
Net revenue (expense)										
Governmental activities	\$ (9,636,658)	\$ (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)
Business-type activities	3,749,314	589,915	1,839,128	1,922,835	679,838	(794,269)	2,683,476	1,143,633	(650,114)	(360,896)
Total primary government net revenue(expense)	\$ (5,887,344)	\$ (10,502,857)	\$ (9,175,041)	\$ (10,081,864)	\$ (12,396,269)	\$ (8,247,310)	\$ (5,581,150)	\$ (12,628,534)	\$ (12,115,070)	\$ (10,968,854)

CITY OF PIQUA, OHIO

Table 2

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General revenues and other changes										
in net position										
Governmental activities										
Property taxes	\$1,271,907	\$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
State Shared taxes	2,187,917	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
Income tax	8,024,044	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
Locally levied taxes	1,185,433	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
Investment earnings	97,667	129,378	159,445	134,406	388,469	661,171	578,256	289,066	177,473	199,911
Miscellaneous	18,808	6,500	56,482	9,515	1,852	18,468	6,383	385,572	73,018	93,971
Transfers	(393,284)	(501,861)	(309,093)	(300,798)	(193,942)	(199,931)	(197,103)	(136,609)	(230,861)	(139,574)
Total governmental activities general revenues and other changes in net position	12,392,492	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
Business-type Activities										
Investment earnings	78,751	145,207	114,246	115,496	445,609	730,055	603,404	287,164	173,763	167,710
Special item	-	-	-	-	-	-	(432,106)	(604,824)	-	-
Transfers	393,284	501,861	309,093	300,798	193,942	199,931	197,103	136,609	230,861	139,574
Total business-type activities general revenues and other changes in net position	472,035	647,068	423,339	416,294	639,551	929,986	368,401	(181,051)	404,624	307,284
Total primary government general revenues and other changes in net position	12,864,527	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
Change in net position										
Governmental activities	2,755,834	1,817,592	1,718,212	714,219	3,551,013	6,658,229	6,502,480	1,200,200	871,655	2,259,213
Business-type activities	4,221,349	1,236,983	2,262,467	2,339,129	1,319,389	135,717	3,051,877	962,582	(245,490)	(53,612)
Total primary government activities	\$6,977,183	\$3,054,575	\$3,980,679	\$3,053,348	\$4,870,402	\$6,793,946	\$9,554,357	\$2,162,782	\$626,165	\$2,205,601

Electric, Wastewater, Golf and Pool Expenses restated in years 2011 through 2003 to reflect accounting changes of GASB 65
 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)

	2012	2011 (1)	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Nonspendable	\$ 9,800,153	\$ 9,801,232	\$ 12,515,872	\$ 12,514,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,894	12,457	18,638	20,665	-	-	-	-	-	-
Assigned	4,129,242	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
Unassigned	6,718,592	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
Total General Fund	20,658,881	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
Street Maintenance Fund										
Restricted	3,667,556	2,980,963	2,276,323	1,754,063	-	-	-	-	-	-
Assigned	250,995	289,082	242,428	230,172	-	-	-	-	-	-
Reserved	-	-	-	-	359,365	50,166	163,780	10,766	4,121	1,432
Unassigned	-	-	-	-	1,374,925	1,433,773	1,003,903	610,379	435,921	282,168
Total Street Maintenance Fund	3,918,551	3,270,045	2,518,751	1,984,235	1,734,290	1,483,939	1,167,683	621,145	440,042	283,600
Street Levy Fund										
Restricted	1,931,546	1,703,787	1,434,873	1,311,585	-	-	-	-	-	-
Assigned	46,215	92,177	125,516	45,701	-	-	-	-	-	-
Reserved	-	-	-	-	197,384	409,802	45,903	86,492	30,642	228,872
Unassigned	-	-	-	-	1,145,679	384,273	410,922	227,390	207,500	95,817
Total Street Levy Fund	1,977,761	1,795,964	1,560,389	1,357,286	1,343,063	794,075	456,825	313,882	238,142	324,689
Other Governmental Funds										
Nonspendable	7,150	7,150	7,150	7,150	-	-	-	-	-	-
Restricted	191,923	166,859	115,427	511,724	-	-	-	-	-	-
Assigned	4,389	3,039	3	65,522	-	-	-	-	-	-
Reserved	-	-	-	-	1,025,223	949,265	863,657	642,604	430,985	360,451
Unassigned reported in:										
Revolving Loan/Program Income	-	-	-	-	33,117	72,554	49,165	52,846	51,418	38,357
Community Development	-	-	-	(19,999)	(130,314)	11,504	17,092	461,290	429,535	480,370
Trust	-	-	-	-	3,172	22,417	27,974	-	35,435	40,449
Conservancy	-	-	-	-	42,144	40,625	41,127	-	56,060	51,677
Safety Pension	-	-	-	-	-	72,456	60,676	39,106	26,771	107,463
Federal Grants	-	-	-	(40,320)	4,109	(103,727)	(5,410)	(152,714)	7,954	(44,177)
Total Other Governmental Funds	203,462	177,048	122,580	524,077	977,451	1,065,094	1,054,281	1,043,132	1,038,158	1,034,590
Governmental Funds										
Nonspendable	9,807,303	9,808,382	12,523,022	12,521,223	-	-	-	-	-	-
Restricted	5,801,919	4,864,066	3,845,261	3,598,037	-	-	-	-	-	-
Assigned	4,430,841	3,728,064	3,006,615	2,479,995	-	-	-	-	-	-
Reserved	-	-	-	-	12,416,509	11,335,329	5,112,786	1,153,565	1,333,440	772,179
Unassigned	6,718,592	7,037,036	5,346,681	5,233,694	10,459,932	8,608,471	10,199,963	8,913,421	7,077,833	8,013,524
Total Governmental Funds	\$ 26,738,655	\$ 25,437,548	\$ 24,721,579	\$ 23,832,949	\$ 22,876,441	\$ 19,943,800	\$ 15,312,749	\$ 10,066,986	\$ 8,411,273	\$ 8,785,703

Source: City of Piqua Finance Department
(1) Fund balance categories were reclassified to be consistent with current year financial statement presentation

CITY OF PIQUA, OHIO

Table 4

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES										
Municipal income tax	\$ 7,748,219	\$ 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
Property taxes	1,271,907	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
State shared revenues	2,253,099	2,585,245	2,764,569	3,781,557	3,199,733	2,530,167	3,192,533	3,086,008	2,440,954	2,309,931
Locally levied taxes	1,185,433	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
Licenses and permits, fees	1,330,355	1,333,529	1,054,458	1,020,519	949,578	1,073,084	574,837	314,412	358,178	282,538
Grants: capital	1,482,076	109,763	392,849	512,522	1,766,624	3,975,696	208,958	3,365	402,414	665,148
Grants: operating	2,023,736	683,653	863,231	372,788	765,164	1,954,777	600,798	713,537	714,033	623,044
Investment income	115,681	141,194	157,392	109,066	253,369	492,617	420,761	249,393	150,072	176,014
Increase in fair market value of investments	(32,643)	(34,239)	(22,878)	(11,293)	55,323	12,071	18,769	(33,256)	(29,936)	(78,911)
Donations: capital	408,643	-	-	21,600	55,500	3,200	650,347	57,122	193,680	72,075
Donations: operating	28,543	94,594	551,328	180,976	361,555	346,537	2,607,444	26,321	28,595	17,656
Other fines, rents, and reimbursements	321,165	322,528	524,995	716,342	657,330	325,783	1,518,010	444,458	367,119	271,811
Total revenues	18,136,214	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
EXPENDITURES										
General government administration	1,310,975	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
Public safety	7,375,404	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
Public health	312,330	329,242	360,499	435,469	496,914	521,419	393,863	331,834	318,869	301,939
Street repairs and maintenance	1,934,451	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
Parks and recreation	418,280	361,895	461,977	609,908	828,421	633,438	661,920	637,044	573,008	509,630
Community planning and development	1,973,099	378,885	610,155	321,094	942,424	544,972	749,395	1,281,353	703,930	593,528
Other	58,726	63,174	55,043	55,521	112,288	78,846	106,092	160,982	103,674	142,634
Capital improvements	2,704,350	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
Debt service:										
Principal	221,476	2,010,985	871,353	802,604	737,596	683,457	524,404	805,840	448,413	415,805
Interest	69,815	201,592	248,969	273,818	293,522	192,915	184,195	217,845	231,512	248,143
Payment of pension liability	-	-	-	-	-	-	-	-	-	-
Total expenditures	16,378,906	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
Excess (deficiency) of revenues over expenditures	1,757,308	1,146,132	1,452,586	124,909	2,637,754	2,391,507	5,436,483	448,872	(499,400)	715,294
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	18,808	6,500	56,482	9,515	1,852	18,468	6,383	385,572	73,018	93,971
Transfers in	277,793	2,157,880	1,057,569	1,024,720	1,051,982	689,718	657,677	899,980	1,258,438	2,430,459
Transfers out	(671,077)	(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)
Total other financing sources (uses)	(374,476)	(446,032)	(178,834)	831,599	294,887	2,239,544	(190,720)	723,806	78,195	1,133,179
Net change in fund balances	\$ 1,382,832	\$ 700,100	\$ 1,273,752	\$ 956,508	\$ 2,932,641	\$ 4,631,051	\$ 5,245,763	\$ 1,172,678	\$ (421,205)	\$ 1,848,473
Debt service as a percentage of Noncapital expenditures	2.1%	16.0%	8.3%	7.7%	6.1%	6.2%	5.3%	7.2%	5.4%	5.8%

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
2012	1.75%	\$ 8,147,450	\$ 6,628,606	82%	\$ 845,855	10%	\$ 672,989	8%
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%

Source: City of Piqua Income Tax Department

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

Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2011	0-20,000	3,998	44.29%	32,814,422	8.91%
2011	20,001-40,000	2,275	25.20%	66,231,325	17.98%
2011	40,001-60,000	1,190	13.18%	58,199,985	15.80%
2011	60,001-80,000	691	7.65%	47,666,537	12.94%
2011	80,001-100,000	357	3.95%	31,736,996	8.62%
2011	over 100,000	516	5.72%	131,675,207	35.75%
	Total	<u>9,027</u>		<u>368,324,472</u>	
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	<u>8,484</u>		<u>353,009,438</u>	
2009	0-20,000	3,853	44.03%	31,893,835	9.70%
2009	20,001-40,000	2,222	25.39%	64,796,876	19.71%
2009	40,001-60,000	1,201	13.72%	58,741,763	17.87%
2009	60,001-80,000	673	7.69%	46,361,870	14.10%
2009	80,001-100,000	350	4.00%	30,959,276	9.42%
2009	over 100,000	452	5.17%	95,978,422	29.20%
	Total	<u>8,751</u>		<u>328,732,042</u>	
2008	0-20,000	3,239	40.83%	26,422,402	6.00%
2008	20,001-40,000	2,039	25.71%	59,730,456	13.57%
2008	40,001-60,000	1,154	14.55%	56,625,342	12.86%
2008	60,001-80,000	688	8.67%	47,651,794	10.82%
2008	80,001-100,000	347	4.37%	30,879,337	7.01%
2008	over 100,000	465	5.86%	218,983,220	49.74%
	Total	<u>7,932</u>		<u>440,292,551</u>	
2007	0-20,000	2,861	42.94%	22,686,532	7.99%
2007	20,001-40,000	1,629	24.45%	47,858,984	16.85%
2007	40,001-60,000	1,001	15.02%	48,988,779	17.25%
2007	60,001-80,000	545	8.18%	37,537,791	13.22%
2007	80,001-100,000	270	4.05%	23,909,330	8.42%
2007	over 100,000	357	5.36%	102,965,400	36.26%
	Total	<u>6,663</u>		<u>283,946,816</u>	
2006	0-20,000	2,887	43.04%	23,417,853	8.42%
2006	20,001-40,000	1,685	25.12%	49,085,205	17.65%
2006	40,001-60,000	996	14.85%	48,996,734	17.61%
2006	60,001-80,000	551	8.21%	37,597,868	13.52%
2006	80,001-100,000	270	4.03%	23,845,560	8.57%
2006	over 100,000	319	4.76%	95,221,726	34.23%
	Total	<u>6,708</u>		<u>278,164,946</u>	
2005	0-20,000	2,840	43.56%	23,206,195	8.58%
2005	20,001-40,000	1,655	25.39%	48,441,662	17.92%
2005	40,001-60,000	941	14.43%	46,343,589	17.14%
2005	60,001-80,000	517	7.93%	35,318,776	13.06%
2005	80,001-100,000	262	4.02%	23,149,682	8.56%
2005	over 100,000	304	4.66%	93,934,318	34.74%
	Total	<u>6,519</u>		<u>270,394,222</u>	
2004	0-20,000	2,917	42.97%	24,164,308	8.06%
2004	20,001-40,000	1,793	26.41%	52,604,328	17.56%
2004	40,001-60,000	975	14.36%	48,039,364	16.03%
2004	60,001-80,000	558	8.22%	38,117,997	12.72%
2004	80,001-100,000	260	3.83%	23,025,891	7.68%
2004	over 100,000	285	4.20%	113,682,534	37.94%
	Total	<u>6,788</u>		<u>299,634,422</u>	

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

CITY OF PIQUA, OHIO

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 Assessed Value	Personal and Utilities Property Assessed Value	Total Assessed Value	Estimated Total Property Value of City
2011	4.42	\$ 1,397,181	\$ 1,355,224	97.00	\$ 82,065	\$ 310,998,080	\$ 2,375,250	\$ 313,373,330	\$ 890,941,193
2010	4.42	1,406,037	1,363,450	96.97	93,825	309,425,580	2,046,590	311,472,170	886,119,675
2009	4.42	1,488,065	1,442,184	96.92	100,176	331,920,190	2,239,240	334,159,430	950,582,640
2008	4.42	1,483,596	1,431,473	96.49	113,228	326,538,330	18,107,090	344,645,420	951,073,747
2007	4.42	1,558,181	1,510,445	96.94	178,881	326,748,650	35,134,860	361,883,510	968,702,431
2006	4.42	1,545,521	1,485,097	96.09	115,635	301,859,760	52,758,960	354,618,720	862,984,047
2005	4.42	1,550,670	1,512,109	97.51	92,928	296,243,040	63,527,520	359,770,560	847,043,961
2004	4.42	1,581,499	1,544,095	97.63	91,922	291,828,330	65,159,360	356,987,690	834,446,822
2003	4.42	1,533,847	1,492,929	97.33	80,678	277,754,750	70,142,460	347,897,210	863,727,460
2002	4.42	1,543,196	1,501,773	97.32	80,815	275,053,010	76,389,910	351,442,920	862,255,653

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

CITY OF PIQUA, OHIO

Table 8

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities										
General obligation bonds	\$ 255,000	\$ 290,000	\$ 325,000	\$ 875,000	\$ 1,000,000	\$ 1,455,000	\$ 1,898,347	\$ 2,315,740	\$ 2,713,133	\$ 3,083,620
Special assessment bonds	111,806	129,028	95,664	62,602	91,397	124,250	136,089	175,960	193,654	186,042
Pension refunding bonds	250,000	275,000	295,000	315,000	335,000	355,000	375,000	390,000	405,000	420,000
Taxable revenue bonds	-	-	1,800,000	2,010,000	2,210,000	2,400,000	-	-	-	-
Promissory Notes	874,949	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	1,491,755	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
Business type activities										
General obligation bonds	925,000	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
Promissory Notes	5,164,083	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
Total gross business-type activities indebtedness	6,089,083	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
Total gross primary government indebtedness	7,580,838	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
Percent of personal income	1.88%	2.07%	2.80%	2.80%	2.09%	2.36%	2.24%	2.62%	2.85%	3.25%
Per capita	\$ 369	\$ 420	\$ 575	\$ 646	\$ 489	\$ 547	\$ 516	\$ 583	\$ 612	\$ 695
Less debt outside limitations:										
Less debt service fund balance	3,983	3,983	4,100	52,509	71,080	82,573	77,135	66,779	63,193	49,208
Exempt self-supporting obligation debt:	925,000	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
Pension refunding bonds	250,000	275,000	295,000	315,000	335,000	355,000	375,000	390,000	405,000	420,000
Exempt self-supporting tax revenue bonds	-	-	1,800,000	2,010,000	2,210,000	2,400,000	-	-	-	-
Special assessment bonds	111,806	129,028	95,664	62,602	91,397	124,250	136,089	175,960	193,654	186,042
Exempt self-supporting notes	6,039,032	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
Net debt within limitation for both Voted and Unvoted debt	251,017	286,017	320,900	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412
Percent of estimated actual property value	0.08%	0.09%	0.10%	0.24%	0.26%	0.41%	0.54%	0.67%	0.82%	0.86%
Per capita	\$ 12	\$ 14	\$ 16	\$ 40	\$ 46	\$ 69	\$ 93	\$ 116	\$ 138	\$ 146
Debt limitation for both voted and unvoted debt 10.5% of assessed valuation	32,904,200	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
Legal debt margin for voted and unvoted debt	32,653,183	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
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	0.76%	0.87%	0.91%	2.27%	2.52%	3.87%	5.10%	6.42%	7.83%	8.22%
Net debt within limitation for both voted and unvoted limitation	251,017	286,017	320,900	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412
Less voted debt	-	-	-	-	-	-	-	-	-	-
Net debt with limitation for unvoted debt	251,017	286,017	320,900	822,491	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412
Debt limitation for Unvoted debt 5.5% of assessed valuation	17,235,533	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
Legal debt margin for unvoted debt	16,984,516	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
Net debt within limitation for unvoted debt as a percentage of debt limit	1.46%	1.67%	1.75%	4.34%	4.81%	7.39%	9.74%	12.26%	14.94%	15.70%

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 9

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2012**

	<u>Gross Debt</u>	<u>Debt Service</u>	<u>Net Debt</u>	Percent Applicable to City (1)	<u>City's Share</u>
Piqua School District	\$ 42,604,222	\$ 7,063,120	\$ 35,541,102	78.05%	\$ 27,739,830
Upper Valley Joint Vocational School	5,040,000	224,376	4,815,624	14.27	687,190
Miami County	<u>23,054,339</u>	<u>56,718</u>	<u>22,997,621</u>	14.36	<u>3,302</u>
Total overlapping debt	70,698,561	7,344,214	63,354,347		28,430,322
City of Piqua	7,580,838	348,580	7,232,258	100.00%	7,232,258
Total net direct and overlapping debt	<u>\$ 78,279,399</u>	<u>\$ 7,692,794</u>	<u>\$ 70,586,605</u>		<u>\$ 35,662,580</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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Power										
Gross revenues	\$ 23,631,663	\$ 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
Direct operating expenses	20,110,185	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
Net revenue available for debt service	3,521,478	2,021,812	3,563,954	2,891,727	2,312,790	845,118	4,463,695	2,839,595	1,365,272	1,721,390
General obligation debt service requirements	-	408,430	405,590	406,690	410,259	408,495	410,539	402,880	403,789	488,902
Debt service coverage	\$ -	\$ 495	\$ 879	\$ 711	\$ 564	\$ 207	\$ 1,088	\$ 705	\$ 338	\$ 352
Wastewater										
Gross revenues	\$ 3,469,580	\$ 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
Direct operating expenses	2,153,425	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
Net revenue available for debt service	1,316,155	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
General obligation debt service requirements	\$ 809,929	\$ 809,929	\$ 781,841	\$ 506,537	\$ 506,537	\$ 506,537	\$ 506,537	\$ 820,578	\$ 824,628	\$ 824,628
Debt service coverage	163	160	211	276	265	158	129	104	102	106
Water										
Gross revenues	\$ 3,555,235	\$ 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
Direct operating expenses	1,938,472	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
Net revenue available for debt service	1,616,763	423,146	823,351	808,983	682,960	504,872	564,384	359,739	491,462	660,276
General obligation debt service requirements	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 135,122	\$ 223,753	\$ 66,411	\$ 48,281	\$ 50,468
Debt service coverage	1,099	288	559	550	464	271	204	308	1,018	1,308
Golf										
Gross revenues	\$ 557,254	\$ 471,609	\$ 536,337	\$ 596,423	\$ 608,369	\$ 623,722	\$ 600,967	\$ 625,511	\$ 594,655	\$ 562,643
Direct operating expenses	528,664	440,196	467,903	502,379	525,446	568,058	550,122	539,118	541,073	467,023
Net revenue available for debt service	28,590	31,413	68,434	94,044	82,923	55,664	50,845	86,393	53,582	95,620
General obligation debt service requirements	\$ 167,714	\$ 167,285	\$ 171,308	\$ 170,118	\$ 168,385	\$ 180,231	\$ 177,532	\$ 180,205	\$ 265,233	\$ 215,598
Debt service coverage	17	19	40	55	49	31	29	48	20	44
Pool										
Gross revenues	\$ 73,874	\$ 79,027	\$ 74,967	\$ 80,052	\$ 93,172	\$ 89,708	\$ 90,075	\$ 96,102	\$ 74,383	\$ 77,338
Direct operating expenses	161,421	136,185	131,471	148,190	155,035	150,393	134,709	134,709	120,242	118,075
Net revenue available for debt service	(87,547)	(57,158)	(56,504)	(68,138)	(61,863)	(60,685)	(40,575)	(38,607)	(45,859)	(40,737)
General obligation debt service requirements	\$ 8,456	\$ 8,435	\$ 8,637	\$ 8,577	\$ 8,490	\$ 8,622	\$ 8,493	\$ 8,603	\$ 12,932	\$ 10,410
Debt service coverage	(1,035)	(678)	(654)	(794)	(729)	(704)	(478)	(449)	(355)	(391)

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

CITY OF PIQUA, OHIO

Table 11

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2012**

<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	3.4%
Walmart Stores Inc.	Retail store	345	3.4%
Piqua City Schools	Public school district	336	3.3%
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	285	2.8%
Tailwind Technologies Inc.	Manufacturer of aircraft propellers	268	2.6%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	260	2.5%
City of Piqua	Municipal government	218	2.1%
Upper Valley JVS	Regional joint vocational school	213	2.1%
Edison Community College	State community college	161	1.6%
Jackson Tube Service Inc.	Manufacturer of steel tubing	160	1.6%
Total available employment		10,207	

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2003**

<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	400	4.1%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	353	3.6%
Jackson Tube Service Inc.	Manufacturer of steel tubing	350	3.6%
Takata Seat Belts Inc.	Manufacturer of seat belts	302	3.1%
Charter Corporation	Manufacturer of aircraft propellers	293	3.0%
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	2.2%
Upper Valley JVS	Regional joint vocational school	185	1.9%
Hartzell Industries Inc	Manufacturer of industrial fans	171	1.8%
Total available employment		9,750	

Source: City of Piqua Income Tax Office

CITY OF PIQUA, OHIO

PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2012
LAST EIGHT YEARS

Table 12

Name of Taxpayer	Nature of Business	2012 Assessed Valuation	Percent of Total Assessed Valuation	2011		2010		2009		2008		2007		2006		2005		
				Assessed Valuation														
Midamco	Shopping mall	\$ 4,667,270	1.49%	\$ 4,825,900	\$ 6,473,830	\$ 9,302,280	\$ 8,964,070	\$ 8,973,950	\$ 8,819,110	\$ 8,819,110	\$ 8,819,110	\$ 8,819,110	\$ 8,819,110	\$ 8,819,110	\$ 8,819,110	\$ 8,819,110	\$ 8,792,120	
Harvey Tolson Real Estate	Shopping mall	\$ 3,724,630	1.19%	\$ 4,057,130	\$ 4,057,130	\$ 4,284,110	\$ 4,284,110	\$ 4,284,110	\$ 4,284,110	\$ 4,284,110	\$ 4,284,110	\$ 4,284,110	\$ 4,284,110	\$ 4,284,110	\$ 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	\$ 3,180,870	\$ 3,644,050	\$ 3,230,090	\$ 3,804,410	\$ 3,644,050	\$ 3,644,050	\$ 3,230,090	\$ 3,230,090	\$ 3,804,410	\$ 3,804,410	\$ 3,804,410	\$ 3,804,410	\$ -
HCF Inc.	Nursing home	\$ 2,847,210	0.91%	\$ 2,822,910	\$ 2,822,910	\$ 2,822,910	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080	\$ 2,863,080
Miami Valley Steel	Manufacturer of split rolled steel	\$ 2,324,010	0.74%	\$ 2,324,010	\$ 2,324,010	\$ 2,324,010	\$ 2,951,210	\$ 3,002,120	\$ 4,086,600	\$ 2,951,210	\$ 2,951,210	\$ 3,002,120	\$ 3,002,120	\$ 4,086,600	\$ 4,086,600	\$ 4,086,600	\$ 6,144,020	
Spalding & Evenflo Co., Inc.	Manufacturer of juvenile furniture	\$ 2,161,150	0.69%	\$ 2,177,460	\$ 2,177,460	\$ 2,161,150	\$ 3,325,430	\$ 4,739,550	\$ 6,838,690	\$ 3,325,430	\$ 3,325,430	\$ 4,739,550	\$ 4,739,550	\$ 6,838,690	\$ 6,838,690	\$ 6,838,690	\$ 7,502,000	
Med-Terra Inc.	Medical Office Building	\$ 2,142,380	0.68%	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380	\$ 2,142,380
Home Depot Inc.	Hardware retailer	\$ 2,078,140	0.66%	\$ 2,096,970	\$ 2,096,970	\$ 2,084,010	\$ 2,408,880	\$ 2,819,960	\$ 3,071,200	\$ 2,408,880	\$ 2,408,880	\$ 2,819,960	\$ 2,819,960	\$ 3,071,200	\$ 3,071,200	\$ 3,071,200	\$ 3,240,210	
Jackson Tube Service Inc.	Manufacturer of steel tubing	\$ 1,960,010	0.63%	\$ 2,087,550	\$ 2,087,550	\$ 3,045,220	\$ 4,144,950	\$ 5,959,740	\$ 8,455,350	\$ 4,144,950	\$ 4,144,950	\$ 5,959,740	\$ 5,959,740	\$ 8,455,350	\$ 8,455,350	\$ 8,455,350	\$ 9,498,430	
BreRetail Residual LLC	Shopping mall	\$ 1,447,120	0.46%	\$ 1,447,120	\$ 1,447,120	\$ 1,234,770	\$ 2,342,310	\$ 2,120,300	\$ 1,313,880	\$ 2,342,310	\$ 2,342,310	\$ 2,120,300	\$ 2,120,300	\$ 1,313,880	\$ 1,313,880	\$ 1,313,880	\$ 1,215,880	
TOTAL		\$ 26,532,790	8.47%	\$ 27,162,300	\$ 28,810,230	\$ 32,581,710	\$ 37,070,470	\$ 40,135,280	\$ 41,394,700	\$ 37,070,470	\$ 37,070,470	\$ 40,135,280	\$ 40,135,280	\$ 41,394,700	\$ 41,394,700	\$ 41,394,700	\$ 41,398,120	
TOTAL ASSESSED VALUATION		\$ 313,373,330		\$ 311,472,170	\$ 334,159,430	\$ 344,645,420	\$ 361,883,510	\$ 354,618,720	\$ 359,770,560	\$ 361,883,510	\$ 361,883,510	\$ 354,618,720	\$ 354,618,720	\$ 359,770,560	\$ 359,770,560	\$ 359,770,560	\$ 356,987,690	

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 ²	Income of City ²				
2012	20,552	\$ 402,634,232	\$ 19,591	6.3%	\$ 38,064	\$ 93,591	
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		

Source:

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

CITY OF PIQUA, OHIO

Table 14

FULL TIME EMPLOYEES BY PROGRAM/DEPARTMENT
LAST TEN YEARS

<u>PROGRAM</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
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	2.00	3.00	3.25	3.25	2.25	2.00	3.00
Law Department	2.00	2.00	2.00	2.00	2.00	1.75	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	2.00	-	-
Prosecutor	-	-	-	-	-	-	1.00	0.75	0.75	0.75
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75
Finance	20.00	20.00	21.00	21.00	20.00	20.00	20.00	20.00	19.50	20.00
Purchasing	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Engineering	4.50	4.50	4.50	4.50	3.50	4.50	4.50	6.00	6.00	6.00
Hotel Project Manager	-	-	-	-	1.00	1.00	1.00	-	-	-
Health	3.50	4.00	3.50	4.50	6.00	6.00	6.00	5.00	5.00	5.00
Public Safety:										
Police	35.00	35.00	40.00	40.00	38.00	40.00	40.00	40.00	40.50	40.00
Fire	28.00	28.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Streets:	15.00	15.00	16.00	15.00	17.00	17.00	17.00	17.00	16.00	17.50
Parks:	7.50	7.50	8.00	7.50	11.00	11.00	11.00	9.75	9.75	13.00
Community Development:	2.00	2.00	2.00	2.00	2.00	2.75	2.75	2.75	3.00	3.00
Total governmental activities	124.50	125.00	134.50	134.50	139.50	143.25	143.50	140.50	137.50	141.25
BUSINESS-TYPE ACTIVITIES										
Power:	25.50	25.50	26.50	26.50	26.50	33.50	33.50	37.00	37.00	37.00
Wastewater:	14.20	14.00	14.70	14.50	14.50	14.00	14.00	14.00	14.00	14.00
Water:	15.70	15.50	17.70	18.50	18.50	18.50	18.50	18.50	18.50	18.50
Stormwater	1.60	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	10.00	9.00	8.00	7.00	13.00	14.00	13.00	14.00	14.00
Pool:	16.00	16.00	16.00	16.00	14.00	15.00	14.00	15.00	15.00	15.50
Total business-type activities	91.00	90.50	92.90	91.50	88.50	102.00	102.00	105.50	106.50	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	218.50	230.40	229.00	231.00	248.25	248.50	249.00	247.00	251.25

Source: City of Piqua 2012-2003 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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Health Department										
Restaurant inspections	357	439	750	965	536	672	702	688	501	789
Swimming pool inspections	44	42	45	64	52	70	60	42	31	66
Nuisance consultations	1,121	924	1,526	1,931	2,285	2,551	3,447	2,235	1,753	1,891
Housing/Property maintenance enforcements	119	198	618	1,888	2,016	2,910	2,501	1,395	1,333	1,441
Public Works										
Right of way opening permits	41	121	110	90	110	100	77	87	52	26
Subdivision construction plan approvals	0	0	0	0	0	2	2	2	0	4
Area of City (in square miles)	11.8	11.8	11.8	11.8	11.4	11.4	11.4	11.4	11.3	11.3
Street Maintenance										
Miles of streets	103	103	103	103	103	103	100.4	100.4	103.3	103
Miles of streets repaved	1.5	8.3	3.9	1.8	3.4	5.8	2.5	4.2	3.9	1.9
Cubic yards of leaves disposed of	1267	2070	2057	1209	907	804	1555	1022	n/a	n/a
Tons of salt used	1,250	2,250	2,500	1,500	2,750	3,000	450	2,300	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	441.8
Building rentals Mote Park	98	189	196	266	252	260	340	311	301	320
Building rentals all other parks	167	157	270	228	198	189	200	199	189	186
Fire Department										
Fire calls	447	482	474	439	540	514	500	466	450	475
Ems Response calls	3,515	3,536	3,176	3,153	3,230	3,083	3,120	2,990	3,083	2,787
Number of Sworn officers	26	27	28	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	15	13	13	13	13	13	13	13	12	11
Police Department										
Calls for service	17,029	20,628	20,628	23,053	23,195	22,618	24,627	28,895	31,318	31,103
Traffic citations	1,082	1,299	1,299	1,666	763	1,240	2,182	1,737	1,978	1,931
Number of sworn officers	29	31	31	33	33	34	34	34	34	34
Number of police response vehicles	25	25	25	25	26	26	26	26	24	24
Planning & Zoning Department										
Zoning Permit applications	182	179	167	99	142	152				
Commercial construction permits	109	115	82	37	40	47	62	37	18	16
Commercial construction value in (,000)	\$ 9,990	\$ 2,667	\$ 4,635	\$ 2,497	\$ 3,957	\$ 12,124	\$ 7,244	\$ 11,774	\$ 12,619	\$ 7,939
Residential construction permits	73	64	85	62	98	103	107	44	50	34
Residential construction value in (,000)	\$ 1,333	\$ 1,322	\$ 1,649	\$ 1,417	\$ 2,790	\$ 2,836	\$ 4,807	\$ 8,195	\$ 8,558	\$ 5,284

(Continued)

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

Table 15

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Power utility										
Residential KWH billed (,000)	88,836	91,442	92,475	87,344	91,290	94,310	91,042	93,113	86,429	86,476
Residential billed revenue (,000)	\$ 8,230	\$ 8,512	\$ 8,590	\$ 8,242	\$ 7,805	\$ 6,825	\$ 5,675	\$ 5,824	\$ 5,198	\$ 5,211
Commercial KWH billed (,000)	104,435	103,290	107,057	109,155	113,026	114,998	119,563	118,880	114,671	108,145
Commercial billed revenue (,000)	\$ 7,609	\$ 7,896	\$ 8,132	\$ 8,521	\$ 8,339	\$ 7,219	\$ 6,670	\$ 6,719	\$ 6,258	\$ 5,921
Industrial KWH billed (,000)	119,612	112,516	103,184	91,855	110,693	110,690	105,373	96,145	91,083	93,246
Industrial billed revenue (,000)	\$ 7,340	\$ 7,217	\$ 6,664	\$ 6,310	\$ 7,087	\$ 6,180	\$ 5,141	\$ 4,853	\$ 4,380	\$ 4,559
Customer base	10,700	10,935	10,962	10,941	11,086	11,047	11,081	11,124	11,072	11,015
Construction line vehicles	25	25	25	25	25	25	25	25	25	25
Water utility										
Residential gallons billed (,000)	383,528	378,982	393,495	409,533	417,479	441,838	437,129	462,664	456,342	455,804
Residential billed revenue (,000)	\$ 2,490	\$ 2,285	\$ 2,354	\$ 2,264	\$ 2,149	\$ 1,937	\$ 1,871	\$ 1,856	\$ 1,834	\$ 1,830
Commercial gallons billed (,000)	128,138	131,499	132,298	129,742	139,917	160,127	156,082	160,263	155,211	148,757
Commercial billed revenue (,000)	\$ 658	\$ 652	\$ 635	\$ 622	\$ 563	\$ 533	\$ 517	\$ 500	\$ 491	\$ 480
Industrial gallons billed (,000)	46,472	41,973	43,209	44,350	56,398	48,475	41,575	39,167	41,267	38,294
Industrial gallons revenue (,000)	\$ 186	\$ 164	\$ 169	\$ 161	\$ 179	\$ 139	\$ 120	\$ 111	\$ 115	\$ 110
Customer base	8,615	8,789	8,721	8,726	8,715	8,776	8,892	8,828	8,811	8,733
Vehicles in repair fleet	10	10	10	10	10	10	10	10	10	10
Wastewater utility										
Residential gallons billed (,000)	379,528	378,651	379,749	396,510	404,465	427,048	427,332	452,488	443,564	446,267
Residential billed revenue (,000)	\$ 2,637	\$ 2,595	\$ 2,602	\$ 2,451	\$ 2,287	\$ 2,002	\$ 1,960	\$ 2,035	\$ 2,003	\$ 2,006
Commercial gallons billed (,000)	115,047	113,783	115,551	124,461	127,089	129,902	134,651	135,340	133,097	129,590
Commercial billed revenue (,000)	\$ 540	\$ 555	\$ 554	\$ 544	\$ 500	\$ 436	\$ 438	\$ 438	\$ 434	\$ 425
Industrial gallons billed (,000)	47,297	47,955	47,559	49,626	63,343	60,383	57,949	53,457	49,427	44,058
Industrial billed revenue (,000)	\$ 233	\$ 234	\$ 235	\$ 225	\$ 247	\$ 196	\$ 183	\$ 171	\$ 161	\$ 147
Customer base	8,386	8,400	8,387	8,400	8,507	8,471	8,491	8,489	8,487	8,413
Vehicles in repair fleet	9	9	9	9	9	9	9	8	8	8
Refuse utility										
Residential customers billed	7,763	7,718	7,659	7,648	7,593	7,600	7,652	7,648	7,594	7,490
Commercial customers billed	95	98	103	99	96	97	74	75	78	77
Residential and commercial revenue billed (,000)	\$ 1,479	\$ 1,447	\$ 1,438	\$ 1,439	\$ 1,349	\$ 1,245	\$ 1,108	\$ 1,082	\$ 1,037	\$ 1,023
Tons of refuse collected	7535	7751	7608	7782	8484	8745	9375	9271	9476	9656
Tons of recycled refuse collected	1496	1448	1104	1189	1246	1171	1192	1069	912	1079
Recycling fees collected(,000)	262	285	285	288	266	244	224	219	212	209
Vehicles in service	7	7	7	7	7	7	7	7	7	7
Stormwater utility										
Residential customers billed	2734	2734	2737	n/a						
Commercial customers billed	5159	5159	5176	n/a						
Residential and commercial revenue billed (,000)	814	814	647	n/a						

(Continued)

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

Table 15

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Golf Course</u>										
Annual memberships	237	159	161	145	162	151	153	256	131	154
Rounds of golf played	10,597	15,205	12,800	19,018	22,969	22,750	22,965	25,033	24,151	22,230
Revenue collected (,000)	\$ 557	\$ 472	\$ 534	\$ 596	\$ 605	\$ 618	\$ 597	\$ 623	\$ 593	\$ 562
<u>Municipal swimming pool</u>										
Annual memberships	269	567	408	328	316	373	n/a	n/a	n/a	n/a
Annual attendance	15,787	9,921	15,697	13,930	19,273	18,119	20,435	21,439	24,670	25,283
Revenue collected (,000)	\$ 74	\$ 79	\$ 75	\$ 80	\$ 93	\$ 89	\$ 89	\$ 95	\$ 74	\$ 77
<u>Fort Piqua Plaza</u>										
Large room rentals	68	78	56	42	n/a	n/a	n/a	n/a	n/a	n/a
Small room rentals	28	51	71	43	n/a	n/a	n/a	n/a	n/a	n/a
Audio visual equipment rentals	68	129	48	27	n/a	n/a	n/a	n/a	n/a	n/a
Revenue collected (,000)	\$ 109	\$ 106	\$ 115	\$ 62	n/a	n/a	n/a	n/a	n/a	n/a
<u>General government information</u>										
Number of street lights	2,902	2,884	2,884	2,884	2,884	2,884	2,884	2,884	2,884	2,899
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Volumes of books in public libraries	146,478	139,927	134,615	132,048	123,333	140,181	136,023	137,389	136,096	165,179
High school enrollment	3,708	3,638	3,692	3,737	3,737	3,766	3,792	3,922	3,932	3,932

Source: City of Piqua

(Concluded)