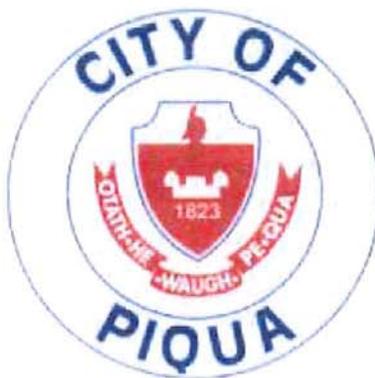




**Comprehensive Annual Financial Report  
for the year ended December 31, 2013**



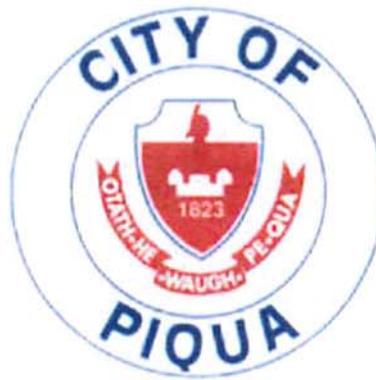
***CITY OF PIQUA, OHIO***

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended December 31, 2013**

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

# Introductory Section



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## CITY OF PIQUA, OHIO

201 West Water Street • Piqua, Ohio 45356  
[www.piquaoh.org](http://www.piquaoh.org)

June 19, 2014

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, 2013. 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 2013, the City of Piqua saw continued recovery in our local economy. Construction activity totaled \$47.8 million, including two new schools. Piqua also saw industrial development and downtown revitalization. Scott Steel and NEC America opened new businesses while Nitto Denko expanded its local operations retaining 290 employees. Several businesses, located in downtown storefronts, are new to Piqua including Can't Stop Running, CJ's Pizza, Baby Bump and 311 Drafthouse.

## **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 \$4,899,948 were given to some 371 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 2013:

- 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)
- Continued study, assessment and grant application for demolishing the Electric Power Plant
- Initiated the Riverfront Redevelopment Project
- Began beautification project on East Ash Street and US 36
- Moved forward with new Water Plant design
- Began Phase II street reconstruction of North 25A
- Completed implementation of a City owned high speed fiber optic loop
- Began staffing for Adequate Fire and Emergency Response (SAFER) grant over \$1 million for 2013-14
- Redeveloped hospital site transferred to the Piqua City Schools for a new school building
- Implemented Adopt-A-Program for city facilities, Volunteer Park Ranger Program and created a Community Garden area
- Received the 2013 Healthiest Employer Award from the Dayton Business Journal

***Future Projects:*** The city anticipates the following significant events to take place in 2014:

- 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)
- Continue Phase II street reconstruction of North 25A
- Continue with new Water Plant design, obtain EPA approval and begin construction on new Water Plant
- Apply for Downtown redevelopment grant to continue façade improvements to downtown structures
- Continue the Riverfront Redevelopment Project
- Complete redevelopment of riverfront area adjacent to Power Plant with grant assistance
- Continue beautification project on East Ash Street and US 36
- Continue monitoring long range financial plan
- Continue ICMA performance benchmarks for all City departments
- Continue staffing for Adequate Fire and Emergency Response (SAFER) grant of over \$1 million for 2013-14

## 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 Auditor's Report, providing an assessment of the City's finances for 2013.

## General Government

**General Governmental Revenues:** The 2013 municipal income tax revenue of \$8,935,319 increased 11% as the economy started to bounce back. Property and other tax revenues dropped slightly based on property valuations and the end of inheritance tax. Interest revenue dropped and is expected to be similar in 2014 as rates remain low. Municipal income tax revenue is down slightly through May 2014 but is expected to be similar to 2013 levels. Grants were significantly higher in 2012 based on one time projects, dropped in 2013 and are expected to continue at the 2013 level in 2014.

**General Governmental Expenditures:** The 2013 General Governmental expenditures and other financing uses increased 6.4% compared with 2012. In 2013, more capital, community development, and public safety projects were completed.

**General Fund Balances:** Current year activity contributed to a \$234,210 increase in the unassigned fund balance from 2012.

### **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 \$23.6 million with usage up 0.9% compared to 2012 levels. Revenues remained stable based on increased industrial use. Operating and capital grants of \$.1 million were received in 2013. With operating costs slightly higher, expenses exceeded revenues in 2013 by \$1,155,729. A rate study, currently underway, will likely recommend slight rate increases in 2014.

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 2012 and 2013 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 \$4.9 million were higher than 2012 levels due to a rate increase while usage dropped 2.3%. Operating expenses of \$3.1 million were similar to 2012 increasing the net revenue from operations to \$1,774,480. More than 8,600 accounts are serviced by Piqua's municipal water system.

**Wastewater System:** Customer revenues of \$3.5 million were similar to 2012 levels with usage up 1.3%. Operating expenses of \$3.3 million were down slightly. Net revenue from operations was \$248,989 in 2013.

**Refuse System:** System revenues of \$1.8 million were similar to 2012 levels. Operating expenses of \$1.6 million remained near 2012 levels. Net revenue from operations was slightly higher at \$187,983. Refuse service is provided to more than 7,800 customers.

**Stormwater System:** Customer revenues of \$887,558 represented the third full year of operations and were up slightly due to a rate increase. Stormwater service received a capital grant of \$88,271 for a project. Operating expenses of \$707,322 were up significantly as staff was added. Net revenue from operations was \$268,507 in 2013. Stormwater service is provided to approximately 7,900 customers.

### **The Independent Audit**

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The State Auditor's Office has completed an audit of the 2013 financial statements. The 2012 audit was completed by Clark, Schaefer, Hackett & Co. 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 unmodified opinions.

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the twenty-third 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-three consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

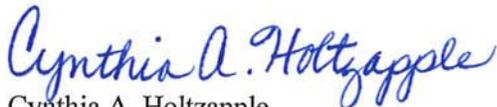
## Acknowledgments

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. 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, Stacy L. McClain, Candace L. Etter, and Beverly M. Yount

# **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

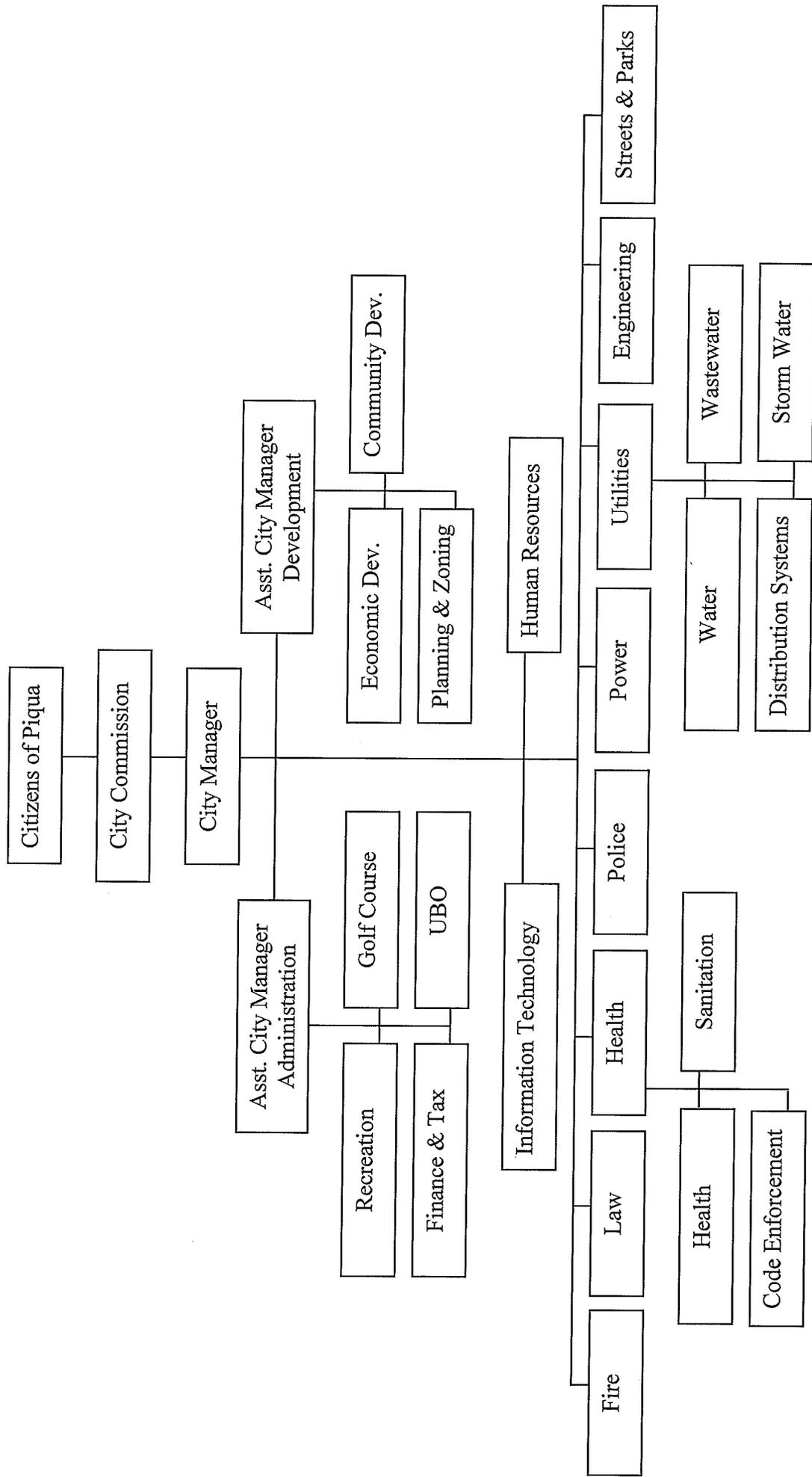
## **CITY MANAGER**

Gary A. Huff

## **INDEPENDENT AUDITORS**

Ohio Auditor of State

# City of Piqua 2013 City Organization Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

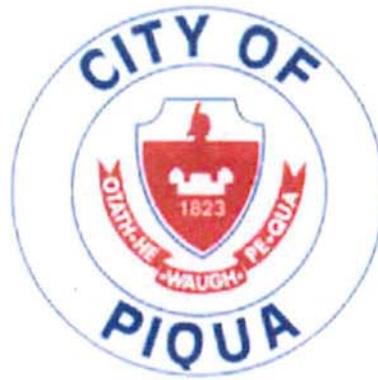
**City of Piqua  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

# Financial Section





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Piqua  
Miami County  
201 W. Water Street  
Piqua, Ohio 45356

To the City Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Miami County, Ohio (the City), as of and for the year ended December 31, 2013, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Opinion***

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, Miami County, Ohio, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and *required budgetary comparison schedules* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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.



**Robert R. Hinkle, CPA, CGFM**  
Deputy Auditor  
Auditor of State Dave Yost  
Columbus, Ohio

June 19, 2014

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2013*  
*(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, 2013. 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 and deferred inflows of resources at December 31, 2013 by \$151.5 million (net position). Of this amount, \$48.2 million is considered unrestricted. The unrestricted net position of the City's governmental activities is \$30.1 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 \$18.1 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 \$4.3 million in 2013. Net position of the governmental activities increased \$2.9 million, which represents a 4.0 percent increase from 2012.
- The total cost of the City's programs increased \$2.3 million or 4.8 percent. The cost of governmental activities decreased \$0.8 million or 5.0 percent, while the cost of business-type activities increased \$3.0 million or 9.5 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$27.8 million. The combined governmental funds fund balance increased \$0.6 million from the prior year's ending fund balance. Approximately \$6.9 million of the \$27.8 million fund balance is considered unassigned at December 31, 2013.
- The general fund reported a fund balance of \$20.9 million at the end of the current fiscal year. The unassigned fund balance for the general fund was \$6.9 million or 63 percent of total general fund expenditures (including transfers out). There was a \$0.2 million increase in the total general fund balance for the year ended December 31, 2013.
- The City had \$0.5 million more in debt of bonds and notes outstanding at December 31, 2013 than at December 31, 2012.
- Total costs of governmental services decreased by \$0.8 million, while net costs of services for governmental activities increased by \$0.2 million.

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2013*  
*(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 23-24) 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 25. 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 2013?" 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, 2013*  
*(Unaudited)*

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

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

The fund financial statements begin on page 25 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 33 through 52 of this report.

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**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget. The City adopts an annual appropriation budget for its general fund and other major funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget. Required supplementary information can be found on pages 53 through 58 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 59 through 73 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 2013 and 2012.

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 \$151.5 million compared to \$147.2 million in 2012, an increase of \$4.3 million. Net Position for governmental activities increased \$2.9 million, while business-type activities increased \$1.4 million.

**Table 1**  
**Net Position**

|   | Governmental<br>Activities |                      | Business-type<br>Activities |                      | Total<br>Primary Government |                       |
|---|----------------------------|----------------------|-----------------------------|----------------------|-----------------------------|-----------------------|
|   | 2013                       | 2012                 | 2013                        | 2012                 | 2013                        | 2012                  |
| Current and other assets                | \$ 35,225,516              | \$ 34,612,005        | \$ 25,235,559               | \$ 22,679,758        | \$ 60,461,075               | \$ 57,291,763         |
| Capital assets                          | 45,872,770                 | 44,117,335           | 64,810,312                  | 61,928,404           | 110,683,082                 | 106,045,739           |
| <i>Total assets</i>                     | <u>81,098,286</u>          | <u>78,729,340</u>    | <u>90,045,871</u>           | <u>84,608,162</u>    | <u>171,144,157</u>          | <u>163,337,502</u>    |
| Total deferred outflows<br>of resources |                            |                      | 12,625                      | 25,249               | 12,625                      | 25,249                |
| Long-term liabilities                   | 3,220,051                  | 3,403,006            | 10,605,198                  | 7,511,265            | 13,825,249                  | 10,914,271            |
| Other liabilities                       | 828,441                    | 1,196,710            | 3,326,994                   | 2,414,484            | 4,155,435                   | 3,611,194             |
| <i>Total liabilities</i>                | <u>4,048,492</u>           | <u>4,599,716</u>     | <u>13,932,192</u>           | <u>9,925,749</u>     | <u>17,980,684</u>           | <u>14,525,465</u>     |
| Total deferred inflows<br>of resources  | 1,667,701                  | 1,632,410            |                             |                      | 1,667,701                   | 1,632,410             |
| Net position:                           |                            |                      |                             |                      |                             |                       |
| Net investment in capital<br>assets,    | 44,845,328                 | 42,875,580           | 57,929,193                  | 55,839,322           | 102,774,521                 | 98,714,902            |
| Restricted for other purpose            | 11,077                     | 10,894               | -                           | -                    | 11,077                      | 10,894                |
| Restricted for debt service             | 439,460                    | 430,978              | 50,000                      | 50,000               | 489,460                     | 480,978               |
| Unrestricted                            | 30,086,228                 | 29,179,762           | 18,147,111                  | 18,818,340           | 48,233,339                  | 47,998,102            |
| <i>Total net position</i>               | <u>\$ 75,382,093</u>       | <u>\$ 72,497,214</u> | <u>\$ 76,126,304</u>        | <u>\$ 74,707,662</u> | <u>\$ 151,508,397</u>       | <u>\$ 147,204,876</u> |

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Of that amount, in 2013 approximately \$102.8 million (68%) was invested in capital assets, net of debt related to those assets. At year-end 2012 that amount was approximately \$98.7 million (67%). The largest portion of the City's net position (68%) reflects investments in net capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

During 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, 2013 was \$1.293 million.

For 2013 another \$.5 million (.3%) was subject to legislative and external restrictions upon its use. The remaining \$48.2 million (31.8%) in 2013 was unrestricted and available for future use. For 2012 \$.5 million (.3%) was subject to external restrictions and \$48.0 million (32.6%) 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 \$2.9 million during the current year, primarily due to an increase in net investment in capital assets. Unrestricted net position increased by \$0.9 million, while restricted net position increased slightly.

Total net position of the City's business-type activities increased \$1.4 million during the current year; \$2.1 million due to increased net investment in capital assets and \$0.7 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.

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**Table 2**  
**Changes in Net Position**

|  | Governmental Activities |                      | Business-type Activities |                      | Total Primary Government |                       |
|--|-------------------------|----------------------|--------------------------|----------------------|--------------------------|-----------------------|
|  | 2013                    | 2012                 | 2013                     | 2012                 | 2013                     | 2012                  |
| <b>Revenues:</b>   |                         |                      |                          |                      |                          |                       |
| <b>Program revenues:</b>   |                         |                      |                          |                      |                          |                       |
| Charges for Services   | \$ 1,705,548            | \$ 1,646,862         | \$ 35,430,033            | \$ 34,790,778        | \$ 37,135,581            | \$ 36,437,640         |
| Operating Grants/Contributions   | 1,215,686               | 2,052,279            | 110,719                  | 142,603              | 1,326,405                | 2,194,882             |
| Capital Grants/Contributions   | 1,732,241               | 1,890,719            | 89,599                   | 540,523              | 1,821,840                | 2,431,242             |
| <b>General revenues:</b>   |                         |                      |                          |                      |                          |                       |
| Property Taxes   | 1,211,844               | 1,271,907            |                          |                      | 1,211,844                | 1,271,907             |
| Income Taxes   | 8,935,319               | 8,024,044            |                          |                      | 8,935,319                | 8,024,044             |
| Other Taxes  | 2,941,131               | 3,373,350            |                          |                      | 2,941,131                | 3,373,350             |
| Investment Earnings & Misc.  | 84,533                  | 116,475              | 54,021                   | 78,751               | 138,554                  | 195,226               |
| <b>Total Revenues</b>  | <b>17,826,302</b>       | <b>18,375,636</b>    | <b>35,684,372</b>        | <b>35,552,655</b>    | <b>53,510,674</b>        | <b>53,928,291</b>     |
| <b>Program Expenses</b>  |                         |                      |                          |                      |                          |                       |
| General Government   | 1,931,289               | 1,878,876            |                          |                      | 1,931,289                | 1,878,876             |
| Public Safety  | 7,855,812               | 7,778,195            |                          |                      | 7,855,812                | 7,778,195             |
| Street and Maintenance   | 3,340,057               | 3,081,248            |                          |                      | 3,340,057                | 3,081,248             |
| Parks and Recreation   | 502,923                 | 475,706              |                          |                      | 502,923                  | 475,706               |
| Community Development  | 766,933                 | 1,944,480            |                          |                      | 766,933                  | 1,944,480             |
| Interest on long-term debt   | 61,006                  | 68,013               |                          |                      | 61,006                   | 68,013                |
| Electric   |                         |                      | 24,897,844               | 22,146,622           | 24,897,844               | 22,146,622            |
| Wastewater   |                         |                      | 3,253,677                | 3,369,098            | 3,253,677                | 3,369,098             |
| Water  |                         |                      | 3,116,383                | 3,051,979            | 3,116,383                | 3,051,979             |
| Refuse   |                         |                      | 1,606,035                | 1,594,550            | 1,606,035                | 1,594,550             |
| Stormwater   |                         |                      | 707,322                  | 398,234              | 707,322                  | 398,234               |
| Golf   |                         |                      | 678,050                  | 683,046              | 678,050                  | 683,046               |
| Ft. Piqua Plaza  |                         |                      | 301,409                  | 277,319              | 301,409                  | 277,319               |
| Pool   |                         |                      | 188,413                  | 203,742              | 188,413                  | 203,742               |
| <b>Total Expenses</b>  | <b>14,458,020</b>       | <b>15,226,518</b>    | <b>34,749,133</b>        | <b>31,724,590</b>    | <b>49,207,153</b>        | <b>46,951,108</b>     |
| <b>Increase (Decrease) in Net Position before Transfers &amp; Proceeds</b> | <b>3,368,282</b>        | <b>3,149,118</b>     | <b>935,239</b>           | <b>3,828,065</b>     | <b>4,303,521</b>         | <b>6,977,183</b>      |
| <b>Transfers</b>   | <b>(483,403)</b>        | <b>(393,284)</b>     | <b>483,403</b>           | <b>393,284</b>       | <b>-</b>                 | <b>-</b>              |
| <b>Increase(Decrease) in Net Position</b>                                  | <b>\$ 2,884,879</b>     | <b>\$ 2,755,834</b>  | <b>\$ 1,418,642</b>      | <b>\$ 4,221,349</b>  | <b>\$ 4,303,521</b>      | <b>\$ 6,977,183</b>   |
| <b>Net Position Beginning</b>  | <b>72,497,214</b>       | <b>69,741,380</b>    | <b>74,707,662</b>        | <b>70,486,313</b>    | <b>147,204,876</b>       | <b>140,227,693</b>    |
| <b>Net Position Ending</b>   | <b>\$ 75,382,093</b>    | <b>\$ 72,497,214</b> | <b>\$ 76,126,304</b>     | <b>\$ 74,707,662</b> | <b>\$ 151,508,397</b>    | <b>\$ 147,204,876</b> |

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**Governmental Activities**

Governmental activities increased the City's net position by \$2,884,879, in 2013 as compared to an increase of \$2,755,834 during 2012, thereby accounting for 4.0 percent of growth in total net position. Total revenues decreased by \$549,334 due to decreased operating and capital grants. Our program expenses decreased by \$768,498 due to a large community development project last year.

Several types of revenues fund our governmental activities with city income tax being the largest contributor. The income tax revenue for 2013 was up significantly at \$8,935,319 compared to \$8,024,044 in 2012, an increase of 11.4 percent. The City's income tax rate was 1.75 percent for 2013, 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, Estate tax and Local Government Funds, are also revenue generators and in 2013, we received \$432,219 less than in 2012, a 12.8% decrease due to lower Kilowatt-hour, Property taxes and the elimination of the Estate tax. Program revenues saw an increase of \$58,686 in charges for services while operating and capital grants decreased \$995,071 as projects were completed. Overall decreases in program revenues totaled \$936,385 or 16.75%. 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 54.3 percent of total program expenses. Street Maintenance accounts for 23.1 percent of total program expenses, while General Government accounts for 13.4 percent. Street and Maintenance cost of services and 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 |                     |
|----------------------------|------------------------|----------------------|---------------------|---------------------|----------------------|---------------------|
|                            | 2013                   | 2012                 | 2013                | 2012                | 2013                 | 2012                |
| General Government         | \$ 1,931,289           | \$ 1,878,876         | \$ 503,906          | \$ 441,847          | \$ 1,427,383         | \$ 1,437,029        |
| Public Safety              | 7,855,812              | 7,778,195            | 1,561,795           | 1,144,944           | 6,294,017            | 6,633,251           |
| Street and Maintenance     | 3,340,057              | 3,081,248            | 1,794,124           | 1,585,372           | 1,545,933            | 1,495,876           |
| Parks and Recreation       | 502,923                | 475,706              | 64,997              | 442,150             | 437,926              | 33,556              |
| Community Development      | 766,933                | 1,944,480            | 728,653             | 1,975,547           | 38,280               | (31,067)            |
| Interest on long-term debt | 61,006                 | 68,013               | -                   | -                   | 61,006               | 68,013              |
| <b>Total</b>               | <b>\$ 14,458,020</b>   | <b>\$ 15,226,518</b> | <b>\$ 4,653,475</b> | <b>\$ 5,589,860</b> | <b>\$ 9,804,545</b>  | <b>\$ 9,636,658</b> |

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***Business-Type Activities***

The Business-Type activities of the City, which include the City's Electric, Wastewater, Water, Refuse and Stormwater operations as well as Golf, Pool and Fort Piqua Plaza activities, increased the City's net position by \$1,418,642 in 2013.

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

|                 | Total Cost of Services |                      | Program Revenues     |                      | Net Revenue (Expense)<br>from Operations |                     |
|-----------------|------------------------|----------------------|----------------------|----------------------|--|---------------------|
|                 | 2013                   | 2012                 | 2013                 | 2012                 | 2013                                     | 2012                |
| Electric        | \$ 24,897,844          | \$ 22,146,622        | \$ 23,742,115        | \$ 24,115,357        | \$ (1,155,729)                           | \$ 1,968,735        |
| Wastewater      | 3,253,677              | 3,369,098            | 3,502,666            | 3,483,271            | 248,989                                  | 114,173             |
| Water           | 3,116,383              | 3,051,979            | 4,890,863            | 4,263,782            | 1,774,480                                | 1,211,803           |
| Refuse          | 1,606,035              | 1,594,550            | 1,794,018            | 1,773,791            | 187,983                                  | 179,241             |
| Stormwater      | 707,322                | 398,234              | 975,829              | 1,083,966            | 268,507                                  | 685,732             |
| Golf            | 678,050                | 683,046              | 515,527              | 568,437              | (162,523)                                | (114,609)           |
| Ft. Piqua Plaza | 301,409                | 277,319              | 147,131              | 109,010              | (154,278)                                | (168,309)           |
| Pool            | 188,413                | 203,742              | 62,202               | 76,290               | (126,211)                                | (127,452)           |
| <b>Total</b>    | <b>\$ 34,749,133</b>   | <b>\$ 31,724,590</b> | <b>\$ 35,630,351</b> | <b>\$ 35,473,904</b> | <b>\$ 881,218</b>                        | <b>\$ 3,749,314</b> |

For 2013 the 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 \$288,734 in 2013 as compared to \$242,061 in 2012. The Ft. Piqua Plaza activity funds have expenses in excess of program revenues of \$154,278 in 2013 compared to \$168,309 in 2012. There was decreased use of the Golf Course and the Pool based on a weaker local economy and wet weather. For 2013, Ft. Piqua Plaza program revenues increased along with cost of services.

**The City's Funds**

Information about the City's major funds starts on page 25. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues in 2013 of \$17.6 million compared to \$18.1 million in 2012. All governmental funds had expenditures in 2013 of \$16.5 million compared to \$16.4 million in 2012. The most significant fund is our general fund, which had an unassigned fund balance at year-end of \$6.9 million in 2013 compared to \$6.7 million in 2012. 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 \$789,328 in 2013 as compared to \$927,793 in 2012. The funds are monitored consistently with adjustments made to the budgets to accommodate yearly revenues.

Within the Street Maintenance Fund, revenues exceeded expenditures by \$399,890 in 2013 as compared to \$648,506 in 2012. Fund balance at year-end in 2013 was \$4,321,221 as compared to \$3,918,551 in 2012. The City was able to increase fund balance for use on planned construction needs in 2014.

Within the Street Levy Construction Fund, revenues exceeded expenditures by \$200,014 in 2013 compared to \$370,663 in 2012. Fund balance at year-end in 2013 was \$2,004,021 as compared to \$1,977,761 in 2012. The City was able to maintain a stable fund balance in anticipation of street maintenance needs in 2014.

Information about the Enterprise Funds starts on the Balance Sheet on page 28. These funds are accounted for on an accrual basis. All business type funds had operating revenues of \$35.3 million in 2013 and \$33.9 million in 2012. Operating expenses were \$34.6 million in 2013 and \$31.4 million in 2012.

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The enterprise fund balances increased \$1,357,424 with the Electric fund decreasing \$1.2 million based on an increase in operating expenses, Wastewater increasing \$0.2 million, Water increasing \$1.7 million from a rate increase and Refuse \$0.2 million based on controlling costs. Stormwater was added as a new utility during 2010 and increased its 2013 fund balance by \$0.3 million. The other fund balances were similar to 2012. 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 2013, 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 2013 general fund, original budgeted revenues were \$10.3 million. The final budgeted revenue amount was \$10.5 million. Actual revenues were \$11.2 million. Actual revenues were slightly higher due to higher municipal income tax. For the 2012 general fund, original budgeted revenues were \$9.8 million. The final budgeted revenue amount was \$10.8 million. Actual revenues collected were \$10.8 million.

For 2013, original general fund appropriations were budgeted at \$10.9 million. Final budgeted appropriations were \$11.5 million. Actual expenditures were \$10.4 million. This decrease was achieved through continued lower personnel costs and general government operating expenditures. 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 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 |                     |
|-----------------------------------|-------------------------|---------------------|--------------------------|---------------------|
|                                   | 2013                    | 2012                | 2013                     | 2012                |
| Land and Land Improvements        | \$ 4,571,877            | \$ 4,528,378        | \$ 1,965,679             | \$ 1,856,163        |
| Infrastructure Land               | 2,115,523               | 1,374,365           | -                        | -                   |
| Construction in Progress          | 2,768,840               | 3,581,615           | 5,991,350                | 7,003,939           |
| Buildings and Improvements        | 8,759,608               | 8,948,758           | 15,288,137               | 10,784,404          |
| Furniture, Fixtures and Equipment | 2,120,754               | 1,605,996           | 30,762,838               | 31,407,341          |
| Infrastructure                    | 25,536,168              | 24,078,223          | -                        | -                   |
| Underground Piping                |                         |                     | 9,386,284                | 9,367,723           |
| Intangible Assets                 | -                       | -                   | 1,416,024                | 1,508,834           |
| <b>Total Capital Assets</b>       | <b>\$45,872,770</b>     | <b>\$44,117,335</b> | <b>\$64,810,312</b>      | <b>\$61,928,404</b> |

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Total Capital Assets for the City of Piqua for the year ended December 31, 2013 were \$110,683,082, an increase of \$4,637,343 over 2012. Additions in 2013 were \$1,259,760 less than in 2012 based on certain large water and electric projects 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, 2013, the City of Piqua had \$0.5 million more in debt of bonds and notes at \$8.1 million compared to \$7.6 million in debt outstanding at December 31, 2012.

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

|                                | Governmental Activities |                     | Business-type Activities |                     |
|--------------------------------|-------------------------|---------------------|--------------------------|---------------------|
|                                | 2013                    | 2012                | 2013                     | 2012                |
| General Obligation Bonds       | \$ 215,000              | \$ 255,000          | \$ 785,000               | \$ 925,000          |
| Pension Bonds                  | 225,000                 | 250,000             | -                        | -                   |
| Special Assessment Bonds       | 86,105                  | 111,805             | -                        | -                   |
| State Infrastructure Bank Note | 726,337                 | 874,950             | -                        | -                   |
| OWDA Loans                     | -                       | -                   | 6,096,119                | 5,164,082           |
| <b>Total</b>                   | <b>\$ 1,252,442</b>     | <b>\$ 1,491,755</b> | <b>\$ 6,881,119</b>      | <b>\$ 6,089,082</b> |

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.

During 2013, \$1,705,478 was borrowed from the Ohio Water Development Authority ("OWDA 2013") to fund the New Water Plant Engineering and Design.

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 \$30,090,476 on December 31, 2013.

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2013*  
*(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 2014 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 2014 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 2014 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources.

General fund expenditure appropriations for 2014 have been approved by City Commission in the amount of \$11.7 million. This appropriation level is approximately \$0.7 million more than actual 2013 general fund budgetary basis expenditures (including transfers out). The appropriation level was set based on similar estimated revenues in the General Fund compared to 2013 levels.

**Current Financial Related Activities**

The City anticipates the following significant events to take place in 2014:

- Begin development of the Riverfront area
- Continue Community Housing Improvement and Streetscaping programs
- Complete installing a City-owned high speed fiber optic loop – PIQUA Fast Fiber
- Continue study and assessment of demolishing the Electric Power Plant
- Continue US 36 Beautification Project
- Continued implementation of a Storm Water Utility based on the feasibility study to address sanitary sewer overflow infiltration
- Begin new Water Treatment Plant construction
- Complete Wastewater Treatment Plant engineering report on SSO Removal
- Complete 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-three 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, 2013**

|  | Government<br>Activities | Business Type<br>Activities | Total<br>Activities   |
|--|--------------------------|-----------------------------|-----------------------|
| <b>ASSETS:</b>                             |                          |                             |                       |
| Equity in pooled cash and cash equivalents | \$ 15,715,896            | \$ 13,386,169               | \$ 29,102,065         |
| Equity in pooled investments               | 4,921,492                | 3,555,081                   | 8,476,573             |
| Accounts receivable                        | 5,067,209                | 5,013,386                   | 10,080,595            |
| Allowance for Bad Debts                    | -                        | (423,761)                   | (423,761)             |
| Interfund balances                         | (289,692)                | 289,692                     | -                     |
| Inventories                                | -                        | 877,265                     | 877,265               |
| Prepaid items and other assets             | 10,265                   | 138,451                     | 148,716               |
| Loans receivable, net of allowance         | 9,800,346                | -                           | 9,800,346             |
| Recoverable purchased power                | -                        | 2,399,276                   | 2,399,276             |
| Capital assets not being depreciated       | 9,456,240                | 7,313,341                   | 16,769,581            |
| Capital assets being depreciated, net      | 36,416,530               | 57,496,971                  | 93,913,501            |
| Total assets                               | <u>81,098,286</u>        | <u>90,045,871</u>           | <u>171,144,157</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>     |                          |                             |                       |
| Deferred charge on refunding               | -                        | 12,625                      | 12,625                |
| Total deferred outflow of resources        | <u>-</u>                 | <u>12,625</u>               | <u>12,625</u>         |
| <b>LIABILITIES:</b>                        |                          |                             |                       |
| Accounts payable                           | 313,007                  | 2,645,677                   | 2,958,684             |
| Salary and benefits payable                | 249,813                  | 128,584                     | 378,397               |
| Other accruals                             | 265,621                  | 550,046                     | 815,667               |
| Unearned revenue                           | -                        | 2,687                       | 2,687                 |
| Long-term liabilities:                     |                          |                             |                       |
| Due within one year                        | 913,283                  | 1,658,945                   | 2,572,228             |
| Due in more than one year                  | 2,306,768                | 8,946,253                   | 11,253,021            |
| Total liabilities                          | <u>4,048,492</u>         | <u>13,932,192</u>           | <u>17,980,684</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>      |                          |                             |                       |
| Property taxes                             | 1,428,010                | -                           | 1,428,010             |
| Reimbursements                             | 239,691                  | -                           | 239,691               |
| Total deferred inflows of resources        | <u>1,667,701</u>         | <u>-</u>                    | <u>1,667,701</u>      |
| <b>NET POSITION:</b>                       |                          |                             |                       |
| Net investment in capital assets           | 44,845,328               | 57,929,193                  | 102,774,521           |
| Restricted by: legislation                 | 11,077                   | -                           | 11,077                |
| Restricted by: debt covenants              | 439,460                  | 50,000                      | 489,460               |
| Unrestricted                               | 30,086,228               | 18,147,111                  | 48,233,339            |
| Total net position                         | <u>\$ 75,382,093</u>     | <u>\$ 76,126,304</u>        | <u>\$ 151,508,397</u> |

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|                                  | Program Revenues     |                            |  |  | Net (Expense) Revenue<br>and Changes in Net Position |                             |                       |
|----------------------------------|----------------------|----------------------------|--|--|--|-----------------------------|-----------------------|
|                                  | Expenses             | Charges<br>For<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                   |                             | Total                 |
|                                  |                      |                            |  |  | Governmental<br>Activities                           | Business-Type<br>Activities |                       |
| <b>GOVERNMENTAL ACTIVITIES:</b>  |                      |                            |  |  |  |                             |                       |
| General government               | \$ 1,931,289         | \$ 433,122                 | \$ 55,807                                | \$ 14,977                              | \$ (1,427,383)                                       | \$ -                        | \$ (1,427,383)        |
| Public safety                    | 7,855,812            | 1,103,529                  | 400,120                                  | 58,146                                 | (6,294,017)  | -                           | (6,294,017)           |
| Streets and maintenance          | 3,340,057            | 90,011                     | 44,995                                   | 1,659,118                              | (1,545,933)  | -                           | (1,545,933)           |
| Parks and recreation             | 502,923              | 35,797                     | 29,200                                   | -                                      | (437,926)  | -                           | (437,926)             |
| Community development            | 766,933              | 43,089                     | 685,564                                  | -                                      | (38,280)   | -                           | (38,280)              |
| Interest on long term debt       | 61,006               | -                          | -  | -                                      | (61,006)   | -                           | (61,006)              |
| Total governmental activities    | <u>14,458,020</u>    | <u>1,705,548</u>           | <u>1,215,686</u>                         | <u>1,732,241</u>                       | <u>(9,804,545)</u>                                   | <u>-</u>                    | <u>(9,804,545)</u>    |
| <b>BUSINESS-TYPE ACTIVITIES:</b> |                      |                            |  |  |  |                             |                       |
| Electric                         | 24,897,844           | 23,631,871                 | 110,219                                  | 25                                     | -  | (1,155,729)                 | (1,155,729)           |
| Wastewater                       | 3,253,677            | 3,501,363                  | -  | 1,303                                  | -  | 248,989                     | 248,989               |
| Refuse                           | 1,606,035            | 1,794,018                  | -  | -                                      | -  | 187,983                     | 187,983               |
| Water                            | 3,116,383            | 4,890,863                  | -  | -                                      | -  | 1,774,480                   | 1,774,480             |
| Storm Water                      | 707,322              | 887,558                    | -  | 88,271                                 | -  | 268,507                     | 268,507               |
| Golf                             | 678,050              | 515,527                    | -  | -                                      | -  | (162,523)                   | (162,523)             |
| Ft. Piqua Plaza                  | 301,409              | 147,131                    | -  | -                                      | -  | (154,278)                   | (154,278)             |
| Municipal Pool                   | 188,413              | 61,702                     | 500                                      | -                                      | -  | (126,211)                   | (126,211)             |
| Total business-type activities   | <u>34,749,133</u>    | <u>35,430,033</u>          | <u>110,719</u>                           | <u>89,599</u>                          | <u>-</u>   | <u>881,218</u>              | <u>881,218</u>        |
| Total                            | <u>\$ 49,207,153</u> | <u>\$ 37,135,581</u>       | <u>\$ 1,326,405</u>                      | <u>\$ 1,821,840</u>                    | <u>\$ (9,804,545)</u>                                | <u>\$ 881,218</u>           | <u>(8,923,327)</u>    |
| <b>GENERAL REVENUES:</b>         |                      |                            |  |  |  |                             |                       |
| Property taxes                   |                      |                            |  |  | 1,211,844  | -                           | 1,211,844             |
| State shared taxes               |                      |                            |  |  | 1,752,553  | -                           | 1,752,553             |
| Income tax                       |                      |                            |  |  | 8,935,319  | -                           | 8,935,319             |
| Locally levied taxes             |                      |                            |  |  | 1,188,578  | -                           | 1,188,578             |
| Investment earnings              |                      |                            |  |  | 82,596   | 54,021                      | 136,617               |
| Miscellaneous                    |                      |                            |  |  | 1,937  | -                           | 1,937                 |
| Total general revenues           |                      |                            |  |  | <u>13,172,827</u>                                    | <u>54,021</u>               | <u>13,226,848</u>     |
| Transfers, in (out)              |                      |                            |  |  | (483,403)  | 483,403                     | -                     |
| Change in net position           |                      |                            |  |  | 2,884,879  | 1,418,642                   | 4,303,521             |
| Total net position:              |                      |                            |  |  |  |                             |                       |
| Beginning of year                |                      |                            |  |  | <u>72,497,214</u>                                    | <u>74,707,662</u>           | <u>147,204,876</u>    |
| End of year                      |                      |                            |  |  | <u>\$ 75,382,093</u>                                 | <u>\$ 76,126,304</u>        | <u>\$ 151,508,397</u> |

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

| ASSETS   | General<br>Fund      | Street<br>Maintenance | Street Levy<br>Construction | Debt<br>Service   | Other<br>Governmental | Total<br>Governmental |
|--|----------------------|-----------------------|-----------------------------|-------------------|-----------------------|-----------------------|
| Equity in pooled cash and cash equivalents                                 | \$ 8,302,367         | \$ 3,572,842          | \$ 1,998,612                | \$ 353,032        | \$ 358,535            | \$ 14,585,388         |
| Equity in pooled investments   | 2,001,009            | 543,721               | -                           | 86,105            | -                     | 2,630,835             |
| Accounts receivable  | 3,245,291            | 798,860               | 455,748                     | 286,023           | 122,738               | 4,908,660             |
| Interfund receivable   | 94,219               | -                     | -                           | -                 | -                     | 94,219                |
| Prepaid items and other assets   | 6,919                | -                     | -                           | -                 | -                     | 6,919                 |
| Loans Receivable, net of allowance   | 9,793,197            | -                     | -                           | -                 | 7,149                 | 9,800,346             |
| <b>Total Assets</b>  | <b>\$ 23,443,002</b> | <b>\$ 4,915,423</b>   | <b>\$ 2,454,360</b>         | <b>\$ 725,160</b> | <b>\$ 488,422</b>     | <b>\$ 32,026,367</b>  |
| <b>LIABILITIES</b>   |                      |                       |                             |                   |                       |                       |
| <b>CURRENT LIABILITIES:</b>  |                      |                       |                             |                   |                       |                       |
| Accounts payable   | \$ 184,686           | \$ 99,217             | \$ 8,444                    | \$ -              | \$ 11,688             | \$ 304,035            |
| Interfund payable  | -                    | -                     | -                           | -                 | 94,219                | 94,219                |
| Salaries and benefits  | 222,070              | 16,715                | -                           | -                 | 5,269                 | 244,054               |
| Accruals   | 2,769                | 965                   | 106,718                     | -                 | 149,154               | 259,606               |
| <b>Total Current Liabilities</b>   | <b>409,525</b>       | <b>116,897</b>        | <b>115,162</b>              | <b>-</b>          | <b>260,330</b>        | <b>901,914</b>        |
| <b>LONG-TERM LIABILITIES:</b>  |                      |                       |                             |                   |                       |                       |
| Restricted deposits  | 25,300               | -                     | -                           | -                 | -                     | 25,300                |
| <b>Total Long Term Liabilities</b>   | <b>25,300</b>        | <b>-</b>              | <b>-</b>                    | <b>-</b>          | <b>-</b>              | <b>25,300</b>         |
| <b>Total Liabilities</b>   | <b>434,825</b>       | <b>116,897</b>        | <b>115,162</b>              | <b>-</b>          | <b>260,330</b>        | <b>927,214</b>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                      |                       |                             |                   |                       |                       |
| Property taxes   | 1,365,485            | -                     | -                           | 285,700           | 61,363                | 1,712,548             |
| State shared taxes   | 236,969              | 370,361               | -                           | -                 | -                     | 607,330               |
| Income taxes   | 465,970              | 106,944               | 95,486                      | -                 | -                     | 668,400               |
| Reimbursements   | 73,771               | -                     | 239,691                     | -                 | -                     | 313,462               |
| <b>Total deferred inflows of resources</b>                                 | <b>2,142,195</b>     | <b>477,305</b>        | <b>335,177</b>              | <b>285,700</b>    | <b>61,363</b>         | <b>3,301,740</b>      |
| <b>FUND BALANCES</b>   |                      |                       |                             |                   |                       |                       |
| Nonspendable fund balance  | 9,800,116            | -                     | -                           | -                 | 7,149                 | 9,807,265             |
| Restricted fund balance  | 11,077               | 4,321,221             | 2,004,021                   | 439,460           | 158,579               | 6,934,358             |
| Assigned fund balance  | 4,101,987            | -                     | -                           | -                 | -                     | 4,101,987             |
| Unassigned fund balance  | 6,952,802            | -                     | -                           | -                 | 1,001                 | 6,953,803             |
| <b>Total fund balances</b>   | <b>20,865,982</b>    | <b>4,321,221</b>      | <b>2,004,021</b>            | <b>439,460</b>    | <b>166,729</b>        | <b>27,797,413</b>     |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 23,443,002</b> | <b>\$ 4,915,423</b>   | <b>\$ 2,454,360</b>         | <b>\$ 725,160</b> | <b>\$ 488,422</b>     |                       |

Amounts reported for governmental activities in the Statement of Net Position (page 23) are different because:

|   |                      |
|---|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds  | 45,872,770           |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds   | 1,634,039            |
| 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   | (1,252,442)          |
| Sick leave benefits   | (1,942,309)          |
| Accrued interest on bonds payable   | (5,882)              |
| 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 | 3,278,504            |
| Net position of governmental activities   | <u>\$ 75,382,093</u> |

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-- GOVERNMENTAL FUNDS  
FOR THE PERIOD ENDED DECEMBER 31, 2013**

|  | General<br>Fund      | Street<br>Maintenance | Street Levy<br>Construction | Debt<br>Service   | Other<br>Governmental | Total<br>Governmental |
|--|----------------------|-----------------------|-----------------------------|-------------------|-----------------------|-----------------------|
| <b>REVENUES:</b>                                     |                      |                       |                             |                   |                       |                       |
| Municipal income tax                                 | \$ 6,035,111         | \$ 1,385,106          | \$ 1,237,102                | \$ -              | \$ -                  | \$ 8,657,319          |
| Property taxes                                       | 1,160,855            | -                     | -                           | 48,628            | 2,361                 | 1,211,844             |
| State shared revenues                                | 727,498              | 1,137,410             | -                           | -                 | 1,421                 | 1,866,329             |
| Locally levied taxes                                 | 1,188,578            | -                     | -                           | -                 | -                     | 1,188,578             |
| Licenses and permits, fees                           | 1,331,695            | 700                   | -                           | -                 | 1,710                 | 1,334,105             |
| Grants: capital                                      | 58,146               | -                     | 1,659,118                   | -                 | -                     | 1,717,264             |
| Grants: operating                                    | 531,312              | -                     | 44,995                      | -                 | 596,610               | 1,172,917             |
| Investment income                                    | 54,846               | 5,978                 | 850                         | 10,240            | 5,265                 | 77,179                |
| Decrease in fair market value of investments         | (4,408)              | (110)                 | -                           | -                 | -                     | (4,518)               |
| Donations:   |                      |                       |                             |                   |                       |                       |
| Capital  | 14,977               | -                     | -                           | -                 | -                     | 14,977                |
| Operating  | 42,769               | -                     | -                           | -                 | -                     | 42,769                |
| Other fines, rents, and reimbursements               | 93,949               | 31,274                | 58,037                      | -                 | 114,412               | 297,672               |
| <b>Total revenues</b>                                | <b>11,235,328</b>    | <b>2,560,358</b>      | <b>3,000,102</b>            | <b>58,868</b>     | <b>721,779</b>        | <b>17,576,435</b>     |
| <b>EXPENDITURES:</b>                                 |                      |                       |                             |                   |                       |                       |
| General government administration                    | 1,300,112            | -                     | -                           | -                 | -                     | 1,300,112             |
| Public safety  | 7,571,496            | -                     | -                           | -                 | -                     | 7,571,496             |
| Public health  | 405,119              | -                     | -                           | -                 | 87,254                | 492,373               |
| Street repairs and maintenance                       | 768                  | 1,861,292             | 408,551                     | -                 | -                     | 2,270,611             |
| Parks and recreation                                 | 472,183              | -                     | -                           | -                 | -                     | 472,183               |
| Community planning and development                   | 60,241               | -                     | -                           | -                 | 610,876               | 671,117               |
| Other  | -                    | -                     | -                           | 14,621            | 31,772                | 46,393                |
| Debt principal payment                               | -                    | -                     | -                           | 239,313           | -                     | 239,313               |
| Debt interest payment                                | -                    | -                     | -                           | 61,293            | -                     | 61,293                |
| Capital costs  | 636,081              | 299,176               | 2,391,537                   | -                 | 43,499                | 3,370,293             |
| <b>Total expenditures</b>                            | <b>10,446,000</b>    | <b>2,160,468</b>      | <b>2,800,088</b>            | <b>315,227</b>    | <b>773,401</b>        | <b>16,495,184</b>     |
| Excess (deficiency) of revenues<br>over expenditures | <b>789,328</b>       | <b>399,890</b>        | <b>200,014</b>              | <b>(256,359)</b>  | <b>(51,622)</b>       | <b>1,081,251</b>      |
| <b>OTHER FINANCING SOURCES (USES):</b>               |                      |                       |                             |                   |                       |                       |
| Disposal of capital assets                           | 7,152                | 2,780                 | -                           | -                 | -                     | 9,932                 |
| Transfers, in  | -                    | -                     | -                           | 264,841           | 14,889                | 279,730               |
| Transfers, out                                       | (589,379)            | -                     | (173,754)                   | -                 | -                     | (763,133)             |
| <b>Total other financing sources (uses)</b>          | <b>(582,227)</b>     | <b>2,780</b>          | <b>(173,754)</b>            | <b>264,841</b>    | <b>14,889</b>         | <b>(473,471)</b>      |
| Net change in fund balance                           | 207,101              | 402,670               | 26,260                      | 8,482             | (36,733)              | 607,780               |
| Fund balance-beginning of year                       | 20,658,881           | 3,918,551             | 1,977,761                   | 430,978           | 203,462               | 27,189,633            |
| Fund balance-end of year                             | <b>\$ 20,865,982</b> | <b>\$ 4,321,221</b>   | <b>\$ 2,004,021</b>         | <b>\$ 439,460</b> | <b>\$ 166,729</b>     | <b>\$ 27,797,413</b>  |

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, 2013

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|   |                     |
|---|---------------------|
| Total net change in fund balances Governmental funds  | \$ 607,780          |
| 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 (\$3,370,293) exceed depreciation expense (\$1,530,148) | 1,840,145           |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: (State shared taxes (\$113,776), Income taxes \$278,000, and Ems billings \$73,771)  | 237,995             |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position   | 239,313             |
| 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  | 45,770              |
| Interest payable  | 477                 |
| The net book value of assets retired (the difference of original cost (\$142,129) and accumulated depreciation (\$134,134) is not recorded on the Governmental Fund Statements, but is recorded as an expense on the Statement of Activities  | (7,995)             |
| 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                  | (78,606)            |
| Change in the net position of governmental activities on the Statement of Activities  | <u>\$ 2,884,879</u> |

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2013**

|  | Business-type Activities |               |              |               |                |              |                    |                   |               |              | Governmental<br>Activities -<br>Internal Service<br>Funds |  |
|--|--------------------------|---------------|--------------|---------------|----------------|--------------|--------------------|-------------------|---------------|--------------|---|--|
|  | Electric                 | Wastewater    | Refuse       | Water         | Storm<br>Water | Golf         | Ft. Piqua<br>Plaza | Municipal<br>Pool | Total         |              |   |  |
| <b>ASSETS AND DEFERRED<br/>OUTFLOWS OF RESOURCES</b> |                          |               |              |               |                |              |                    |                   |               |              |   |  |
| <b>CURRENT ASSETS:</b>                               |                          |               |              |               |                |              |                    |                   |               |              |   |  |
| Equity in pooled cash and cash equivalents           | \$ 4,860,108             | \$ 2,524,785  | \$ 944,495   | \$ 4,089,874  | \$ 796,963     | \$ 141,646   | \$ 15,847          | \$ 12,451         | \$ 13,386,169 | \$ 1,130,508 |   |  |
| Equity in pooled investments                         | 2,644,417                | 576,309       | 310,634      | 23,721        | -              | -            | -                  | -                 | 3,555,081     | 2,290,657    |   |  |
| Accounts receivable                                  | 3,566,855                | 487,660       | 238,282      | 649,428       | 55,626         | 2,331        | 12,799             | 405               | 5,013,386     | 158,549      |   |  |
| Allowance for uncollectible accounts                 | (262,581)                | (61,245)      | (33,471)     | (57,894)      | (8,570)        | -            | -                  | -                 | (423,761)     | -            |   |  |
| Inventories  | 717,990                  | -             | -            | 126,413       | 8,983          | 23,879       | -                  | -                 | 877,265       | -            |   |  |
| Prepaid items and other assets                       | 5,366                    | 4,780         | 68,000       | 56,305        | 4,000          | -            | -                  | -                 | 138,451       | 3,346        |   |  |
| Total Current Assets                                 | 11,532,155               | 3,532,289     | 1,527,940    | 4,887,847     | 857,002        | 167,856      | 28,646             | 12,856            | 22,546,591    | 3,583,060    |   |  |
| <b>NONCURRENT ASSETS:</b>                            |                          |               |              |               |                |              |                    |                   |               |              |   |  |
| Recoverable purchased power                          | 2,399,276                | -             | -            | -             | -              | -            | -                  | -                 | 2,399,276     | -            |   |  |
| Capital assets not being depreciated                 | 2,762,315                | 463,790       | 17,949       | 3,324,188     | 362,130        | 382,970      | -                  | -                 | 7,313,342     | -            |   |  |
| Capital assets being depreciated                     | 34,697,192               | 10,774,218    | 478,359      | 10,023,587    | 404,215        | 964,968      | -                  | 154,431           | 57,496,970    | 540,548      |   |  |
| Total Noncurrent Assets                              | 39,858,783               | 11,238,008    | 496,308      | 13,347,775    | 766,345        | 1,347,938    | -                  | 154,431           | 67,209,588    | 540,548      |   |  |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>               |                          |               |              |               |                |              |                    |                   |               |              |   |  |
| Deferred charge on refunding                         | -                        | -             | -            | -             | -              | 12,018       | -                  | 607               | 12,625        | -            |   |  |
| Total Deferred Outflows of Resources                 | -                        | -             | -            | -             | -              | 12,018       | -                  | 607               | 12,625        | -            |   |  |
| Total Assets and deferred outflows of resources      | \$ 51,390,938            | \$ 14,770,297 | \$ 2,024,248 | \$ 18,235,622 | \$ 1,623,347   | \$ 1,527,812 | \$ 28,646          | \$ 167,894        | \$ 89,768,804 | \$ 4,123,608 |   |  |

See accompanying notes to the basic financial statements

Continued

**CITY OF PIQUA, OHIO**

**BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2013**

|   | Business-type Activities |                      |                     |                      |                     |                     |                    |                   |                      |    | Governmental<br>Activities -<br>Internal Service<br>Funds |  |
|---|--------------------------|----------------------|---------------------|----------------------|---------------------|---------------------|--------------------|-------------------|----------------------|----|---|--|
|   | Electric                 | Wastewater           | Refuse              | Water                | Storm<br>Water      | Golf                | Ft. Piqua<br>Plaza | Municipal<br>Pool | Total                |    |   |  |
| <b>LIABILITIES</b>  |                          |                      |                     |                      |                     |                     |                    |                   |                      |    |   |  |
| <b>CURRENT LIABILITIES:</b>   |                          |                      |                     |                      |                     |                     |                    |                   |                      |    |   |  |
| Accounts payable  | \$ 2,021,622             | \$ 117,355           | \$ 69,528           | \$ 401,018           | \$ 4,329            | \$ 16,331           | \$ 14,347          | \$ 1,147          | \$ 2,645,677         | \$ | \$ 8,972  |  |
| Salaries and benefits   | 45,890                   | 25,374               | 11,925              | 26,175               | 9,180               | 10,040              | -                  | -                 | 128,584              | -  | 5,759   |  |
| Accrued vacation, personal, and sick leave                                  | 239,514                  | 131,304              | 44,296              | 84,190               | 10,159              | 43,852              | -                  | -                 | 553,315              | -  | 30,520  |  |
| Accruals and prepaid memberships  | 469,528                  | 548                  | 133                 | 73,733               | 1,197               | 4,933               | 2,661              | -                 | 552,733              | -  | 133   |  |
| Current portion of long term debt   | 154,611                  | 665,046              | -                   | 140,973              | -                   | 138,040             | -                  | 6,960             | 1,105,630            | -  | -   |  |
| <b>Total Current Liabilities</b>  | <b>2,931,165</b>         | <b>939,627</b>       | <b>125,882</b>      | <b>726,089</b>       | <b>24,865</b>       | <b>213,196</b>      | <b>17,008</b>      | <b>8,107</b>      | <b>4,985,939</b>     |    | <b>45,384</b>   |  |
| <b>LONG-TERM LIABILITIES:</b>   |                          |                      |                     |                      |                     |                     |                    |                   |                      |    |   |  |
| Accrued vacation, personal, and sick leave                                  | 318,255                  | 150,024              | 81,593              | 199,754              | 15,003              | 6,859               | -                  | -                 | 771,488              | -  | 65,007  |  |
| Long term liabilities   | 2,244,665                | 3,512,293            | -                   | 1,777,807            | -                   | 609,280             | -                  | 30,720            | 8,174,765            | -  | -   |  |
| <b>Total Long-Term Liabilities</b>  | <b>2,562,920</b>         | <b>3,662,317</b>     | <b>81,593</b>       | <b>1,977,561</b>     | <b>15,003</b>       | <b>616,139</b>      | <b>-</b>           | <b>30,720</b>     | <b>8,946,253</b>     |    | <b>65,007</b>   |  |
| <b>Total Liabilities</b>  | <b>5,494,085</b>         | <b>4,601,944</b>     | <b>207,475</b>      | <b>2,703,650</b>     | <b>39,868</b>       | <b>829,335</b>      | <b>17,008</b>      | <b>38,827</b>     | <b>13,932,192</b>    |    | <b>110,391</b>  |  |
| <b>NET POSITION</b>   |                          |                      |                     |                      |                     |                     |                    |                   |                      |    |   |  |
| Net investment in capital assets  | 37,459,507               | 7,060,669            | 496,308             | 11,428,995           | 766,345             | 600,618             | -                  | 116,751           | 57,929,193           | -  | 540,548   |  |
| Restricted by debt covenants  | -                        | 50,000               | -                   | -                    | -                   | -                   | -                  | -                 | 50,000               | -  | -   |  |
| Unrestricted  | 8,437,346                | 3,057,684            | 1,320,465           | 4,102,977            | 817,134             | 97,859              | 11,638             | 12,316            | 17,857,419           | -  | 3,472,669   |  |
| <b>Total Net Position</b>   | <b>45,896,853</b>        | <b>10,168,353</b>    | <b>1,816,773</b>    | <b>15,531,972</b>    | <b>1,583,479</b>    | <b>698,477</b>      | <b>11,638</b>      | <b>129,067</b>    | <b>75,836,612</b>    |    | <b>4,013,217</b>  |  |
| <b>Total Liabilities and Net Position</b>                                   | <b>\$ 51,390,938</b>     | <b>\$ 14,770,297</b> | <b>\$ 2,024,248</b> | <b>\$ 18,235,622</b> | <b>\$ 1,623,347</b> | <b>\$ 1,527,812</b> | <b>\$ 28,646</b>   | <b>\$ 167,894</b> |                      |    | <b>\$ 4,123,608</b>                                       |  |
| Adjustment to consolidate the internal service fund activities              |                          |                      |                     |                      |                     |                     |                    |                   |                      |    |   |  |
| <b>Total net position per the government-wide Statement of Net Position</b> |                          |                      |                     |                      |                     |                     |                    |                   | <b>289,692</b>       |    |   |  |
|   |                          |                      |                     |                      |                     |                     |                    |                   | <b>\$ 76,126,304</b> |    |   |  |

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, 2013**

|  | Business-type Activities |               |              |               |                |            |                    |                   |               |            | Governmental<br>Activities-<br>Internal Service<br>Funds |  |
|--|--------------------------|---------------|--------------|---------------|----------------|------------|--------------------|-------------------|---------------|------------|--|--|
|  | Electric                 | Wastewater    | Refuse       | Water         | Storm<br>Water | Golf       | Ft. Piqua<br>Plaza | Municipal<br>Pool | Total         |            |  |  |
| <b>OPERATING REVENUES:</b>                         |                          |               |              |               |                |            |                    |                   |               |            |  |  |
| Customer services                                  | \$ 23,688,111            | \$ 3,459,040  | \$ 1,754,927 | \$ 4,544,683  | \$ 881,273     | \$ 512,678 | \$ 147,006         | \$ 61,562         | \$ 35,049,280 | \$ 735,394 |  |  |
| Penalty charges                                    | 147,194                  | 38,875        | 21,676       | 47,830        | 5,585          | -          | -                  | -                 | 261,160       | -          |  |  |
| Total operating revenues                           | 23,835,305               | 3,497,915     | 1,776,603    | 4,592,513     | 886,858        | 512,678    | 147,006            | 61,562            | 35,310,440    | 735,394    |  |  |
| <b>OPERATING EXPENSES:</b>                         |                          |               |              |               |                |            |                    |                   |               |            |  |  |
| Fossil fuels used for production                   | 21,702                   | -             | -            | -             | -              | -          | -                  | -                 | 21,702        | -          |  |  |
| Purchased power                                    | 18,871,083               | -             | -            | -             | -              | -          | -                  | -                 | 18,871,083    | -          |  |  |
| Salaries and employee benefits                     | 1,966,440                | 1,014,750     | 472,477      | 1,091,929     | 309,909        | 243,699    | -                  | 65,518            | 5,164,722     | 333,185    |  |  |
| Depreciation                                       | 1,901,168                | 949,750       | 43,977       | 400,689       | 23,700         | 95,061     | -                  | 34,951            | 3,449,296     | 108,169    |  |  |
| Materials and supplies                             | 243,310                  | 119,487       | 77,116       | 271,361       | 57,339         | 157,021    | 25,612             | 48,583            | 999,829       | 8,446      |  |  |
| Utilities  | 73,608                   | 180,800       | 5,497        | 204,013       | 18,155         | 54,215     | 35,515             | 17,204            | 589,007       | 31,734     |  |  |
| Outside services                                   | 1,089,147                | 534,945       | 890,486      | 560,588       | 243,483        | 25,321     | 227,317            | 5,594             | 3,576,881     | 115,189    |  |  |
| Billing costs                                      | 434,194                  | 232,523       | 104,526      | 269,448       | 32,162         | -          | -                  | -                 | 1,072,853     | -          |  |  |
| Chemicals  | -                        | 10,362        | -            | 217,860       | -              | 33,712     | -                  | 10,725            | 272,659       | -          |  |  |
| Other  | 334,794                  | 38,731        | 11,157       | 90,561        | 23,640         | 24,089     | 12,965             | 4,491             | 540,368       | 94,271     |  |  |
| Total operating expenses                           | 24,935,386               | 3,081,348     | 1,605,236    | 3,106,449     | 708,388        | 633,118    | 301,409            | 187,066           | 34,558,400    | 690,994    |  |  |
| Operating income (loss)                            | (1,100,081)              | 416,567       | 171,367      | 1,486,064     | 178,470        | (120,440)  | (154,403)          | (125,504)         | 752,040       | 44,400     |  |  |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>          |                          |               |              |               |                |            |                    |                   |               |            |  |  |
| Interest on debt                                   | -                        | (172,685)     | -            | (10,974)      | -              | (45,969)   | -                  | (2,317)           | (231,945)     | -          |  |  |
| Interest income                                    | 28,088                   | 5,052         | 3,755        | 1,158         | 20             | 74         | -                  | 3                 | 38,150        | 31,287     |  |  |
| Net (decrease) in fair market value of investments | (3,915)                  | (110)         | -            | (110)         | -              | -          | -                  | -                 | (4,135)       | (1,346)    |  |  |
| Other, net   | (203,434)                | 3,448         | 17,415       | 298,350       | 700            | 2,849      | 125                | 140               | 119,593       | -          |  |  |
| Operating grants                                   | 110,219                  | -             | -            | -             | -              | -          | -                  | 500               | 110,719       | -          |  |  |
| Net non-operating revenues (expenses)              | (69,042)                 | (164,295)     | 21,170       | 288,424       | 720            | (43,046)   | 125                | (1,674)           | 32,382        | 29,941     |  |  |
| Capital grants                                     | 25                       | 1,303         | -            | -             | 88,271         | -          | -                  | -                 | 89,599        | -          |  |  |
| Transfers, in                                      | -                        | -             | -            | -             | -              | 246,718    | 141,844            | 94,841            | 483,403       | -          |  |  |
| Change in net position                             | (1,169,098)              | 253,575       | 192,537      | 1,774,488     | 267,461        | 83,232     | (12,434)           | (32,337)          | 1,357,424     | 74,341     |  |  |
| Total net position-beginning 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     |            |  |  |
| Total net position-end of year                     | \$ 45,896,853            | \$ 10,168,353 | \$ 1,816,773 | \$ 15,531,972 | \$ 1,583,479   | \$ 698,477 | \$ 11,638          | \$ 129,067        | \$ 4,013,217  |            |  |  |

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, 2013**

|   | Business-type Activities |              |              |              |             |              |                    |                   |               |              | Total | Governmental<br>Activities-<br>Internal<br>Service Funds |  |
|---|--------------------------|--------------|--------------|--------------|-------------|--------------|--------------------|-------------------|---------------|--------------|-------|--|--|
|   | Electric                 | Wastewater   | Refuse       | Water        | Storm Water | Golf         | Ft. Piqua<br>Plaza | Municipal<br>Pool |               |              |       |  |  |
| <b>OPERATING ACTIVITIES:</b>  |                          |              |              |              |             |              |                    |                   |               |              |       |  |  |
| Cash received for services  | \$ 23,888,070            | \$ 3,503,791 | \$ 1,805,975 | \$ 5,431,050 | \$ 968,746  | \$ 518,438   | \$ 156,271         | \$ 61,806         | \$ 36,334,147 | \$ 688,073   |       |  |  |
| Cash paid to suppliers for goods or services  | (20,493,781)             | (1,037,704)  | (1,093,027)  | (1,433,324)  | (383,904)   | (289,336)    | (293,456)          | (86,471)          | (25,111,003)  | (108,202)    |       |  |  |
| Cash paid to employees for services   | (2,003,246)              | (1,041,664)  | (471,077)    | (1,106,557)  | (307,158)   | (244,655)    | -                  | (65,518)          | (5,239,875)   | (321,486)    |       |  |  |
| Net cash provided by (used in) operating activities   | 1,391,043                | 1,424,423    | 241,871      | 2,891,169    | 277,684     | (15,553)     | (137,185)          | (90,183)          | 5,983,269     | 258,385      |       |  |  |
| <b>NONCAPITAL FINANCING ACTIVITIES:</b>   |                          |              |              |              |             |              |                    |                   |               |              |       |  |  |
| Transfers, in   | -                        | -            | -            | -            | -           | 246,718      | 141,844            | 94,841            | 483,403       | -            |       |  |  |
| Net cash provided by (used in) noncapital financing activities  | -                        | -            | -            | -            | -           | 246,718      | 141,844            | 94,841            | 483,403       | -            |       |  |  |
| <b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>  |                          |              |              |              |             |              |                    |                   |               |              |       |  |  |
| Recoverable purchased power contract  | 2,399,276                | -            | -            | -            | -           | -            | -                  | -                 | 2,399,276     | -            |       |  |  |
| Proceeds from issuance of bonds and notes   | -                        | -            | -            | 1,705,478    | -           | -            | -                  | -                 | 1,705,478     | -            |       |  |  |
| Principal paid on bonds and notes   | -                        | (637,243)    | -            | (136,198)    | -           | (133,280)    | -                  | (6,720)           | (913,441)     | -            |       |  |  |
| Interest paid on bonds and notes  | -                        | (172,685)    | -            | (10,974)     | -           | (34,567)     | -                  | (1,743)           | (219,969)     | -            |       |  |  |
| Acquisition and construction of capital & AMP regulatory assets   | (5,372,418)              | (277,460)    | (125,586)    | (2,834,578)  | (328,843)   | (12,626)     | -                  | -                 | (8,951,511)   | (31,452)     |       |  |  |
| Disposals of capital assets   | 18,341                   | -            | 538          | -            | -           | -            | -                  | -                 | 18,879        | -            |       |  |  |
| Net cash provided by (used in) capital & related financing activities                                       | (2,954,801)              | (1,087,388)  | (125,048)    | (1,276,272)  | (328,843)   | (180,473)    | -                  | (8,463)           | (5,961,288)   | (31,452)     |       |  |  |
| <b>INVESTING ACTIVITIES:</b>  |                          |              |              |              |             |              |                    |                   |               |              |       |  |  |
| Purchases of investment securities  | -                        | -            | -            | -            | -           | -            | -                  | -                 | -             | -            |       |  |  |
| Proceeds from sale or maturity of investment securities   | -                        | -            | -            | -            | -           | -            | -                  | -                 | -             | -            |       |  |  |
| Interest received   | 28,334                   | 2,570        | 3,148        | 1,158        | 20          | 76           | -                  | 3                 | 35,309        | 25,000       |       |  |  |
| Net cash provided by (used in) investing activities   | 28,334                   | 2,570        | 3,148        | 1,158        | 20          | 76           | -                  | 3                 | 35,309        | 26,231       |       |  |  |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT</b>  | (1,535,424)              | 339,605      | 119,971      | 1,616,055    | (51,139)    | 50,768       | 4,659              | (3,802)           | 540,693       | 278,164      |       |  |  |
| <b>CASH AND CASH EQUIVALENTS - Beginning of year</b>  | 6,395,532                | 2,185,180    | 824,524      | 2,473,819    | 848,102     | 90,878       | 11,188             | 16,253            | 12,845,476    | 852,344      |       |  |  |
| <b>CASH AND CASH EQUIVALENTS - End of year</b>  | \$ 4,860,108             | \$ 2,524,785 | \$ 944,495   | \$ 4,089,874 | \$ 796,963  | \$ 141,646   | \$ 15,847          | \$ 12,451         | \$ 13,386,169 | \$ 1,130,508 |       |  |  |
| <b>OPERATING INCOME (LOSS)</b>  | \$ (1,100,081)           | \$ 416,567   | \$ 171,367   | \$ 1,486,064 | \$ 178,470  | \$ (120,440) | \$ (154,403)       | \$ (125,504)      | \$ 752,040    | \$ 44,400    |       |  |  |
| Adjustments to Reconcile Operating Income (Loss)<br>to Net Cash Provided by (Used in) Operating Activities: |                          |              |              |              |             |              |                    |                   |               |              |       |  |  |
| Depreciation  | 1,901,168                | 949,730      | 43,977       | 400,689      | 23,700      | 95,061       | -                  | 34,951            | 3,449,296     | 108,169      |       |  |  |
| (Increase)/Decrease in Accounts Receivable  | (56,196)                 | 1,126        | 11,956       | 540,185      | (7,084)     | 3,271        | 9,140              | (395)             | 502,003       | (57,521)     |       |  |  |
| (Increase)/Decrease in Inventory  | (32,553)                 | -            | -            | 13,226       | (8,983)     | (7,174)      | -                  | -                 | (35,484)      | -            |       |  |  |
| (Increase)/Decrease in Prepaids   | (1,076)                  | (868)        | (7,000)      | (11,283)     | (2,200)     | -            | -                  | -                 | (22,427)      | 178,210      |       |  |  |
| Increase/(Decrease) in Accounts Payable   | 607,626                  | 80,013       | 2,755        | 178,566      | 2,039       | 12,196       | 7,953              | 126               | 891,294       | (26,772)     |       |  |  |
| Increase/(Decrease) in Accrued Wages and Benefits   | (36,806)                 | (26,914)     | 1,400        | (14,628)     | 2,751       | (956)        | -                  | -                 | (75,153)      | 11,699       |       |  |  |
| Increase/(Decrease) in Deferred Revenues  | -                        | -            | -            | -            | -           | (360)        | -                  | -                 | (360)         | -            |       |  |  |
| Net (Increase)/Decrease in Other Operating Net Position   | 108,961                  | 4,749        | 17,416       | 298,350      | 88,971      | 2,849        | 125                | 639               | 522,060       | -            |       |  |  |
| Net cash provided by (used in) operating activities   | \$ 1,391,043             | \$ 1,424,423 | \$ 241,871   | \$ 2,891,169 | \$ 277,684  | \$ (15,553)  | \$ (137,185)       | \$ (90,183)       | \$ 5,983,269  | \$ 258,385   |       |  |  |
| <b>SUPPLEMENTAL INFORMATION:</b>  |                          |              |              |              |             |              |                    |                   |               |              |       |  |  |
| Noncash activities:   |                          |              |              |              |             |              |                    |                   |               |              |       |  |  |
| Change in fair value of investments   | \$ (3,915)               | \$ (110)     | \$ -         | \$ (110)     | \$ -        | \$ -         | \$ -               | \$ -              | \$ (4,135)    | \$ (1,346)   |       |  |  |
| Recoverable purchased power contract  | \$ 2,399,276             | \$ -         | \$ -         | \$ -         | \$ -        | \$ -         | \$ -               | \$ -              | \$ 2,399,276  | \$ -         |       |  |  |

**CITY OF PIQUA, OHIO**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2013**

| <b>ASSETS:</b>                             | <u>Private Purpose<br/>Centennial Trust</u> | <u>Agency<br/>Funds</u> |
|--|---|-------------------------|
| Equity in pooled cash and cash equivalents | \$ 466                                      | \$ 20,318               |
| Total Assets                               | <u>\$ 466</u>                               | <u>\$ 20,318</u>        |
| <br><b>LIABILITIES:</b>                    |   |                         |
| Withholdings payable                       |   | \$ 4,708                |
| Undistributed monies                       |   | <u>15,610</u>           |
| Total Liabilities                          |   | <u>\$ 20,318</u>        |
| <br><b>NET POSITION</b>                    |   |                         |
| Held in trust for other purposes           | <u>\$ 466</u>                               |                         |

**STATEMENT OF CHANGES IN  
FIDUCIARY NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|                                      |               |
|--------------------------------------|---------------|
| <b>ADDITIONS</b>                     |               |
| 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, 2013**

**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, conference center, 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, 2013**

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

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

**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.

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

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

**Fund Balance Classifications**—Fund balance is reported as nonspendable when the amounts so included cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

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

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

an enforceable legal claim as of December 31, 2013, but which were levied to finance 2014 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 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, 2013 the City had cash on hand in the amount of \$4,675.

At December 31, 2013, the carrying amount of the City's deposits was \$34,704,999 while the balance as shown by the bank statements was \$35,562,889. As of December 31, 2013, \$28,747,770 of the City's bank balance was exposed to custodial risk as discussed above, while \$6,815,119 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.

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
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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, 2013.

**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, 2013, 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             | \$ 311,105          |
| U.S. Government Agency Obligations | AA+                   | 2,156,832           |
| STAR Ohio                          | AAAm                  | <u>421,811</u>      |
| Total                              |                       | <u>\$ 2,889,748</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, 2013.

| <u>Investment Type</u> | <u>Fair Value</u>   | <u>% of Total</u> |
|------------------------|---------------------|-------------------|
| City of Piqua Bonds    | \$ 311,105          | 10.77%            |
| FNMA                   | 2,156,832           | 74.63%            |
| STAR Ohio              | <u>421,811</u>      | <u>14.60%</u>     |
| Total                  | <u>\$ 2,889,748</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, 2013

**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.

**CITY OF PIQUA, OHIO**  
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| <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    | \$ 47,452                               | \$ 179,784         | \$ 83,869             | \$ 311,105              |
| FNMA                   |   | 2,156,832          |                       | 2,156,832               |
| STAR Ohio              | 421,811                                 |                    |                       | 421,811                 |
| Total                  | <u>\$ 469,263</u>                       | <u>\$2,336,616</u> | <u>\$ 83,869</u>      | <u>\$ 2,889,748</u>     |

**C. PROPERTY TAXES**

Property tax revenues include amounts collected for all real, and public utility 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. 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, 2012   |
| Lien date                      | January 1, 2013   |
| Tax bill mailed                | January 20, 2013  |
| First installment payment due  | February 20, 2013 |
| Second installment payment due | July 20, 2013     |

The assessed values for the City at January 1, 2013 are as follows:

|             |                |
|-------------|----------------|
| Real estate | \$ 286,575,960 |
|-------------|----------------|

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, 2013, nor are they intended to finance 2013 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 2013, the City also received an additional 0.60 mills to fund the Pension Refunding Bonds.

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.

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

**E. OTHER TAXES**

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

|                                     |                     |
|-------------------------------------|---------------------|
| Estate taxes                        | \$ 130,823          |
| Local government revenue assistance | 289,015             |
| Gasoline taxes                      | 686,978             |
| Vehicle license taxes               | 451,008             |
| Miscellaneous other taxes           | <u>194,729</u>      |
|                                     | <u>\$ 1,752,553</u> |

The City has two locally issued taxes; a KWH tax totaling \$1,121,686 which is recognized based upon sales of electrical services, and a hotel/motel tax totaling \$66,892 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 \$989,471 with an estimated allowance for forgiveness of \$982,322.

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, 2013**

**G. CAPITAL ASSETS**

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

|                                       | Beginning<br>Balance | Increases           | Decreases         | Construction<br>In Progress<br>Placed in<br>Service | Ending<br>Balance    |
|---------------------------------------|----------------------|---------------------|-------------------|---|----------------------|
| Capital assets not being depreciated: |                      |                     |                   |   |                      |
| Land and licenses                     | \$ 4,528,378         | \$ 43,499           | \$ -              | \$ -  | \$ 4,571,877         |
| Infrastructure land                   | 1,374,365            | -                   | -                 | 741,158   | 2,115,523            |
| Construction in progress              | <u>3,581,615</u>     | <u>2,687,015</u>    | <u>-</u>          | <u>(3,499,790)</u>                                  | <u>2,768,840</u>     |
| Assets not depreciated                | <u>9,484,358</u>     | <u>2,730,514</u>    | <u>-</u>          | <u>(2,758,632)</u>                                  | <u>9,456,240</u>     |
| Capital assets being depreciated:     |                      |                     |                   |   |                      |
| Buildings and improvements            | 12,221,189           | -                   | -                 | 74,778  | 12,295,967           |
| Furniture, fixtures and equipment     | 10,067,915           | 671,233             | (142,129)         | 480,680   | 11,077,699           |
| Infrastructure                        | <u>33,176,453</u>    | <u>-</u>            | <u>-</u>          | <u>2,203,174</u>                                    | <u>35,379,627</u>    |
| Depreciated capital assets            | 55,465,557           | 671,233             | (142,129)         | 2,758,632   | 58,753,293           |
| Accumulated depreciation:             |                      |                     |                   |   |                      |
| Buildings and improvements            | (3,272,431)          | (263,928)           | -                 | -   | (3,536,359)          |
| Furniture, fixtures and equipment     | (8,461,919)          | (629,160)           | 134,134           | -   | (8,956,945)          |
| Infrastructure                        | <u>(9,098,230)</u>   | <u>(745,229)</u>    | <u>-</u>          | <u>-</u>  | <u>(9,843,459)</u>   |
| Total accumulated depreciation        | <u>(20,832,580)</u>  | <u>(1,638,317)</u>  | <u>134,134</u>    | <u>-</u>  | <u>(22,336,763)</u>  |
| Net capital assets being depreciated  | <u>\$ 34,632,977</u> | <u>\$ (967,084)</u> | <u>\$ (7,995)</u> | <u>\$ 2,758,632</u>                                 | <u>\$ 36,416,530</u> |
| Net capital assets                    | <u>\$ 44,117,335</u> | <u>\$ 1,763,430</u> | <u>\$ (7,995)</u> | <u>\$ -</u>   | <u>\$ 45,872,770</u> |

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

|  |                    |
|--|--------------------|
| General governmental                           | \$ 183,280         |
| Public safety                                  | 264,450            |
| Street repairs and maintenance                 | 1,031,655          |
| Parks  | <u>50,763</u>      |
| Governmental functions depreciation expense    | 1,530,148          |
| Information technology (internal service fund) | <u>108,169</u>     |
| Total depreciation expense                     | <u>\$1,638,317</u> |

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

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

|                                       | Beginning<br>Balance | Increases             | Decreases           | Construction<br>In Progress<br>Placed in<br>Service | Ending<br>Balance    |
|---------------------------------------|----------------------|-----------------------|---------------------|---|----------------------|
| Capital assets not being depreciated: |                      |                       |                     |   |                      |
| Land and licenses                     | \$ 1,222,235         | \$ -                  | \$ -                | \$ 99,757   | \$ 1,321,992         |
| Construction in progress              | <u>7,003,939</u>     | <u>6,042,517</u>      | <u>(202,151)</u>    | <u>(6,852,955)</u>                                  | <u>5,991,350</u>     |
| Assets not depreciated                | <u>8,226,174</u>     | <u>6,042,517</u>      | <u>(202,151)</u>    | <u>(6,753,198)</u>                                  | <u>7,313,342</u>     |
| Capital assets being depreciated:     |                      |                       |                     |   |                      |
| Land improvements                     | 1,047,204            | -                     | -                   | 23,810  | 1,071,014            |
| Buildings and improvements            | 25,356,230           | -                     | -                   | 5,207,442   | 30,563,672           |
| Underground piping                    | 24,262,129           | -                     | -                   | 606,137   | 24,868,266           |
| Furniture, fixtures and equipment     | 77,574,177           | 509,718               | (194,328)           | 915,809   | 78,805,376           |
| Intangible assets                     | <u>2,688,562</u>     | <u>-</u>              | <u>(23,281)</u>     | <u>-</u>  | <u>2,665,281</u>     |
| Depreciated capital assets            | 130,928,302          | 509,718               | (217,609)           | 6,753,198   | 137,973,609          |
| Accumulated depreciation:             |                      |                       |                     |   |                      |
| Land improvements                     | (413,276)            | (14,051)              | -                   | -   | (427,327)            |
| Buildings and improvements            | (14,571,826)         | (703,709)             | -                   | -   | (15,275,535)         |
| Underground piping                    | (14,894,406)         | (587,576)             | -                   | -   | (15,481,982)         |
| Furniture, fixtures and equipment     | (46,166,836)         | (2,064,899)           | 189,197             | -   | (48,042,538)         |
| Intangible assets                     | <u>(1,179,728)</u>   | <u>(79,061)</u>       | <u>9,532</u>        | <u>-</u>  | <u>(1,249,257)</u>   |
| Total accumulated depreciation        | <u>(77,226,072)</u>  | <u>(3,449,296)</u>    | <u>198,729</u>      | <u>-</u>  | <u>(80,476,639)</u>  |
| Net capital assets being depreciated  | <u>\$ 53,702,230</u> | <u>\$ (2,939,578)</u> | <u>\$ (18,880)</u>  | <u>\$ 6,753,198</u>                                 | <u>\$ 57,496,970</u> |
| Net capital assets                    | <u>\$ 61,928,404</u> | <u>\$ 3,102,939</u>   | <u>\$ (221,031)</u> | <u>\$ -</u>   | <u>\$ 64,810,312</u> |

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

|                            |                     |
|----------------------------|---------------------|
| Electric                   | \$ 1,901,168        |
| Water                      | 400,689             |
| Wastewater                 | 949,750             |
| Refuse                     | 43,977              |
| Storm Water                | 23,700              |
| Golf                       | 95,061              |
| Municipal Pool             | <u>34,951</u>       |
| Total depreciation expense | <u>\$ 3,449,296</u> |

Capitalized interest was recorded in the amount of \$1,161 for the fiscal year 2013. The \$202,151 decrease in Construction in process represents a capital construction project that was abandoned and charged to an operation and maintenance expense of the electric utility.

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**H. LONG-TERM LIABILITIES**

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

Long-term liability activity for the year ended December 31, 2013 was as follows:

|  | <b>Maturity Dates</b> | <b>Beginning Balance</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending Balance</b> | <b>Amounts Due Within One Year</b> |
|--|-----------------------|--------------------------|------------------|-------------------|-----------------------|------------------------------------|
| <b>Governmental Activities:</b>                |                       |                          |                  |                   |                       |                                    |
| Ohio Capital Asset Series 2009 3.53%           | 12/1/2018             | \$ 255,000               | \$ -             | \$ 40,000         | \$ 215,000            | \$ 40,000                          |
| Total governmental general obligation bonds    |                       | 255,000                  | -                | 40,000            | 215,000               | 40,000                             |
| Special assessment bonds, 9% (See note below)* | 12/15/2022            | 111,805                  | -                | 25,700            | 86,105                | 22,452                             |
| State Infrastructure Bank Note, 3%             | 4/29/2020             | 874,950                  | -                | 148,613           | 726,337               | 153,104                            |
| Compensated absences                           |                       | 1,885,701                | 73,416           | 16,808            | 1,942,309             | 672,727                            |
| Restricted deposits                            |                       | 25,550                   | -                | 250               | 25,300                | -                                  |
| Other -- Pension refunding bonds, 6.25%        | 12/1/2020             | 250,000                  | -                | 25,000            | 225,000               | 25,000                             |
| Total governmental long-term liabilities       |                       | <u>\$ 3,403,006</u>      | <u>\$ 73,416</u> | <u>\$ 256,371</u> | <u>\$ 3,220,051</u>   | <u>\$ 913,283</u>                  |

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

**Business-Type Activities:**

|   |            |                     |                     |                     |                      |                     |
|---|------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| OWDA Loan-1995, 4.56%                       | 1/1/2015   | \$ 958,050          | \$ -                | \$ 468,126          | \$ 489,924           | \$ 489,924          |
| OWDA Loan-2009, 3.52%                       | 1/1/2030   | 3,856,532           | -                   | 169,117             | 3,687,415            | 175,122             |
| OWDA Loan-2005, 3.5%                        | 7/1/2015   | 315,310             | -                   | 122,852             | 192,458              | 127,189             |
| OWDA Loan-2006, 3.25%                       | 7/1/2015   | 34,190              | -                   | 13,346              | 20,844               | 13,784              |
| OWDA Loan-2013, 4.82%                       | 7/1/2019   | -                   | 1,705,478           | -                   | 1,705,478            | -                   |
| Recreational facility bonds G.O., 2.0%-4.1% | 11/15/2018 | 925,000             | -                   | 140,000             | 785,000              | 145,000             |
| AMP-Ohio stranded cost payable              |            | -                   | 3,466,911           | 1,067,635           | 2,399,276            | 154,611             |
| Compensated Absences                        |            | 1,422,183           | 124,264             | 221,644             | 1,324,803            | 553,315             |
| Total Business-type long-term liabilities   |            | <u>\$ 7,511,265</u> | <u>\$ 5,296,653</u> | <u>\$ 2,202,720</u> | <u>\$ 10,605,198</u> | <u>\$ 1,658,945</u> |

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

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

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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 \$506,537. Principal and interest paid for the current year and total customer net revenues were \$506,537 and \$1,374,817, 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 \$4,854,269. Principal and interest paid for the current year and total customer net revenues were \$303,392 and \$1,374,817, respectively.

Ohio Water Development Authority (“OWDA 2005” & “OWDA 2006”) drinking water assistance notes are issued under a cooperative agreement for construction maintenance and operation of the City’s Hydropillar Water Tower. Payments to the OWDA will be made from the utility’s pledged future revenues. The total principal and interest remaining to be paid on the notes is \$220,758. Principal and interest paid for the current year and total customer net revenues were \$147,172 and \$2,186,261, respectively.

Ohio Water Development Authority (“OWDA 2013”) Water Engineering Design Project note was issued under a cooperative agreement to design a new raw water treatment plant. Payments to the OWDA will be made from the utility’s pledged future revenues. The total principal and interest to be repaid is \$1,993,050. Payment on this loan is presently deferred until January 2015.

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 \$781,894. 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 14.1% 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 \$108,379. Principal and interest paid for the current year and total net revenue were \$35,764 and \$44,176 respectively.

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

**AMP Ohio Stranded Cost** – The City of Piqua is a participant in American Municipal Power (AMP-Ohio) and a participant in the American Municipal Power Generating Station Project (AMPGS). This project was anticipated to develop a pulverized coal power plant in Meigs County, Ohio. As a participant, the City executed a take or pay contract in November 2007, in order to participate in this project. As such, the participants are obligated to pay any costs incurred for the project. The City’s share of the project was 20,000 kW of a total capacity of 771,281 kW, giving the City a 2.59 percent share of the project.

The power plant had an estimated cost of \$3 billion; however, as construction progressed, the project’s targeted capital costs increased by 37 percent and the engineer, procure, and construct contractor (EPC) could not guarantee that the construction costs would not continue to escalate. In November 2009, the 81 member participants in the project voted to terminate the development of the plant due to projected escalating costs.

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These costs were therefore deemed impaired and the participants are obligated to reimburse AMP under the take or pay contract costs already incurred.

To date, the final costs to project participants have not been finalized. At December 31, 2013, AMP-Ohio had a regulatory asset for the recovery of the abandoned construction costs. Based on an allocation to the City of Piqua of 20,000 kW and the allocation methodology approved by the AMP-Ohio Board of Trustees, the City of Piqua had a potential stranded costs obligation of \$3,466,911 for the AMPGS project as of December 31, 2013.

At the time the participants voted to terminate the coal power plant, they also voted to pursue conversion of the project to a natural gas combined cycle plant. This plant was planned to be developed on the Meigs County site previously planned for the AMPGS project. In February 2011, development of the natural gas combined plant was suspended due to the availability of purchasing the AMP Fremont Energy Center (AFEC) at a favorable price. The City of Piqua is also a participant in the AFEC project.

Based on the allocation methodology approved by the AMP Board of Trustees, the City received an AFEC Development fee credit of \$1,067,635 for being a participant in both projects. This credit is proportionate to its AFEC allocation kW share and the total kW share of those participating in both projects. The City has recorded this credit as a reduction to the long-term liability for stranded cost payable reported as of December 31, 2013. At December 31, 2013, the stranded cost liability, net of AFEC credit, was \$2,399,276.

In prior years, the payment of these costs was not considered probable due to AMP's pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City's estimated share at March 31, 2014 of the impaired costs is \$3,446,911. The City received a credit of \$1,067,635 related to their participation in the AMP Fremont Energy Center (AFEC) Project, and another credit of \$904,497 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$1,494,779. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable.

In making its determination as to how to proceed with the accounting treatment for the potential AMPGS Project liability, the City relied upon its City Law Director, information provided by AMP and its legal counsel with respect to the data, as well as the City's management. The City intends to recover these costs and repay AMP over the next five years through a power cost adjustment, thus this incurred cost has been capitalized and reported as a regulated asset, as allowed by GASB Codification Re10.

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The annual requirements to pay principal and interest on long-term obligations at December 31, 2013 are listed as follows:

| Year<br>Ending<br>December 31 | General Obligation Bonds   |                  |                             |                  | Notes Payable              |                  |                             |                     |
|-------------------------------|----------------------------|------------------|-----------------------------|------------------|----------------------------|------------------|-----------------------------|---------------------|
|                               | Governmental<br>Activities |                  | Business Type<br>Activities |                  | Governmental<br>Activities |                  | Business Type<br>Activities |                     |
|                               | Principal                  | Interest         | Principal                   | Interest         | Principal                  | Interest         | Principal                   | Interest            |
| 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           | 526,693                     | 248,895             |
| 2016                          | 45,000                     | 5,963            | 155,000                     | 19,770           | 162,499                    | 11,255           | 520,309                     | 181,692             |
| 2017                          | 45,000                     | 4,050            | 165,000                     | 13,570           | 167,410                    | 6,344            | 543,568                     | 158,433             |
| 2018                          | 45,000                     | 2,025            | 170,000                     | 6,970            | 85,593                     | 1,285            | 567,711                     | 134,290             |
| 2019-2023                     | -                          | -                | -                           | -                | -                          | -                | 1,503,679                   | 411,891             |
| 2024-2028                     | -                          | -                | -                           | -                | -                          | -                | 1,332,572                   | 184,387             |
| 2029-2033                     | -                          | -                | -                           | -                | -                          | -                | 295,568                     | 7,826               |
|                               | <u>\$ 215,000</u>          | <u>\$ 28,662</u> | <u>\$ 785,000</u>           | <u>\$ 97,060</u> | <u>\$ 726,337</u>          | <u>\$ 55,557</u> | <u>\$ 6,096,119</u>         | <u>\$ 1,478,495</u> |

| Year<br>Ending<br>December 31 | Special           |                  |                  |                  |
|-------------------------------|-------------------|------------------|------------------|------------------|
|                               | Pension Bonds     |                  | Assessment Bonds |                  |
|                               | Principal         | Interest         | Principal        | Interest         |
| 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                          | 35,000            | 6,875            | 3,394            | 1,104            |
| 2019-2023                     | 75,000            | 7,187            | 8,869            | 1,845            |
|                               | <u>\$ 225,000</u> | <u>\$ 60,000</u> | <u>\$ 86,105</u> | <u>\$ 22,274</u> |

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  |
| AMP Ohio stranded cost payable         | Electric   |
| Compensated absences                   | General Fund, Street Maintenance,<br>Community Development, Electric, Water,<br>Wastewater, Refuse, Storm Water, Golf, and<br>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.

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Interfund receivable and payable balances at December 31, 2013 are as follows:

|                              | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|------------------------------|---------------------------------|-------------------------------|
| General Fund                 | \$ 94,219                       | \$ -                          |
| Non-major Governmental Funds | -                               | 94,219                        |
|                              | <u>\$ 94,219</u>                | <u>\$ 94,219</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, 2013 consisted of the following:

|                          | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------|---------------------|----------------------|
| <b>Governmental</b>      |                     |                      |
| General Fund             | \$ -                | \$ 589,379           |
| Street Levy Construction | -                   | 173,754              |
| Debt Service             | 264,841             | -                    |
| Community Development    | 14,889              | -                    |
| <b>Proprietary</b>       |                     |                      |
| Golf                     | 246,718             | -                    |
| Fort Piqua Plaza         | 141,844             | -                    |
| Municipal Pool           | 94,841              | -                    |
|                          | <u>\$ 763,133</u>   | <u>\$ 763,133</u>    |

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

**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 or the report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

From January thru June 2013 plan members were required to contribute 10.0% and from July thru December 2013 were required to contribute 10.75% 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, 2013, 2012 and 2011 were \$1,393,471, \$1,338,231 and \$1,330,137, which consisted of \$944,005, \$915,816 and \$909,751 from the City and \$449,466, \$422,415, and \$420,386 from the employees, respectively, or 53% of the required contributions for 2012 and 57% of the required contributions

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for 2011 and 62% of the required contributions for 2010. The unpaid portion of \$41,787 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. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, or 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 2013, 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, 2013, 2012 and 2011 were \$1,708,216, \$1,669,558, and \$1,677,848 respectively. The unpaid portion of \$45,933 is reported as a liability in the respective funds.

**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.

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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 4.69% of covered payroll from January 1 2013 thru May 31, 2013 and 2.85 % of covered payroll for the rest of 2013 and 6.75% in 2012 respectively. Beginning in 2001, active members do not make contributions to the OPEB, all retirees and survivors make monthly health care contributions.

The City's contributions that were used to pay post-employment benefits by Ohio Police and Fire for the years ended December 31, 2013, 2012, and 2011 were \$157,168, \$285,130, and \$283,575 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 2013 employer contribution rate for local government employer units was 14% of covered payroll, of which 1.0% was used to fund health care for the year ended 2013.

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

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

**Health Care:** OPERS post-employment health care plan was established under, and is administrated in accordance with internal revenue code 401(h). Each year, the OPERS Board of Trustee determines the portion of the employer contribution rate (14% in 2013) 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 1.0% for the year ended December 31, 2013. The portion of employer contribution allocated to health care for members in the Combined Plan was 1.0% for year ended December 31, 2013. 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, 2013, 2012, and 2011 were \$71,176, \$278,322, and \$279,626 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.

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

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

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

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

**N. CONTINGENCIES**

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

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

**O. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In 2002, the City joined a joint insurance pool, Miami Valley Risk Management Association, Inc. ("MVRMA") with other local cities. The pool has been operational since December 1988, and was formed in accordance with Section 2744.081 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public officials liability coverage 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 2013,

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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 \$500,000 sir                                   |
| Automobile Liability  | \$10,000,000 per occurrence/excess \$500,000 sir                                    |
| Police Professional Liability                                 | \$10,000,000 excess \$1,000,000 (\$10,000,000 aggregate per city)                   |
| Boiler and Machinery  | \$100,000,000 per occurrence  |
| Property  | \$1,000,000,000 per occurrence  |
| Flood and Earthquake  | \$25,000,000 per occurrence and annual aggregate                                    |
| Employment Practices Liability and Public Officials Liability | \$10,000,000 excess \$500,000 sir (\$10,000,000 annual combined aggregate per city) |
| Cyber Liability   | \$500,000 annual aggregate; \$100,000sir  |
| Pollution Liability   | \$1,000,000 annual aggregate; \$100,000 sir   |

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 Anthem and is accounted for and financed through an internal service fund.

**P. PURCHASED POWER**

The City's electric distribution system during 2013 purchased wholesale electric power from American Municipal Power (AMP). AMP provides this power through a mixture of long term take or pay purchase contracts with the City. Included in these contracts with AMP are; the Prairie State Energy Campus Project (20 megawatts) generation started during 2012, Fremont Natural Gas Energy Center (13 megawatts) generation started in 2012, and the Ohio River Hydroelectric Project (8 megawatts) generation to start during 2015. AMP provides the remaining power requirements with market based purchases from various sources including New York Power Authority, Blue Creek Wind Farm, and other pooled market sources .

**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 \$9,807,265. 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 \$7,149, and prepaid items of \$6,919. The City reported restricted fund balance of \$6,934,358, which is comprised of debt restrictions of \$439,460, donor restrictions of \$12,813, grant restrictions of \$113,155, and legislative restrictions of \$6,368,930. The City reported assigned fund balance of \$4,101,987, which is comprised of encumbrances of \$20,108, and managerially assigned assets of \$4,081,879. The City reported unassigned fund balance of \$6,953,803.

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2013**

**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

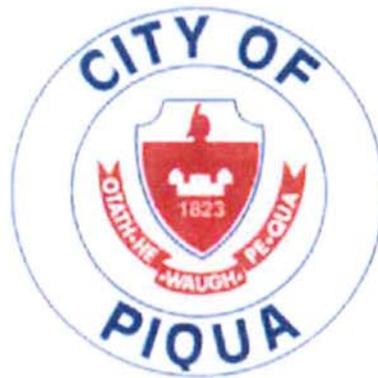
For Fiscal year 2012, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which became effective with fiscal years beginning after December 15, 2011. 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.

**S. SIGNIFICANT GASB STATEMENTS ISSUED BUT NOT IMPLEMENTED**

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, which is required to be implemented by the City for calendar year 2015. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflow, of resources, and expense/expenditures, as well as note disclosure and required supplementary information. While the impact of this particular Statement on the City's financial position is expected to be significant when implemented, management has not yet determined the exact, or a range of, amount(s) the implementation of this Statement will have.

# Required Supplemental Information



**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2013**

|   | Budgeted Amounts  |                   | Actual            | Variance-with<br>Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
|   | Original          | Final             |                   |                               |
| <b>REVENUES:</b>                          |                   |                   |                   |                               |
| Municipal income tax                      | \$ 5,228,571      | \$ 5,228,571      | \$ 6,035,111      | \$ 806,540                    |
| Property taxes                            | 1,179,128         | 1,053,934         | 1,160,855         | 106,921                       |
| State shared revenues                     | 824,256           | 958,350           | 727,498           | (230,852)                     |
| Locally levied taxes                      | 1,190,000         | 1,194,000         | 1,188,578         | (5,422)                       |
| Licenses and permits, fees                | 1,278,024         | 1,293,010         | 1,331,695         | 38,685                        |
| Grants-capital                            | 94,866            | 58,146            | 58,146            | -                             |
| Grants-operating                          | 273,090           | 545,755           | 531,312           | (14,443)                      |
| Interest income                           | 88,672            | 53,528            | 54,846            | 1,318                         |
| Decrease in fair value of investments     | -                 | -                 | (4,408)           | (4,408)                       |
| Donations:                                |                   |                   |                   |                               |
| Capital                                   | 75,000            | -                 | 14,977            | 14,977                        |
| Operating                                 | 10,768            | 26,255            | 42,769            | 16,514                        |
| Other fines, rents, and reimbursements    | 72,128            | 69,977            | 93,949            | 23,972                        |
| Total revenues                            | <u>10,314,503</u> | <u>10,481,526</u> | <u>11,235,328</u> | <u>753,802</u>                |
| <b>EXPENDITURES:</b>                      |                   |                   |                   |                               |
| <b>GENERAL GOVERNMENT ADMINISTRATION:</b> |                   |                   |                   |                               |
| City building:                            |                   |                   |                   |                               |
| Operating expenditures                    | 104,759           | 104,759           | 71,567            | 33,192                        |
| Capital                                   | 100,000           | -                 | -                 | -                             |
| Total city building                       | <u>204,759</u>    | <u>104,759</u>    | <u>71,567</u>     | <u>33,192</u>                 |
| City commission:                          |                   |                   |                   |                               |
| Personal services/administrative support  | 34,618            | 34,618            | 34,220            | 398                           |
| Operating expenditures                    | 67,201            | 67,201            | 34,349            | 32,852                        |
| Total city commission                     | <u>101,819</u>    | <u>101,819</u>    | <u>68,569</u>     | <u>33,250</u>                 |
| Office of city manager:                   |                   |                   |                   |                               |
| Personal services/administrative support  | 62,574            | 62,574            | 60,227            | 2,347                         |
| Operating expenditures                    | 8,165             | 8,165             | 6,562             | 1,603                         |
| Total office of city manager              | <u>70,739</u>     | <u>70,739</u>     | <u>66,789</u>     | <u>3,950</u>                  |
| Purchasing department:                    |                   |                   |                   |                               |
| Personal services/administrative support  | 1,985             | 1,985             | 1,872             | 113                           |
| Operating expenditures                    | 120               | 120               | 105               | 15                            |
| Total purchasing department               | <u>2,105</u>      | <u>2,105</u>      | <u>1,977</u>      | <u>128</u>                    |
| Law department:                           |                   |                   |                   |                               |
| Personal services/administrative support  | 90,329            | 90,329            | 80,661            | 9,668                         |
| Operating expenditures                    | 8,047             | 8,047             | 5,132             | 2,915                         |
| Total law department                      | <u>98,376</u>     | <u>98,376</u>     | <u>85,793</u>     | <u>12,583</u>                 |
| Finance department:                       |                   |                   |                   |                               |
| Personal services/administrative support  | 152,406           | 152,406           | 142,508           | 9,898                         |
| Operating expenditures                    | 9,063             | 9,063             | 6,370             | 2,693                         |
| Total finance department                  | <u>161,469</u>    | <u>161,469</u>    | <u>148,878</u>    | <u>12,591</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, 2013**

|  | Budgeted Amounts        |                         | Actual                  | Variance-with<br>Final Budget |
|--|-------------------------|-------------------------|-------------------------|-------------------------------|
|  | Original                | Final                   |                         |                               |
| Human resources department:              |                         |                         |                         |                               |
| Personal services/administrative support | 23,773                  | 23,773                  | 21,884                  | 1,889                         |
| Operating expenditures                   | 3,703                   | 3,703                   | 2,377                   | 1,326                         |
| Total human resources department         | <u>27,476</u>           | <u>27,476</u>           | <u>24,261</u>           | <u>3,215</u>                  |
| Engineering department:                  |                         |                         |                         |                               |
| Personal services/administrative support | 64,702                  | 65,785                  | 60,327                  | 5,458                         |
| Operating expenditures                   | 6,517                   | 6,934                   | 5,042                   | 1,892                         |
| Total engineering department             | <u>71,219</u>           | <u>72,719</u>           | <u>65,369</u>           | <u>7,350</u>                  |
| Income tax department:                   |                         |                         |                         |                               |
| Personal services/administrative support | 185,126                 | 185,126                 | 169,698                 | 15,428                        |
| Operating expenditures                   | 277,329                 | 278,469                 | 153,141                 | 125,328                       |
| Total income tax department              | <u>462,455</u>          | <u>463,595</u>          | <u>322,839</u>          | <u>140,756</u>                |
| Planning and zoning:                     |                         |                         |                         |                               |
| Personal services/administrative support | 188,011                 | 188,011                 | 169,025                 | 18,986                        |
| Operating expenditures                   | 80,328                  | 80,328                  | 68,603                  | 11,725                        |
| Total planning and zoning                | <u>268,339</u>          | <u>268,339</u>          | <u>237,628</u>          | <u>30,711</u>                 |
| General government:                      |                         |                         |                         |                               |
| Operating expenditures                   | 221,808                 | 235,085                 | 199,047                 | 36,038                        |
| Capital                                  | -                       | 185,517                 | 178,447                 | 7,070                         |
| Total general government                 | <u>221,808</u>          | <u>420,602</u>          | <u>377,494</u>          | <u>43,108</u>                 |
| Civil Service Commission:                |                         |                         |                         |                               |
| Operating expenditures                   | 350                     | 500                     | 355                     | 145                           |
| Total civil service commission           | <u>350</u>              | <u>500</u>              | <u>355</u>              | <u>145</u>                    |
| Pro Piqua:                               |                         |                         |                         |                               |
| Operating expenditures                   | 59,000                  | 62,000                  | 60,241                  | 1,759                         |
| Total pro piqua                          | <u>59,000</u>           | <u>62,000</u>           | <u>60,241</u>           | <u>1,759</u>                  |
| <b>TOTAL GENERAL GOVERNMENT</b>          | <u><u>1,749,914</u></u> | <u><u>1,854,498</u></u> | <u><u>1,531,760</u></u> | <u><u>322,738</u></u>         |
| <b>PUBLIC SAFETY:</b>                    |                         |                         |                         |                               |
| Fire department:                         |                         |                         |                         |                               |
| Personal services/administrative support | 3,103,332               | 3,390,595               | 3,287,209               | 103,386                       |
| Operating expenditures                   | 457,305                 | 461,437                 | 401,495                 | 59,942                        |
| Capital                                  | 281,406                 | 288,574                 | 278,765                 | 9,809                         |
| Total fire department                    | <u>3,842,043</u>        | <u>4,140,606</u>        | <u>3,967,469</u>        | <u>173,137</u>                |
| Police department:                       |                         |                         |                         |                               |
| Personal services/administrative support | 3,538,347               | 3,654,713               | 3,378,035               | 276,678                       |
| Operating expenditures                   | 700,135                 | 718,535                 | 504,757                 | 213,778                       |
| Capital                                  | 40,000                  | 80,000                  | 78,632                  | 1,368                         |
| Total police department                  | <u>4,278,482</u>        | <u>4,453,248</u>        | <u>3,961,424</u>        | <u>491,824</u>                |
| <b>TOTAL PUBLIC SAFETY</b>               | <u><u>8,120,525</u></u> | <u><u>8,593,854</u></u> | <u><u>7,928,893</u></u> | <u><u>664,961</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, 2013**

|  | <u>Budgeted Amounts</u> |                      | <u>Actual</u>        | <u>Variance-with<br/>Final Budget</u> |
|--|-------------------------|----------------------|----------------------|---------------------------------------|
|  | <u>Original</u>         | <u>Final</u>         |                      |                                       |
| <b>NEIGHBORHOOD IMPROVEMENT TEAM:</b>    |                         |                      |                      |                                       |
| Personal services/administrative support | 7,268                   | 8,868                | 8,177                | 691                                   |
| Operating expenditures                   | 168,924                 | 117,500              | 95,973               | 21,527                                |
| Total neighborhood improvement team      | <u>176,192</u>          | <u>126,368</u>       | <u>104,150</u>       | <u>22,218</u>                         |
| <b>HEALTH:</b>                           |                         |                      |                      |                                       |
| Personal services/administrative support | 256,465                 | 256,465              | 230,911              | 25,554                                |
| Operating expenditures                   | 100,056                 | 100,256              | 77,097               | 23,159                                |
| Total health department                  | <u>356,521</u>          | <u>356,721</u>       | <u>308,008</u>       | <u>48,713</u>                         |
| <b>PIQUA TREE DONATIONS:</b>             |                         |                      |                      |                                       |
| Operating expenditures                   | 768                     | 768                  | 768                  | -                                     |
| Total piqua tree donations department    | <u>768</u>              | <u>768</u>           | <u>768</u>           | <u>-</u>                              |
| <b>PARKS AND RECREATION:</b>             |                         |                      |                      |                                       |
| Personal services/administrative support | 252,894                 | 259,894              | 251,815              | 8,079                                 |
| Operating expenditures                   | 164,887                 | 230,300              | 220,369              | 9,931                                 |
| Capital                                  | 100,237                 | 100,460              | 100,237              | 223                                   |
| Total parks and recreation               | <u>518,018</u>          | <u>590,654</u>       | <u>572,421</u>       | <u>18,233</u>                         |
| Total expenditures                       | <u>10,921,938</u>       | <u>11,522,863</u>    | <u>10,446,000</u>    | <u>1,076,863</u>                      |
| Excess of revenues over expenditures     | <u>(607,435)</u>        | <u>(1,041,337)</u>   | <u>789,328</u>       | <u>1,830,665</u>                      |
| <b>OTHER FINANCING SOURCES (USES):</b>   |                         |                      |                      |                                       |
| Disposal of fixed assets                 | -                       | 4,372                | 7,152                | 2,780                                 |
| Transfers out                            | (626,637)               | (661,113)            | (589,379)            | 71,734                                |
| Total other financing sources (uses)     | <u>(626,637)</u>        | <u>(656,741)</u>     | <u>(582,227)</u>     | <u>74,514</u>                         |
| Net change in fund balance               | (1,234,072)             | (1,698,078)          | 207,101              | 1,905,179                             |
| Fund balance- January 1, 2013            | <u>20,658,881</u>       | <u>20,658,881</u>    | <u>20,658,881</u>    | <u>-</u>                              |
| Fund balance December 31, 2013           | <u>\$ 19,424,809</u>    | <u>\$ 18,960,803</u> | <u>\$ 20,865,982</u> | <u>\$ 1,905,179</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, 2013**

|   | Budgeted Amounts    |                     | Actual              | Variance-with<br>Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
|   | Original            | Final               |                     |                               |
| <b>REVENUES:</b>                                  |                     |                     |                     |                               |
| Municipal income tax                              | \$ 1,200,000        | \$ 1,200,000        | \$ 1,385,106        | \$ 185,106                    |
| State shared revenues                             | 1,114,039           | 1,108,614           | 1,137,410           | 28,796                        |
| Licenses and permits, fees                        | 825                 | 600                 | 700                 | 100                           |
| Interest income                                   | 10,000              | 5,827               | 5,978               | 151                           |
| Decrease in fair value of investments             | -                   | -                   | (110)               | (110)                         |
| Other fines, rents, and reimbursements            | 14,560              | 17,196              | 31,274              | 14,078                        |
| Total revenues                                    | <u>2,339,424</u>    | <u>2,332,237</u>    | <u>2,560,358</u>    | <u>228,121</u>                |
| <b>EXPENDITURES:</b>                              |                     |                     |                     |                               |
| Personal services/administrative support          | 924,943             | 924,943             | 790,539             | 134,404                       |
| Operating expenditures                            | 1,536,735           | 1,544,935           | 1,070,753           | 474,182                       |
| Capital costs                                     | 335,217             | 335,217             | 299,176             | 36,041                        |
| Total expenditures                                | <u>2,796,895</u>    | <u>2,805,095</u>    | <u>2,160,468</u>    | <u>644,627</u>                |
| Excess (deficiency) of revenues over expenditures | (457,471)           | (472,858)           | 399,890             | 872,748                       |
| <b>OTHER FINANCING SOURCES (USES):</b>            |                     |                     |                     |                               |
| Disposal of capital assets                        | -                   | 2,780               | 2,780               | -                             |
| Total other financing sources (uses)              | <u>-</u>            | <u>2,780</u>        | <u>2,780</u>        | <u>-</u>                      |
| Net change in fund balance                        | (457,471)           | (470,078)           | 402,670             | 872,748                       |
| Fund balance- January 1, 2013                     | <u>3,918,551</u>    | <u>3,918,551</u>    | <u>3,918,551</u>    | <u>-</u>                      |
| Fund balance December 31, 2013                    | <u>\$ 3,461,080</u> | <u>\$ 3,448,473</u> | <u>\$ 4,321,221</u> | <u>\$ 872,748</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, 2013**

|   | Budgeted Amounts    |                   | Actual              | Variance-with<br>Final Budget |
|---|---------------------|-------------------|---------------------|-------------------------------|
|   | Original            | Final             |                     |                               |
| <b>REVENUES:</b>                        |                     |                   |                     |                               |
| Municipal income tax                    | \$ 1,071,429        | \$ 1,071,429      | \$ 1,237,102        | \$ 165,673                    |
| Grants-capital                          | 4,024,000           | 1,723,522         | 1,659,118           | (64,404)                      |
| Grants-operating                        | 500,000             | 51,900            | 44,995              | (6,905)                       |
| Interest income                         | 837                 | 837               | 850                 | 13                            |
| Other fines, rents , and reimbursements | 250,000             | 58,037            | 58,037              | -                             |
| Total revenues                          | <u>5,846,266</u>    | <u>2,905,725</u>  | <u>3,000,102</u>    | <u>94,377</u>                 |
| <b>EXPENDITURES:</b>                    |                     |                   |                     |                               |
| Operating expenditures                  | 1,475,709           | 1,053,452         | 408,551             | 644,901                       |
| Capital costs                           | 4,608,000           | 2,777,853         | 2,391,537           | 386,316                       |
| Total expenditures                      | <u>6,083,709</u>    | <u>3,831,305</u>  | <u>2,800,088</u>    | <u>1,031,217</u>              |
| Excess of revenues over expenditures    | <u>(237,443)</u>    | <u>(925,580)</u>  | <u>200,014</u>      | <u>1,125,594</u>              |
| <b>OTHER FINANCING (USES):</b>          |                     |                   |                     |                               |
| Transfers out                           | (173,754)           | (173,754)         | (173,754)           | -                             |
| Total other financing(uses)             | <u>(173,754)</u>    | <u>(173,754)</u>  | <u>(173,754)</u>    | <u>-</u>                      |
| Net change in fund balance              | (411,197)           | (1,099,334)       | 26,260              | 1,125,594                     |
| Fund balance January 1, 2013            | <u>1,977,761</u>    | <u>1,977,761</u>  | <u>1,977,761</u>    | <u>-</u>                      |
| Fund balance December 31, 2013          | <u>\$ 1,566,564</u> | <u>\$ 878,427</u> | <u>\$ 2,004,021</u> | <u>\$ 1,125,594</u>           |

See notes to required supplemental information

**CITY OF PIQUA, OHIO**  
**Notes to the Required Supplemental Information**  
**December 31, 2013**

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

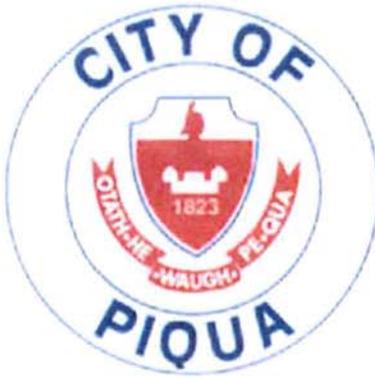
- The City must submit a budget of estimated revenues and expenditures for all governmental funds to the County Budget Commission by July 20 of each year for the following calendar year.
- The County Budget Commission certifies its actions by September 1, and issues a “Certificate of Resources” limiting 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, Refuse, Golf, Fort Piqua Plaza, and Municipal Pool systems may not be appropriated for other City uses.

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

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

# Supplemental Data



# CITY OF PIQUA, OHIO

## NON-MAJOR FUNDS

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

# CITY OF PIQUA, OHIO

## NON-MAJOR INTERNAL SERVICE/FIDUCIARY FUNDS

### Internal Service Funds

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

### Fiduciary Funds

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

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- NON MAJOR FUNDS  
DECEMBER 31, 2013**

| <b>ASSETS:</b>   | Revolving<br>Loan/Federal<br>Program Income | Community<br>Development | Trust            |
|--|---|--------------------------|------------------|
| Equity in pooled cash and cash equivalents                         | \$ 112,823                                  | \$ 211,602               | \$ 31,416        |
| Accounts receivable  | 329   | 4,495                    | -                |
| Loans receivable, net of allowance                                 | 7,149                                       | -                        | -                |
|  | <hr/>                                       | <hr/>                    | <hr/>            |
| Total Assets   | <u>\$ 120,301</u>                           | <u>\$ 216,097</u>        | <u>\$ 31,416</u> |
| <br><b>LIABILITIES:</b>  |   |                          |                  |
| <b>CURRENT LIABILITIES:</b>  |   |                          |                  |
| Accounts payable   | -   | 11,688                   | -                |
| Interfund payable  | -   | 36,172                   | -                |
| Salaries and benefits  | -   | 5,269                    | -                |
| Accruals   | -   | 149,154                  | -                |
| Total Current Liabilities  | <hr/> -                                     | <hr/> 202,283            | <hr/> -          |
| Total Liabilities  | -   | 202,283                  | -                |
| <br><b>DEFERRED INFLOWS OF RESOURCES:</b>                          |   |                          |                  |
| Property taxes   | -   | -                        | -                |
| Total deferred inflows of resources                                | <hr/> -                                     | <hr/> -                  | <hr/> -          |
| <br><b>FUND BALANCES:</b>  |   |                          |                  |
| Nonspendable fund balance  | 7,149                                       | -                        | -                |
| Restricted fund balance  | 113,152                                     | 12,813                   | 31,416           |
| Unassigned   | -   | 1,001                    | -                |
| Total fund balances  | <hr/> 120,301                               | <hr/> 13,814             | <hr/> 31,416     |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 120,301</u>                           | <u>\$ 216,097</u>        | <u>\$ 31,416</u> |

(Continued)

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- NON MAJOR FUNDS  
DECEMBER 31, 2013**

| <b>ASSETS:</b>   | <u>Conservancy</u> | <u>Federal<br/>Grants</u> | <u>Total<br/>Non major<br/>Funds</u> |
|--|--------------------|---------------------------|--------------------------------------|
| Equity in pooled cash and cash equivalents                         | \$ 1,195           | \$ 1,499                  | \$ 358,535                           |
| Accounts receivable  | 61,363             | 56,551                    | 122,738                              |
| Loans receivable, net of allowance                                 | -                  | -                         | 7,149                                |
| Total Assets   | <u>62,558</u>      | <u>58,050</u>             | <u>488,422</u>                       |
| <b>LIABILITIES:</b>  |                    |                           |                                      |
| <b>CURRENT LIABILITIES:</b>  |                    |                           |                                      |
| Accounts payable   | -                  | -                         | 11,688                               |
| Interfund payable  | -                  | 58,047                    | 94,219                               |
| Salaries and benefits  | -                  | -                         | 5,269                                |
| Accruals   | -                  | -                         | 149,154                              |
| Total Current Liabilities  | <u>-</u>           | <u>58,047</u>             | <u>260,330</u>                       |
| Total Liabilities  | -                  | 58,047                    | 260,330                              |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                              |                    |                           |                                      |
| Property taxes   | 61,363             | -                         | 61,363                               |
| Total deferred inflows of resources                                | <u>61,363</u>      | <u>-</u>                  | <u>61,363</u>                        |
| <b>FUND BALANCES:</b>  |                    |                           |                                      |
| Nonspendable fund balance  | -                  | -                         | 7,149                                |
| Restricted fund balance  | 1,195              | 3                         | 158,579                              |
| Unassigned   | -                  | -                         | 1,001                                |
| Total fund balances  | <u>1,195</u>       | <u>3</u>                  | <u>166,729</u>                       |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 62,558</u>   | <u>\$ 58,050</u>          | <u>\$ 488,422</u>                    |

(Concluded)

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCE NON MAJOR FUNDS  
FOR YEAR ENDED DECEMBER 31, 2013**

|   | Revolving<br>Loan/Federal<br>Program Income | Community<br>Development | Trust            |
|---|---|--------------------------|------------------|
| <b>REVENUES:</b>                                  |   |                          |                  |
| Property taxes                                    | \$ -  | \$ 2,359                 | \$ -             |
| State shared revenues                             | -   | -                        | -                |
| Licenses and permits, fees                        | 1,710                                       | -                        | -                |
| Grants: operating                                 | -   | 334,767                  | -                |
| Investment income                                 | 5,262                                       | -                        | -                |
| Other fines, rents, and reimbursements            | 41,379                                      | -                        | 73,033           |
| Total revenues                                    | <u>48,351</u>                               | <u>337,126</u>           | <u>73,033</u>    |
| <b>EXPENDITURES:</b>                              |   |                          |                  |
| Personal services/administrative support          | 1,371                                       | -                        | -                |
| Operation and maintenance                         | 40,085                                      | 351,014                  | 85,896           |
| Capital   | -   | -                        | -                |
| Total expenditures                                | <u>41,456</u>                               | <u>351,014</u>           | <u>85,896</u>    |
| Excess (deficiency) of revenues over expenditures | <u>6,895</u>                                | <u>(13,888)</u>          | <u>(12,863)</u>  |
| <b>OTHER FINANCING SOURCES:</b>                   |   |                          |                  |
| Transfers in                                      | -   | 14,889                   | -                |
| Net change in fund balance                        | 6,895                                       | 1,001                    | (12,863)         |
| Fund balance January 1, 2013                      | <u>113,406</u>                              | <u>12,813</u>            | <u>44,279</u>    |
| Fund balance December 31, 2013                    | <u>\$ 120,301</u>                           | <u>\$ 13,814</u>         | <u>\$ 31,416</u> |

(Continued)

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCE NON MAJOR FUNDS  
FOR YEAR ENDED DECEMBER 31, 2013**

|   | <u>Conservancy</u> | <u>Federal<br/>Grants</u> | <u>Total<br/>Non major<br/>Funds</u> |
|---|--------------------|---------------------------|--------------------------------------|
| <b>REVENUES:</b>                                  |                    |                           |                                      |
| Property taxes                                    | \$ 2               | \$ -                      | \$ 2,361                             |
| State shared revenues                             | 1,421              | -                         | 1,421                                |
| Licenses and permits, fees                        | -                  | -                         | 1,710                                |
| Grants; operating                                 | -                  | 261,843                   | 596,610                              |
| Investment income                                 | 3                  | -                         | 5,265                                |
| Other fines, rents, and reimbursements            | -                  | -                         | 114,412                              |
| Total revenues                                    | <u>1,426</u>       | <u>261,843</u>            | <u>721,779</u>                       |
| <b>EXPENDITURES:</b>                              |                    |                           |                                      |
| Personal services/administrative support          | -                  | 441                       | 1,812                                |
| Operation and maintenance                         | 31,772             | 219,323                   | 728,090                              |
| Capital   | -                  | 43,499                    | 43,499                               |
| Total expenditures                                | <u>31,772</u>      | <u>263,263</u>            | <u>773,401</u>                       |
| Excess (deficiency) of revenues over expenditures | <u>(30,346)</u>    | <u>(1,420)</u>            | <u>(51,622)</u>                      |
| <b>OTHER FINANCING SOURCES:</b>                   |                    |                           |                                      |
| Transfers in                                      | <u>-</u>           | <u>-</u>                  | <u>14,889</u>                        |
| Net change in fund balance                        | (30,346)           | (1,420)                   | (36,733)                             |
| Fund balance January 1, 2013                      | <u>31,541</u>      | <u>1,423</u>              | <u>203,462</u>                       |
| Fund balance December 31, 2013                    | <u>\$ 1,195</u>    | <u>\$ 3</u>               | <u>\$ 166,729</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, 2013**

|  | Revolving Loan / Federal<br>Program Income |                   |                  | Community Development |                  |                  |
|--|--|-------------------|------------------|-----------------------|------------------|------------------|
|  | Budget                                     | Actual            | Variance         | Budget                | Actual           | Variance         |
| <b>REVENUES:</b>                                     |  |                   |                  |                       |                  |                  |
| Property taxes                                       | \$ -                                       | \$ -              | \$ -             | \$ 2,359              | \$ 2,359         | \$ -             |
| State shared revenues                                | -  | -                 | -                | -                     | -                | -                |
| Licenses and permits, fees                           | 1,720                                      | 1,710             | (10)             | -                     | -                | -                |
| Grants: operating                                    | -  | -                 | -                | 334,657               | 334,767          | 110              |
| Investment Income                                    | 5,238                                      | 5,262             | 24               | -                     | -                | -                |
| Other  | 44,105                                     | 41,379            | (2,726)          | -                     | -                | -                |
| Total revenues                                       | <u>51,063</u>                              | <u>48,351</u>     | <u>(2,712)</u>   | <u>337,016</u>        | <u>337,126</u>   | <u>110</u>       |
| <b>EXPENDITURES:</b>                                 |  |                   |                  |                       |                  |                  |
| Personal services                                    | 5,940                                      | 1,371             | 4,569            | -                     | -                | -                |
| Operation and maintenance                            | 103,084                                    | 40,085            | 62,999           | 364,830               | 351,014          | 13,816           |
| Capital  | -  | -                 | -                | -                     | -                | -                |
| Total expenditures                                   | <u>109,024</u>                             | <u>41,456</u>     | <u>67,568</u>    | <u>364,830</u>        | <u>351,014</u>   | <u>13,816</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>(57,961)</u>                            | <u>6,895</u>      | <u>64,856</u>    | <u>(27,814)</u>       | <u>(13,888)</u>  | <u>13,926</u>    |
| <b>OTHER FINANCING SOURCES:</b>                      |  |                   |                  |                       |                  |                  |
| Transfers in   | -  | -                 | -                | 15,000                | 14,889           | (111)            |
| Net change in fund balance                           | (57,961)                                   | 6,895             | 64,856           | (12,814)              | 1,001            | 13,815           |
| Fund balance January 1, 2013                         | <u>113,406</u>                             | <u>113,406</u>    | <u>-</u>         | <u>12,813</u>         | <u>12,813</u>    | <u>-</u>         |
| Fund balance December 31, 2013                       | <u>\$ 55,445</u>                           | <u>\$ 120,301</u> | <u>\$ 64,856</u> | <u>\$ (1)</u>         | <u>\$ 13,814</u> | <u>\$ 13,815</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, 2013**

|  | Trust            |                  |                  | Conservancy     |                 |                 |
|--|------------------|------------------|------------------|-----------------|-----------------|-----------------|
|  | Budget           | Actual           | Variance         | Budget          | Actual          | Variance        |
| <b>REVENUES:</b>                                     |                  |                  |                  |                 |                 |                 |
| Property taxes                                       | \$ -             | \$ -             | \$ -             | \$ 2            | \$ 2            | \$ -            |
| State shared revenues                                | -                | -                | -                | 259             | 1,421           | 1,162           |
| Licenses and permits, fees                           | -                | -                | -                | -               | -               | -               |
| Grants: operating                                    | -                | -                | -                | -               | -               | -               |
| Investment Income                                    | -                | -                | -                | 3               | 3               | -               |
| Other  | 73,033           | 73,033           | -                | -               | -               | -               |
| Total revenues                                       | <u>73,033</u>    | <u>73,033</u>    | <u>-</u>         | <u>264</u>      | <u>1,426</u>    | <u>1,162</u>    |
| <b>EXPENDITURES:</b>                                 |                  |                  |                  |                 |                 |                 |
| Personal services                                    | -                | -                | -                | -               | -               | -               |
| Operation and maintenance                            | 102,729          | 85,896           | 16,833           | 31,772          | 31,772          | -               |
| Capital  | -                | -                | -                | -               | -               | -               |
| Total expenditures                                   | <u>102,729</u>   | <u>85,896</u>    | <u>16,833</u>    | <u>31,772</u>   | <u>31,772</u>   | <u>-</u>        |
| Excess (deficiency) of revenues<br>over expenditures | <u>(29,696)</u>  | <u>(12,863)</u>  | <u>16,833</u>    | <u>(31,508)</u> | <u>(30,346)</u> | <u>1,162</u>    |
| <b>OTHER FINANCING SOURCES:</b>                      |                  |                  |                  |                 |                 |                 |
| Transfers in   | -                | -                | -                | -               | -               | -               |
| Net change in fund balance                           | (29,696)         | (12,863)         | 16,833           | (31,508)        | (30,346)        | 1,162           |
| Fund balance January 1, 2013                         | <u>44,279</u>    | <u>44,279</u>    | <u>-</u>         | <u>31,541</u>   | <u>31,541</u>   | <u>-</u>        |
| Fund balance December 31, 2013                       | <u>\$ 14,583</u> | <u>\$ 31,416</u> | <u>\$ 16,833</u> | <u>\$ 33</u>    | <u>\$ 1,195</u> | <u>\$ 1,162</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, 2013**

|  | Federal Grants  |                |                   | Totals           |                   |                  |
|--|-----------------|----------------|-------------------|------------------|-------------------|------------------|
|  | Budget          | Actual         | Variance          | Budget           | Actual            | Variance         |
| <b>REVENUES:</b>                                     |                 |                |                   |                  |                   |                  |
| Property taxes                                       | \$ -            | \$ -           | \$ -              | \$ 2,361         | \$ 2,361          | \$ -             |
| State shared revenues                                | -               | -              | -                 | 259              | 1,421             | 1,162            |
| Licenses and permits, fees                           | -               | -              | -                 | 1,720            | 1,710             | (10)             |
| Grants: operating                                    | 260,048         | 261,843        | 1,795             | 594,705          | 596,610           | 1,905            |
| Investment Income                                    | -               | -              | -                 | 5,241            | 5,265             | 24               |
| Other  | -               | -              | -                 | 117,138          | 114,412           | (2,726)          |
| Total revenues                                       | <u>260,048</u>  | <u>261,843</u> | <u>1,795</u>      | <u>721,424</u>   | <u>721,779</u>    | <u>355</u>       |
| <b>EXPENDITURES:</b>                                 |                 |                |                   |                  |                   |                  |
| Personal services                                    | 441             | 441            | -                 | 6,381            | 1,812             | 4,569            |
| Operation and maintenance                            | 216,107         | 219,323        | (3,216)           | 818,522          | 728,090           | 90,432           |
| Capital  | 43,500          | 43,499         | 1                 | 43,500           | 43,499            | 1                |
| Total expenditures                                   | <u>260,048</u>  | <u>263,263</u> | <u>(3,215)</u>    | <u>868,403</u>   | <u>773,401</u>    | <u>95,002</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>-</u>        | <u>(1,420)</u> | <u>(1,420)</u>    | <u>(146,979)</u> | <u>(51,622)</u>   | <u>95,357</u>    |
| <b>OTHER FINANCING SOURCES:</b>                      |                 |                |                   |                  |                   |                  |
| Transfers in   | <u>-</u>        | <u>-</u>       | <u>-</u>          | <u>15,000</u>    | <u>14,889</u>     | <u>(111)</u>     |
| Net change in fund balance                           | -               | (1,420)        | (1,420)           | (131,979)        | (36,733)          | 95,246           |
| Fund balance January 1, 2013                         | <u>1,423</u>    | <u>1,423</u>   | <u>-</u>          | <u>203,462</u>   | <u>203,462</u>    | <u>-</u>         |
| Fund balance December 31, 2013                       | <u>\$ 1,423</u> | <u>\$ 3</u>    | <u>\$ (1,420)</u> | <u>\$ 71,483</u> | <u>\$ 166,729</u> | <u>\$ 95,246</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, 2013**

|   | <u>Final</u>      | <u>Actual</u>     | <u>Variance</u>   |
|---|-------------------|-------------------|-------------------|
| <b>REVENUES:</b>                                  |                   |                   |                   |
| Property taxes                                    | \$ 48,629         | \$ 48,628         | \$ (1)            |
| Investment income                                 | 10,338            | 10,240            | (98)              |
| Total revenues                                    | <u>58,967</u>     | <u>58,868</u>     | <u>(99)</u>       |
| <b>EXPENDITURES:</b>                              |                   |                   |                   |
| Operating expenditures                            | 24,355            | 14,621            | 9,734             |
| Debt principal payment                            | 226,393           | 239,313           | (12,920)          |
| Debt interest payment                             | 61,293            | 61,293            | -                 |
| Total expenditures                                | <u>312,041</u>    | <u>315,227</u>    | <u>(3,186)</u>    |
| Excess (deficiency) of revenues over expenditures | <u>(253,074)</u>  | <u>(256,359)</u>  | <u>(3,285)</u>    |
| <b>OTHER FINANCING SOURCES:</b>                   |                   |                   |                   |
| Transfers in                                      | 264,841           | 264,841           | -                 |
| Total other financing sources                     | <u>264,841</u>    | <u>264,841</u>    | <u>-</u>          |
| Net change in fund balance                        | 11,767            | 8,482             | (3,285)           |
| Fund balance January 1, 2013                      | <u>430,978</u>    | <u>430,978</u>    | <u>-</u>          |
| Fund balance December 31, 2013                    | <u>\$ 442,745</u> | <u>\$ 439,460</u> | <u>\$ (3,285)</u> |

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- INTERNAL SERVICE FUNDS  
DECEMBER 31, 2013**

| <b>ASSETS:</b>                             | <u>Workers<br/>Compensation</u> | <u>Liability<br/>Insurance</u> | <u>Health<br/>Insurance</u> | <u>Information<br/>Technology</u> | <u>Total</u>        |
|--|---------------------------------|--------------------------------|-----------------------------|-----------------------------------|---------------------|
| Current assets:                            |                                 |                                |                             |                                   |                     |
| Equity in pooled cash and cash equivalents | \$ 363,479                      | \$ 195,349                     | \$ 175,793                  | \$ 395,887                        | \$ 1,130,508        |
| Equity in pooled investments               | 976,440                         | 290,247                        | 1,023,970                   | -                                 | 2,290,657           |
| Accounts receivable                        | 3,444                           | 139,461                        | 15,644                      | -                                 | 158,549             |
| Prepaid items and other assets             | -                               | -                              | 3,346                       | -                                 | 3,346               |
| Total Current Assets                       | <u>1,343,363</u>                | <u>625,057</u>                 | <u>1,218,753</u>            | <u>395,887</u>                    | <u>3,583,060</u>    |
| Noncurrent assets:                         |                                 |                                |                             |                                   |                     |
| Capital assets being depreciated           | -                               | -                              | -                           | 540,548                           | 540,548             |
| Total Capital Assets                       | -                               | -                              | -                           | <u>540,548</u>                    | <u>540,548</u>      |
| Total Assets                               | <u>\$ 1,343,363</u>             | <u>\$ 625,057</u>              | <u>\$ 1,218,753</u>         | <u>\$ 936,435</u>                 | <u>\$ 4,123,608</u> |
| <b>LIABILITIES:</b>                        |                                 |                                |                             |                                   |                     |
| <b>CURRENT LIABILITIES:</b>                |                                 |                                |                             |                                   |                     |
| Accounts payable                           | \$ -                            | \$ -                           | \$ -                        | \$ 8,972                          | \$ 8,972            |
| Salaries and benefits                      | -                               | -                              | -                           | 5,759                             | 5,759               |
| Accrued vacation, personal and sick leave  | -                               | -                              | -                           | 30,520                            | 30,520              |
| Accruals                                   | -                               | -                              | -                           | 133                               | 133                 |
| Total Current Liabilities                  | -                               | -                              | -                           | <u>45,384</u>                     | <u>45,384</u>       |
| <b>NONCURRENT LIABILITIES:</b>             |                                 |                                |                             |                                   |                     |
| Accrued vacation, personal and sick leave  | -                               | -                              | -                           | 65,007                            | 65,007              |
| Total Noncurrent Liabilities               | -                               | -                              | -                           | <u>65,007</u>                     | <u>65,007</u>       |
| Total Liabilities                          | -                               | -                              | -                           | <u>110,391</u>                    | <u>110,391</u>      |
| <b>NET POSITION:</b>                       |                                 |                                |                             |                                   |                     |
| Net investment in capital assets           |                                 |                                |                             | 540,548                           | 540,548             |
| Unrestricted                               | 1,343,363                       | 625,057                        | 1,218,753                   | 285,496                           | 3,472,669           |
| Total Net Position                         | <u>1,343,363</u>                | <u>625,057</u>                 | <u>1,218,753</u>            | <u>826,044</u>                    | <u>4,013,217</u>    |
| Total Liabilities and Net Position         | <u>\$ 1,343,363</u>             | <u>\$ 625,057</u>              | <u>\$ 1,218,753</u>         | <u>\$ 936,435</u>                 | <u>\$ 4,123,608</u> |

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENSES, AND CHANGES IN NET POSITION- INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | Workers<br>Compensation | Liability<br>Insurance | Health<br>Insurance | Information<br>Technology | Total               |
|--|-------------------------|------------------------|---------------------|---------------------------|---------------------|
| <b>OPERATING REVENUES:</b>                                     |                         |                        |                     |                           |                     |
| Customer services  | \$ 31,289               | \$ 173,676             | \$ -                | \$ 530,429                | \$ 735,394          |
| Total operating revenues                                       | 31,289                  | 173,676                | -                   | 530,429                   | 735,394             |
| <b>OPERATING EXPENSES:</b>                                     |                         |                        |                     |                           |                     |
| Salaries and Employee benefits                                 | 51,735                  | -                      | -                   | 281,450                   | 333,185             |
| Depreciation   | -                       | -                      | -                   | 108,169                   | 108,169             |
| Materials and supplies   | -                       | -                      | -                   | 8,446                     | 8,446               |
| Utilities  | -                       | -                      | -                   | 31,734                    | 31,734              |
| Outside Services   | -                       | -                      | -                   | 115,189                   | 115,189             |
| Other  | -                       | 87,348                 | -                   | 6,923                     | 94,271              |
| Total operating expenses                                       | 51,735                  | 87,348                 | -                   | 551,911                   | 690,994             |
| Operating income (loss)  | (20,446)                | 86,328                 | -                   | (21,482)                  | 44,400              |
| <b>NON-OPERATING REVENUES(EXPENSES):</b>                       |                         |                        |                     |                           |                     |
| Interest income  | 20,720                  | 2,665                  | 7,678               | 224                       | 31,287              |
| Net increase/(decrease) in fair<br>market value of investments | -                       | (1,346)                | -                   | -                         | (1,346)             |
| Net non-operating revenues(expenses)                           | 20,720                  | 1,319                  | 7,678               | 224                       | 29,941              |
| Change in net position   | 274                     | 87,647                 | 7,678               | (21,258)                  | 74,341              |
| Total net position-beginning of year                           | 1,343,089               | 537,410                | 1,211,075           | 847,302                   | 3,938,876           |
| Total net position-end of year                                 | <u>\$ 1,343,363</u>     | <u>\$ 625,057</u>      | <u>\$ 1,218,753</u> | <u>\$ 826,044</u>         | <u>\$ 4,013,217</u> |

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF CASH FLOWS-INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | Workers<br>Compensation | Liability<br>Insurance | Health<br>Insurance | Information<br>Technology | Totals              |
|---|-------------------------|------------------------|---------------------|---------------------------|---------------------|
| <b>OPERATING ACTIVITIES:</b>  |                         |                        |                     |                           |                     |
| Receipts from interfund services  | \$ 31,289               | \$ 126,355             | \$ -                | \$ 530,429                | \$ 688,073          |
| Cash paid to suppliers for goods or services  | -                       | (87,348)               | 168,210             | (189,064)                 | (108,202)           |
| Cash paid to employees for services   | (51,735)                | -                      | -                   | (269,751)                 | (321,486)           |
| Net cash provided by (used in) operating activities   | <u>(20,446)</u>         | <u>39,007</u>          | <u>168,210</u>      | <u>71,614</u>             | <u>258,385</u>      |
| <b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>  |                         |                        |                     |                           |                     |
| Acquisition and construction of capital & AMP regulatory assets   | -                       | -                      | -                   | (31,452)                  | (31,452)            |
| Net cash provided by (used in) capital & related financing activities                                       | <u>-</u>                | <u>-</u>               | <u>-</u>            | <u>(31,452)</u>           | <u>(31,452)</u>     |
| <b>INVESTING ACTIVITIES:</b>  |                         |                        |                     |                           |                     |
| Proceeds from sale or maturity of investment securities   | 25,000                  | -                      | -                   | -                         | 25,000              |
| Interest received   | 19,471                  | 2,665                  | 3,871               | 224                       | 26,231              |
| Net cash provided by (used in) investing activities   | <u>44,471</u>           | <u>2,665</u>           | <u>3,871</u>        | <u>224</u>                | <u>51,231</u>       |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | <b>24,025</b>           | <b>41,672</b>          | <b>172,081</b>      | <b>40,386</b>             | <b>278,164</b>      |
| <b>CASH AND CASH EQUIVALENTS - Beginning of year</b>  | <b>339,454</b>          | <b>153,677</b>         | <b>3,712</b>        | <b>355,501</b>            | <b>852,344</b>      |
| <b>CASH AND CASH EQUIVALENTS - End of year</b>  | <b>\$ 363,479</b>       | <b>\$ 195,349</b>      | <b>\$ 175,793</b>   | <b>\$ 395,887</b>         | <b>\$ 1,130,508</b> |
| <b>OPERATING INCOME (LOSS)</b>  |                         |                        |                     |                           |                     |
| Adjustments to Reconcile Operating Income (Loss)<br>to Net Cash Provided by (Used in) Operating Activities: | \$ (20,446)             | \$ 86,328              | \$ -                | \$ (21,482)               | \$ 44,400           |
| Depreciation  | -                       | -                      | -                   | 108,169                   | 108,169             |
| (Increase)/Decrease in Accounts Receivable  | -                       | (47,321)               | (10,000)            | -                         | (57,321)            |
| Increase/(Decrease) in Accounts Payable   | -                       | -                      | 178,210             | -                         | 178,210             |
| Increase/(Decrease) in Accrued Wages and Benefits   | -                       | -                      | -                   | (26,772)                  | (26,772)            |
| Net (Increase)/Decrease in Other Operating Net Position   | -                       | -                      | -                   | 11,699                    | 11,699              |
| Net cash provided by (used in) operating activities   | <u>\$ (20,446)</u>      | <u>\$ 39,007</u>       | <u>\$ 168,210</u>   | <u>\$ 71,614</u>          | <u>\$ 258,385</u>   |
| <b>SUPPLEMENTAL INFORMATION:</b>  |                         |                        |                     |                           |                     |
| Noncash activities:   |                         |                        |                     |                           |                     |
| Change in fair value of investments   | <u>\$ -</u>             | <u>\$ (1,346)</u>      | <u>\$ -</u>         | <u>\$ -</u>               | <u>\$ (1,346)</u>   |

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
DECEMBER 31, 2013**

|  | <u>Unclaimed<br/>Funds</u> | <u>Employee<br/>Flexible<br/>Spending</u> | <u>Total</u>     |
|--|----------------------------|---|------------------|
| <b>ASSETS:</b>                             |                            |   |                  |
| Equity in pooled cash and cash equivalents | \$ 3,767                   | \$ 16,551                                 | \$ 20,318        |
| Total Assets                               | <u>\$ 3,767</u>            | <u>\$ 16,551</u>                          | <u>\$ 20,318</u> |
| <b>LIABILITIES:</b>                        |                            |   |                  |
| Withholdings payable                       | \$ -                       | \$ 4,708                                  | \$ 4,708         |
| Undistributed monies                       | <u>3,767</u>               | <u>11,843</u>                             | <u>15,610</u>    |
| Total Liabilities                          | <u>\$ 3,767</u>            | <u>\$ 16,551</u>                          | <u>\$ 20,318</u> |

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR YEAR ENDED DECEMBER 31, 2013**

|  | Balance at<br>January 1, 2013 | Additions         | Deductions        | Balance at<br>December 31, 2013 |
|--|-------------------------------|-------------------|-------------------|---------------------------------|
| <b>Unclaimed Funds</b>                     |                               |                   |                   |                                 |
| <b>ASSETS</b>                              |                               |                   |                   |                                 |
| Equity in pooled cash and cash equivalents | \$ 2,951                      | \$ 816            | \$ -              | \$ 3,767                        |
| Total Assets                               | <u>\$ 2,951</u>               | <u>\$ 816</u>     | <u>\$ -</u>       | <u>\$ 3,767</u>                 |
| <b>LIABILITIES</b>                         |                               |                   |                   |                                 |
| Undistributed monies                       | \$ 2,951                      | \$ 816            |                   | 3,767                           |
| Total Liabilities                          | <u>\$ 2,951</u>               | <u>\$ 816</u>     | <u>\$ -</u>       | <u>\$ 3,767</u>                 |
| <b>Employee Flexible Spending</b>          |                               |                   |                   |                                 |
| <b>ASSETS</b>                              |                               |                   |                   |                                 |
| Equity in pooled cash and cash equivalents | \$ 17,981                     | \$ 162,098        | \$ 163,528        | \$ 16,551                       |
| Total Assets                               | <u>\$ 17,981</u>              | <u>\$ 162,098</u> | <u>\$ 163,528</u> | <u>\$ 16,551</u>                |
| <b>LIABILITIES</b>                         |                               |                   |                   |                                 |
| Withholdings payable                       | \$ 6,147                      | \$ 162,089        | \$ 163,528        | \$ 4,708                        |
| Undistributed monies                       | 11,834                        | 9                 |                   | 11,843                          |
| Total Liabilities                          | <u>\$ 17,981</u>              | <u>\$ 162,098</u> | <u>\$ 163,528</u> | <u>\$ 16,551</u>                |
| <b>Total- All AGENCY FUNDS</b>             |                               |                   |                   |                                 |
| <b>ASSETS</b>                              |                               |                   |                   |                                 |
| Equity in pooled cash and cash equivalents | \$ 20,932                     | \$ 162,914        | \$ 163,528        | \$ 20,318                       |
| Total Assets                               | <u>\$ 20,932</u>              | <u>\$ 162,914</u> | <u>\$ 163,528</u> | <u>\$ 20,318</u>                |
| <b>LIABILITIES</b>                         |                               |                   |                   |                                 |
| Withholdings payable                       | \$ 6,147                      | \$ 162,089        | \$ 163,528        | \$ 4,708                        |
| Undistributed monies                       | 14,785                        | 825               | -                 | 15,610                          |
| Total Liabilities                          | <u>\$ 20,932</u>              | <u>\$ 162,914</u> | <u>\$ 163,528</u> | <u>\$ 20,318</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.

| <b><u>Contents</u></b>   | <b><u>Pages</u></b> |
|--|---------------------|
| <b>Financial Trends</b>  | <b>75-79</b>        |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.  |                     |
| <b>Revenue Capacity</b>  | <b>80-82</b>        |
| These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax, and the municipal income tax.   |                     |
| <b>Debt Capacity</b>   | <b>83-85</b>        |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                    |                     |
| <b>Economic and Demographic Information</b>  | <b>86-88</b>        |
| These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.   |                     |
| <b>Operating Information</b>   | <b>89-92</b>        |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. |                     |

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF PIQUA, OHIO**

**Table 1**

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

|  | 2013           | 2012           | 2011           | 2010           | 2009           | 2008           | 2007           | 2006           | 2005           | 2004           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Government Activities</b>                     |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets                 | \$ 44,845,328  | \$ 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  |
| Restricted for other purposes                    | 11,077         | 10,894         | 12,457         | 18,638         | 20,665         | 14,684         | 33,231         | -              | -              | -              |
| Restricted for debt service                      | 439,460        | 430,978        | 369,253        | 385,122        | 387,228        | 394,408        | 394,825        | 418,841        | 740,702        | 1,571,115      |
| Unrestricted                                     | 30,086,228     | 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     |
| Total governmental activities net position       | 75,382,093     | 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     |
| <b>Business-Type Activities</b>                  |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets                 | 57,929,193     | 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     |
| Restricted for other purposes                    | -              | -              | -              | -              | -              | -              | 727            | -              | -              | -              |
| Restricted for debt service                      | 50,000         | 50,000         | 50,000         | 50,000         | 50,000         | 50,000         | 50,000         | 58,910         | 66,588         | 303,180        |
| Unrestricted                                     | 18,147,111     | 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     |
| Total business-type activities net position      | 76,126,304     | 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     |
| <b>Primary government</b>                        |                |                |                |                |                |                |                |                |                |                |
| Net investment in capital assets                 | 102,774,521    | 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     |
| Restricted for other purposes                    | 11,077         | 10,894         | 12,457         | 18,638         | 20,665         | 14,684         | 33,958         | -              | -              | -              |
| Restricted for debt service                      | 489,460        | 480,978        | 419,253        | 435,122        | 437,228        | 444,408        | 444,825        | 477,751        | 807,290        | 1,874,295      |
| Unrestricted                                     | 48,233,339     | 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     |
| Total primary government activities net position | \$ 151,508,397 | \$ 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 |

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 2

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

| Expenses  | 2013           | 2012           | 2011            | 2010            | 2009            | 2008            | 2007           | 2006           | 2005            | 2004            |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| <b>Government activities</b>                    |                |                |                 |                 |                 |                 |                |                |                 |                 |
| General government                              | \$ 1,931,289   | \$ 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    |
| Public safety                                   | 7,855,812      | 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       |
| Streets and maintenance                         | 3,340,057      | 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       |
| Parks and recreation                            | 502,923        | 475,706        | 425,013         | 548,724         | 685,518         | 915,284         | 702,284        | 716,795        | 716,795         | 636,230         |
| Community development                           | 766,933        | 1,944,480      | 393,106         | 628,434         | 242,528         | 618,328         | 343,948        | 617,750        | 1,287,935       | 721,741         |
| Interest on long term debt                      | 61,006         | 68,013         | 190,218         | 250,261         | 271,155         | 289,387         | 197,747        | 184,603        | 216,710         | 234,029         |
| Total governmental activities expenses          | 14,458,020     | 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      |
| <b>Business-type Activities</b>                 |                |                |                 |                 |                 |                 |                |                |                 |                 |
| Electric  | 24,897,844     | 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      |
| Wastewater                                      | 3,253,677      | 3,369,098      | 3,307,060       | 2,986,688       | 2,852,462       | 2,843,279       | 2,829,263      | 2,996,458      | 2,839,982       | 2,811,990       |
| Refuse  | 1,606,035      | 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       |
| Water   | 3,116,383      | 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       |
| Stormwater                                      | 707,322        | 398,234        | 419,626         | 414,092         | n/a             | n/a             | n/a            | n/a            | n/a             | n/a             |
| Golf  | 678,050        | 683,046        | 702,282         | 609,278         | 654,306         | 685,305         | 726,395        | 707,818        | 696,389         | 735,442         |
| Fort Piqua Plaza                                | 301,409        | 277,319        | 280,600         | 229,821         | 183,207         | 42,372          | n/a            | n/a            | n/a             | n/a             |
| Municipal Pool                                  | 188,413        | 203,742        | 177,970         | 170,387         | 190,003         | 199,122         | 191,007        | 171,005        | 175,789         | 161,666         |
| Total business-type activities expenses         | 34,749,133     | 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      |
| Total Primary Government activities expenses    | \$ 49,207,153  | \$ 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   |
| <b>Program revenues</b>                         |                |                |                 |                 |                 |                 |                |                |                 |                 |
| <b>Government activities</b>                    |                |                |                 |                 |                 |                 |                |                |                 |                 |
| Charges for Services:                           |                |                |                 |                 |                 |                 |                |                |                 |                 |
| General government                              | \$ 433,122     | \$ 427,061     | \$ 412,803      | \$ 630,460      | \$ 692,334      | \$ 624,510      | \$ 465,664     | \$ 1,436,056   | \$ 298,340      | \$ 264,426      |
| Public safety                                   | 1,103,529      | 1,042,684      | 1,083,295       | 800,027         | 876,722         | 772,244         | 909,784        | 566,672        | 311,871         | 328,505         |
| Streets and maintenance                         | 90,011         | 118,891        | 98,951          | 68,198          | 33,705          | 93,392          | 28,295         | 63,390         | 49,462          | 50,637          |
| Parks and recreation                            | 35,797         | 21,190         | 22,258          | 31,297          | 109,577         | 88,900          | 25,355         | 31,346         | 31,798          | 20,415          |
| Community development                           | 43,089         | 37,036         | 36,826          | 18,152          | 20,681          | 26,146          | 19,974         | 7,042          | 67,397          | 73,226          |
| Operating grants and contributions              | 1,215,686      | 2,052,279      | 778,247         | 1,414,559       | 460,718         | 1,219,765       | 2,301,314      | 3,208,242      | 739,860         | 742,628         |
| Capital grants and contributions                | 1,732,241      | 1,890,719      | 109,763         | 392,849         | 534,122         | 1,822,124       | 3,978,896      | 859,305        | 60,487          | 596,094         |
| Total governmental activities program revenues  | 4,653,475      | 5,589,860      | 2,542,143       | 3,353,542       | 2,722,859       | 4,647,081       | 7,729,282      | 6,172,053      | 1,559,215       | 2,075,931       |
| <b>Business-type Activities</b>                 |                |                |                 |                 |                 |                 |                |                |                 |                 |
| Charges for Services:                           |                |                |                 |                 |                 |                 |                |                |                 |                 |
| Electric  | 23,631,871     | 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      |
| Wastewater                                      | 3,501,363      | 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       |
| Refuse  | 1,794,018      | 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       |
| Water   | 4,890,863      | 4,260,723      | 3,322,920       | 3,333,091       | 3,180,412       | 3,051,532       | 2,791,370      | 2,722,614      | 2,586,120       | 2,565,055       |
| Stormwater                                      | 887,558        | 819,584        | 819,270         | 651,694         | n/a             | n/a             | n/a            | n/a            | n/a             | n/a             |
| Golf  | 515,527        | 563,553        | 470,297         | 533,600         | 594,230         | 605,828         | 625,414        | 599,742        | 623,714         | 591,972         |
| Fort Piqua Plaza                                | 147,131        | 109,010        | 106,192         | 129,689         | 63,946          | 18,200          | n/a            | n/a            | n/a             | n/a             |
| Municipal Pool                                  | 61,702         | 74,927         | 80,060          | 74,220          | 79,048          | 92,746          | 89,109         | 89,373         | 95,138          | 73,923          |
| Operating grants and contributions              | 110,719        | 142,603        | 240,032         | 97,588          | 155             | -               | 2,548          | 261            | 271             | -               |
| Capital grants and contributions                | 89,599         | 540,523        | 112,500         | -               | 65,000          | -               | 726,507        | 688,466        | 13,073          | 64,276          |
| Total business-type activities program revenues | 35,630,351     | 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      |
| Total primary government program revenues       | \$ 40,283,826  | \$ 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   |
| <b>Net revenue (expense)</b>                    |                |                |                 |                 |                 |                 |                |                |                 |                 |
| Governmental activities                         | \$ (9,804,545) | \$ (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) |
| Business-type activities                        | 881,218        | 3,749,314      | 589,915         | 1,839,128       | 1,922,835       | 679,838         | (794,269)      | 2,683,476      | 1,143,633       | (650,114)       |
| Total primary government net revenue(expense)   | \$ (8,923,327) | \$ (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) |

CITY OF PIQUA, OHIO

Table 2

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

|  | 2013               | 2012               | 2011               | 2010               | 2009               | 2008               | 2007               | 2006               | 2005               | 2004              |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| <b>General revenues and other changes in net position</b>                                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                   |
| Governmental activities  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                   |
| Property taxes   | \$1,211,844        | \$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       |
| Slate Shared taxes   | 1,752,553          | 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         |
| Income tax   | 8,933,319          | 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         |
| Locally levied taxes   | 1,188,578          | 1,185,433          | 1,180,220          | 1,173,438          | 1,123,045          | 1,259,107          | 1,291,091          | 1,309,110          | 1,249,360          | 1,093,211         |
| Investment earnings  | 82,596             | 97,667             | 129,378            | 159,445            | 134,406            | 388,469            | 661,171            | 578,256            | 289,066            | 177,473           |
| Miscellaneous  | 1,937              | 18,808             | 6,500              | 56,482             | 9,515              | 1,852              | 18,468             | 6,383              | 385,572            | 73,018            |
| Transfers  | (483,403)          | (393,284)          | (501,861)          | (309,093)          | (300,798)          | (193,942)          | (199,931)          | (197,103)          | (136,609)          | (230,861)         |
| <b>Total governmental activities general revenues and other changes in net position</b>  | <b>12,689,424</b>  | <b>12,392,492</b>  | <b>12,910,364</b>  | <b>12,732,381</b>  | <b>12,718,918</b>  | <b>16,627,120</b>  | <b>14,111,270</b>  | <b>14,767,106</b>  | <b>14,972,367</b>  | <b>12,336,611</b> |
| <b>Business-type Activities</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                   |
| Investment earnings  | 54,021             | 78,751             | 145,207            | 114,246            | 115,496            | 445,609            | 730,055            | 603,404            | 287,164            | 173,763           |
| Special item   | -                  | -                  | -                  | -                  | -                  | -                  | -                  | (432,106)          | (604,824)          | -                 |
| Transfers  | 483,403            | 393,284            | 501,861            | 309,093            | 300,798            | 193,942            | 199,931            | 197,103            | 136,609            | 230,861           |
| <b>Total business-type activities general revenues and other changes in net position</b> | <b>537,424</b>     | <b>472,035</b>     | <b>647,068</b>     | <b>423,339</b>     | <b>416,294</b>     | <b>639,551</b>     | <b>929,986</b>     | <b>368,401</b>     | <b>(181,051)</b>   | <b>404,624</b>    |
| <b>Total primary government general revenues and other changes in net position</b>       | <b>13,226,848</b>  | <b>12,864,527</b>  | <b>13,557,432</b>  | <b>13,155,720</b>  | <b>13,135,212</b>  | <b>17,266,671</b>  | <b>15,041,256</b>  | <b>15,135,507</b>  | <b>14,791,316</b>  | <b>12,741,235</b> |
| <b>Change in net position</b>  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                   |
| Governmental activities  | 2,884,879          | 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           |
| Business-type activities   | 1,418,642          | 4,221,349          | 1,236,983          | 2,262,467          | 2,339,129          | 1,319,389          | 135,717            | 3,051,877          | 962,582            | (245,490)         |
| <b>Total primary government activities</b>   | <b>\$4,303,521</b> | <b>\$6,977,183</b> | <b>\$3,054,575</b> | <b>\$3,980,679</b> | <b>\$3,053,348</b> | <b>\$4,870,402</b> | <b>\$6,793,946</b> | <b>\$9,554,357</b> | <b>\$2,162,782</b> | <b>\$626,165</b>  |

Electric, Wastewater, Golf and Pool Expenses restated in years 2011 through 2004 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**

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

**Table 3**

|                                       | 2013                 | 2012                 | 2011 (1)             | 2010                 | 2009                 | 2008                 | 2007                 | 2006                 | 2005                 | 2004                |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| <b>General Fund</b>                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                     |
| Nonspendable                          | \$ 9,800,116         | \$ 9,800,153         | \$ 9,801,232         | \$ 12,515,872        | \$ 12,514,073        | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                |
| Restricted                            | 11,077               | 10,894               | 12,457               | 18,638               | 20,665               | -                    | -                    | -                    | -                    | -                   |
| Assigned                              | 4,101,987            | 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             |
| Unassigned                            | 6,952,802            | 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           |
| <b>Total General Fund</b>             | <b>20,865,982</b>    | <b>20,658,881</b>    | <b>20,194,491</b>    | <b>20,519,859</b>    | <b>19,967,351</b>    | <b>18,821,637</b>    | <b>16,600,692</b>    | <b>12,633,960</b>    | <b>8,088,827</b>     | <b>6,694,931</b>    |
| <b>Street Maintenance Fund</b>        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                     |
| Restricted                            | 4,321,221            | 3,918,551            | 3,270,045            | 2,518,751            | 1,984,235            | -                    | -                    | -                    | -                    | -                   |
| Assigned                              | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                   |
| Reserved                              | -                    | -                    | -                    | -                    | -                    | 359,365              | 50,166               | 163,780              | 10,766               | 4,121               |
| Unassigned                            | -                    | -                    | -                    | -                    | -                    | 1,374,925            | 1,433,773            | 1,003,903            | 610,379              | 435,921             |
| <b>Total Street Maintenance Fund</b>  | <b>4,321,221</b>     | <b>3,918,551</b>     | <b>3,270,045</b>     | <b>2,518,751</b>     | <b>1,984,235</b>     | <b>1,734,290</b>     | <b>1,483,939</b>     | <b>1,167,683</b>     | <b>621,145</b>       | <b>440,042</b>      |
| <b>Street Levy Fund</b>               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                     |
| Restricted                            | 2,004,021            | 1,977,761            | 1,795,964            | 1,560,389            | 1,357,286            | -                    | -                    | -                    | -                    | -                   |
| Assigned                              | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                   |
| Reserved                              | -                    | -                    | -                    | -                    | -                    | 197,384              | 409,802              | 45,903               | 86,492               | 30,642              |
| Unassigned                            | -                    | -                    | -                    | -                    | -                    | 1,145,679            | 384,273              | 410,922              | 227,390              | 207,500             |
| <b>Total Street Levy Fund</b>         | <b>2,004,021</b>     | <b>1,977,761</b>     | <b>1,795,964</b>     | <b>1,560,389</b>     | <b>1,357,286</b>     | <b>1,343,063</b>     | <b>794,075</b>       | <b>456,825</b>       | <b>313,882</b>       | <b>238,142</b>      |
| <b>Other Governmental Funds</b>       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                     |
| Nonspendable                          | 7,149                | 7,150                | 7,150                | 7,150                | 7,150                | -                    | -                    | -                    | -                    | -                   |
| Restricted                            | 158,579              | 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             |
| Unassigned reported in:               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                     |
| Revolving Loan/Program Income         | -                    | -                    | -                    | -                    | -                    | 33,117               | 72,554               | 49,165               | 52,846               | 51,418              |
| Community Development                 | 1,001                | -                    | -                    | -                    | (19,999)             | (130,314)            | 11,504               | 17,092               | 461,290              | 429,535             |
| Trust                                 | -                    | -                    | -                    | -                    | -                    | 3,172                | 22,417               | 27,974               | -                    | 35,435              |
| Conservancy                           | -                    | -                    | -                    | -                    | -                    | 42,144               | 40,625               | 41,127               | -                    | 56,060              |
| Safety Pension                        | -                    | -                    | -                    | -                    | -                    | -                    | 72,456               | 60,676               | 39,106               | 26,771              |
| Federal Grants                        | -                    | -                    | -                    | -                    | (40,320)             | 4,109                | (103,727)            | (5,410)              | (152,714)            | 7,954               |
| <b>Total Other Governmental Funds</b> | <b>166,729</b>       | <b>203,462</b>       | <b>177,048</b>       | <b>122,580</b>       | <b>524,077</b>       | <b>977,451</b>       | <b>1,065,094</b>     | <b>1,054,281</b>     | <b>1,043,132</b>     | <b>1,038,158</b>    |
| <b>Governmental Funds</b>             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                     |
| Nonspendable                          | 9,807,265            | 9,807,303            | 9,808,382            | 12,523,022           | 12,521,223           | -                    | -                    | -                    | -                    | -                   |
| Restricted                            | 6,494,898            | 6,099,129            | 5,245,325            | 4,213,205            | 3,873,910            | -                    | -                    | -                    | -                    | -                   |
| Assigned                              | 4,101,987            | 4,133,631            | 3,346,805            | 2,638,671            | 2,204,122            | -                    | -                    | -                    | -                    | -                   |
| Reserved                              | -                    | -                    | -                    | -                    | -                    | 12,416,509           | 11,335,329           | 5,112,786            | 1,153,565            | 1,333,440           |
| Unassigned                            | 6,953,803            | 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           |
| <b>Total Governmental Funds</b>       | <b>\$ 27,357,953</b> | <b>\$ 26,758,655</b> | <b>\$ 25,437,548</b> | <b>\$ 24,721,579</b> | <b>\$ 23,832,949</b> | <b>\$ 22,876,441</b> | <b>\$ 19,943,800</b> | <b>\$ 15,312,749</b> | <b>\$ 10,066,986</b> | <b>\$ 8,411,273</b> |

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)**

|  | 2013              | 2012                | 2011              | 2010                | 2009              | 2008                | 2007                | 2006                | 2005                | 2004                |
|--|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>REVENUES</b>  |                   |                     |                   |                     |                   |                     |                     |                     |                     |                     |
| Municipal income tax                                     | \$ 8,657,319      | \$ 7,748,219        | \$ 8,382,273      | \$ 7,374,993        | \$ 7,002,778      | \$ 10,267,959       | \$ 8,260,918        | \$ 8,300,977        | \$ 8,378,103        | \$ 7,338,490        |
| Property taxes   | 1,211,844         | 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           |
| State shared revenues                                    | 1,866,329         | 2,253,099           | 2,585,245         | 2,764,569           | 3,781,537         | 3,199,733           | 2,530,167           | 3,192,533           | 3,086,000           | 2,440,954           |
| Locally levied taxes                                     | 1,188,578         | 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           |
| Licenses and permits, fees                               | 1,334,105         | 1,330,355           | 1,333,529         | 1,054,458           | 1,020,519         | 949,578             | 1,073,084           | 574,837             | 314,412             | 358,178             |
| Grants: capital  | 1,717,264         | 1,482,076           | 109,763           | 392,849             | 512,522           | 1,766,624           | 3,975,696           | 208,958             | 3,365               | 402,414             |
| Grants: operating  | 1,172,917         | 2,023,736           | 683,653           | 863,231             | 372,788           | 765,164             | 1,954,777           | 600,798             | 713,537             | 714,033             |
| Investment income  | 77,179            | 115,681             | 141,194           | 157,392             | 109,066           | 253,369             | 492,617             | 420,761             | 249,393             | 150,072             |
| Increase (decrease) in fair market value of investments  | (4,518)           | (32,643)            | (34,239)          | (22,878)            | (11,293)          | 55,323              | 12,071              | 18,769              | (33,256)            | (29,956)            |
| Donations: capital                                       | 14,977            | 408,643             | -                 | -                   | 21,600            | 55,500              | 3,200               | 650,347             | 57,122              | 193,680             |
| Donations: operating                                     | 42,769            | 28,543              | 94,594            | 551,328             | 180,976           | 361,555             | 346,537             | 2,607,444           | 26,321              | 28,595              |
| Other fines, rents, and reimbursements                   | 297,672           | 321,165             | 322,528           | 524,995             | 716,342           | 657,330             | 325,783             | 1,518,010           | 444,458             | 367,119             |
| <b>Total revenues</b>                                    | <b>17,576,435</b> | <b>18,136,214</b>   | <b>16,088,279</b> | <b>16,237,327</b>   | <b>16,179,401</b> | <b>21,043,931</b>   | <b>21,732,155</b>   | <b>20,907,861</b>   | <b>16,014,767</b>   | <b>14,510,829</b>   |
| <b>EXPENDITURES</b>                                      |                   |                     |                   |                     |                   |                     |                     |                     |                     |                     |
| General government administration                        | 1,300,112         | 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           |
| Public safety  | 7,571,496         | 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           |
| Public health  | 492,373           | 312,330             | 329,242           | 360,499             | 435,469           | 496,914             | 521,419             | 393,863             | 331,834             | 318,869             |
| Street repairs and maintenance                           | 2,270,611         | 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           |
| Parks and recreation                                     | 472,183           | 418,280             | 361,895           | 461,977             | 609,908           | 828,421             | 633,438             | 661,920             | 637,044             | 573,008             |
| Community planning and development                       | 671,117           | 1,973,099           | 378,885           | 610,155             | 321,094           | 942,424             | 544,972             | 749,395             | 1,281,353           | 703,930             |
| Other  | 46,393            | 58,726              | 63,174            | 55,043              | 55,521            | 112,288             | 78,846              | 106,092             | 160,982             | 103,674             |
| Capital costs  | 3,370,293         | 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           |
| Debt service:  |                   |                     |                   |                     |                   |                     |                     |                     |                     |                     |
| Principal  | 239,313           | 221,476             | 2,010,985         | 871,353             | 802,604           | 737,596             | 683,457             | 524,404             | 805,840             | 448,413             |
| Interest   | 61,293            | 69,815              | 201,592           | 248,969             | 273,818           | 293,522             | 192,915             | 184,195             | 217,845             | 231,512             |
| <b>Total expenditures</b>                                | <b>16,495,184</b> | <b>16,378,906</b>   | <b>14,942,147</b> | <b>14,784,741</b>   | <b>16,054,492</b> | <b>18,406,177</b>   | <b>19,340,648</b>   | <b>15,471,378</b>   | <b>15,565,895</b>   | <b>15,010,229</b>   |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>1,081,251</b>  | <b>1,757,308</b>    | <b>1,146,132</b>  | <b>1,452,586</b>    | <b>124,909</b>    | <b>2,637,754</b>    | <b>2,391,507</b>    | <b>5,436,483</b>    | <b>448,872</b>      | <b>(499,400)</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>                   |                   |                     |                   |                     |                   |                     |                     |                     |                     |                     |
| Issuance of debt   | -                 | -                   | 49,329            | 73,777              | 1,122,882         | 486,977             | 2,421,007           | -                   | 474,842             | 236,037             |
| Disposal of capital assets                               | 9,932             | 18,808              | 6,500             | 56,482              | 9,515             | 1,852               | 18,468              | 6,383               | 385,572             | 73,018              |
| Transfers in   | 279,730           | 277,793             | 2,157,880         | 1,057,569           | 1,024,720         | 1,051,982           | 689,718             | 657,677             | 899,980             | 1,258,438           |
| Transfers out  | (763,133)         | (671,077)           | (2,659,741)       | (1,366,662)         | (1,325,518)       | (1,245,924)         | (889,649)           | (854,780)           | (1,036,588)         | (1,489,298)         |
| <b>Total other financing sources (uses)</b>              | <b>(473,471)</b>  | <b>(374,476)</b>    | <b>(446,032)</b>  | <b>(178,834)</b>    | <b>831,599</b>    | <b>294,887</b>      | <b>2,239,544</b>    | <b>(190,720)</b>    | <b>723,806</b>      | <b>78,195</b>       |
| <b>Net change in fund balances</b>                       | <b>\$ 607,780</b> | <b>\$ 1,382,832</b> | <b>\$ 700,100</b> | <b>\$ 1,273,752</b> | <b>\$ 956,508</b> | <b>\$ 2,932,641</b> | <b>\$ 4,631,051</b> | <b>\$ 5,245,763</b> | <b>\$ 1,172,678</b> | <b>\$ (421,205)</b> |
| Debt service as a percentage of Noncapital expenditures  | 2.3%              | 2.1%                | 16.0%             | 8.3%                | 7.7%              | 6.1%                | 6.2%                | 5.3%                | 7.2%                | 5.4%                |

Source: City of Piqua Finance Department

**CITY OF PIQUA, OHIO**

**Table 5**

**INCOME TAX REVENUE COLLECTIONS 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 |
|----------|----------|---------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| 2013     | 1.75%    | \$ 8,440,440        | \$ 6,606,944           | 78%                                  | \$ 1,200,848           | 14%                                  | \$ 632,648             | 8%                                   |
| 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%                                   |

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 |
|----------|------------------------|------------------|-------------------|----------------|---------------------------|
| 2012     | 0-20,000               | 3,839            | 43.01%            | 30,861,197     | 8.59%                     |
| 2012     | 20,001-40,000          | 2,279            | 25.54%            | 66,407,419     | 18.48%                    |
| 2012     | 40,001-60,000          | 1,221            | 13.68%            | 59,809,374     | 16.64%                    |
| 2012     | 60,001-80,000          | 707              | 7.92%             | 49,059,853     | 13.65%                    |
| 2012     | 80,001-100,000         | 338              | 3.79%             | 30,185,894     | 8.40%                     |
| 2012     | over 100,000           | 541              | 6.06%             | 123,014,948    | 34.23%                    |
|          | Total                  | 8,925            |                   | 359,338,685    |                           |
| 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                  | 9,027            |                   | 368,324,472    |                           |
| 2010     | 0-20,000               | 3,686            | 43.45%            | 30,140,775     | 8.54%                     |
| 2010     | 20,001-40,000          | 2,165            | 25.52%            | 62,966,356     | 17.84%                    |
| 2010     | 40,001-60,000          | 1,153            | 13.59%            | 56,532,271     | 16.01%                    |
| 2010     | 60,001-80,000          | 668              | 7.87%             | 46,150,475     | 13.07%                    |
| 2010     | 80,001-100,000         | 354              | 4.17%             | 31,501,041     | 8.92%                     |
| 2010     | over 100,000           | 458              | 5.40%             | 125,718,520    | 35.61%                    |
|          | Total                  | 8,484            |                   | 353,009,438    |                           |
| 2009     | 0-20,000               | 3,853            | 44.03%            | 31,893,835     | 9.70%                     |
| 2009     | 20,001-40,000          | 2,222            | 25.39%            | 64,796,876     | 19.71%                    |
| 2009     | 40,001-60,000          | 1,201            | 13.72%            | 58,741,763     | 17.87%                    |
| 2009     | 60,001-80,000          | 673              | 7.69%             | 46,361,870     | 14.10%                    |
| 2009     | 80,001-100,000         | 350              | 4.00%             | 30,959,276     | 9.42%                     |
| 2009     | over 100,000           | 452              | 5.17%             | 95,978,422     | 29.20%                    |
|          | Total                  | 8,751            |                   | 328,732,042    |                           |
| 2008     | 0-20,000               | 3,239            | 40.83%            | 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                  | 7,932            |                   | 440,292,551    |                           |
| 2007     | 0-20,000               | 2,861            | 42.94%            | 22,686,532     | 7.99%                     |
| 2007     | 20,001-40,000          | 1,629            | 24.45%            | 47,858,984     | 16.85%                    |
| 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                  | 6,663            |                   | 283,946,816    |                           |
| 2006     | 0-20,000               | 2,887            | 43.04%            | 23,417,853     | 8.42%                     |
| 2006     | 20,001-40,000          | 1,685            | 25.12%            | 49,085,205     | 17.65%                    |
| 2006     | 40,001-60,000          | 996              | 14.85%            | 48,996,734     | 17.61%                    |
| 2006     | 60,001-80,000          | 551              | 8.21%             | 37,597,868     | 13.52%                    |
| 2006     | 80,001-100,000         | 270              | 4.03%             | 23,845,560     | 8.57%                     |
| 2006     | over 100,000           | 319              | 4.76%             | 95,221,726     | 34.23%                    |
|          | Total                  | 6,708            |                   | 278,164,946    |                           |
| 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                  | 6,519            |                   | 270,394,222    |                           |

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.

CITY OF PIQUA, OHIO

Table 7

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

| Levy/<br>Collection<br>Year | City<br>Millage | Total<br>Levy | Current Year<br>Collection | Current Year<br>Collection as<br>Percent of Levy | Delinquent<br>Collections | Total<br>Collections | Total Collection<br>as Percent of<br>Total Levy | Total<br>Assessed<br>Value | Estimated<br>Total Property<br>Value of City |
|-----------------------------|-----------------|---------------|----------------------------|--|---------------------------|----------------------|---|----------------------------|--|
| 2012/2013                   | 4.42            | \$ 1,367,090  | \$ 1,317,913               | 96.40  | \$ 32,172                 | \$ 1,350,085         | 98.76   | \$ 286,575,960             | \$ 818,788,457                               |
| 2011/2012                   | 4.42            | 1,397,181     | 1,355,224                  | 97.00  | 39,929                    | 1,395,153            | 99.85   | 313,373,330                | 890,941,193                                  |
| 2010/2011                   | 4.42            | 1,406,037     | 1,363,450                  | 96.97  | 48,104                    | 1,411,554            | 100.39  | 311,472,170                | 886,119,675                                  |
| 2009/2010                   | 4.42            | 1,488,065     | 1,442,184                  | 96.92  | 56,950                    | 1,499,134            | 100.74  | 334,159,430                | 950,582,640                                  |
| 2008/2009                   | 4.42            | 1,483,596     | 1,431,473                  | 96.49  | 63,272                    | 1,494,745            | 100.75  | 344,645,420                | 951,073,747                                  |
| 2007/2008                   | 4.42            | 1,558,181     | 1,510,445                  | 96.94  | 74,870                    | 1,585,315            | 101.74  | 361,883,510                | 968,702,431                                  |
| 2006/2007                   | 4.42            | 1,545,521     | 1,485,097                  | 96.09  | 44,588                    | 1,529,685            | 98.98   | 354,618,720                | 862,984,047                                  |
| 2005/2006                   | 4.42            | 1,550,670     | 1,512,109                  | 97.51  | 63,082                    | 1,575,191            | 101.58  | 296,243,040                | 847,043,961                                  |
| 2004/2005                   | 4.42            | 1,581,499     | 1,544,095                  | 97.63  | 69,912                    | 1,614,007            | 102.06  | 291,828,330                | 834,446,822                                  |
| 2003/2004                   | 4.42            | 1,533,847     | 1,492,929                  | 97.33  | 41,058                    | 1,533,987            | 100.01  | 277,754,750                | 863,727,460                                  |

Source: Miami County Auditor's Office

1) Amounts do not include delinquent collections

2) Delinquent collections refer to year collected not levied based on information provided by Miami County Auditor's Office

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

|  | 2013              | 2012              | 2011              | 2010              | 2009              | 2008              | 2007              | 2006              | 2005              | 2004              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Governmental activities</b>   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General obligation bonds   | \$ 215,000        | \$ 255,000        | \$ 290,000        | \$ 325,000        | \$ 875,000        | \$ 1,000,000      | \$ 1,455,000      | \$ 1,898,347      | \$ 2,315,740      | \$ 2,713,133      |
| Special assessment bonds   | 86,105            | 111,806           | 129,028           | 95,664            | 62,602            | 91,397            | 124,250           | 136,089           | 175,960           | 193,654           |
| Pension refunding bonds  | 225,000           | 250,000           | 275,000           | 295,000           | 315,000           | 335,000           | 355,000           | 375,000           | 390,000           | 405,000           |
| Taxable revenue bonds  | -                 | -                 | -                 | 1,800,000         | 2,010,000         | 2,210,000         | 2,400,000         | -                 | -                 | -                 |
| Promissory Notes   | 726,337           | 874,949           | 1,019,201         | 1,159,221         | 1,209,859         | 486,977           | -                 | 149,000           | 149,000           | 208,865           |
| Capital Leases   | -                 | -                 | -                 | -                 | -                 | 28,809            | 68,551            | 106,815           | 138,955           | -                 |
| <b>Total gross governmental activities indebtedness</b>  | <b>1,252,442</b>  | <b>1,491,755</b>  | <b>1,713,229</b>  | <b>3,674,885</b>  | <b>4,472,461</b>  | <b>4,152,183</b>  | <b>4,402,801</b>  | <b>2,665,251</b>  | <b>3,189,655</b>  | <b>3,520,652</b>  |
| <b>Business type activities</b>  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| General obligation bonds   | 785,000           | 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         |
| Promissory Notes   | 6,096,119         | 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         |
| <b>Total gross business-type activities indebtedness</b>   | <b>6,881,119</b>  | <b>6,089,083</b>  | <b>6,928,599</b>  | <b>8,148,360</b>  | <b>8,914,614</b>  | <b>5,981,365</b>  | <b>6,931,806</b>  | <b>8,035,650</b>  | <b>8,909,911</b>  | <b>9,177,176</b>  |
| <b>Total gross primary government indebtedness</b>   | <b>8,133,561</b>  | <b>7,580,838</b>  | <b>8,641,828</b>  | <b>11,823,245</b> | <b>13,387,075</b> | <b>10,133,548</b> | <b>11,334,607</b> | <b>10,700,901</b> | <b>12,099,566</b> | <b>12,697,828</b> |
| Percent of personal income   | 1.97%             | 1.88%             | 2.07%             | 2.80%             | 2.80%             | 2.09%             | 2.36%             | 2.24%             | 2.62%             | 2.85%             |
| Per capita   | \$ 396            | \$ 369            | \$ 420            | \$ 575            | \$ 646            | \$ 489            | \$ 547            | \$ 516            | \$ 583            | \$ 612            |
| <b>Less debt outside limitations:</b>  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Less debt service fund balance   | 53,943            | 53,887            | 3,983             | 4,100             | 52,509            | 71,080            | 82,573            | 77,135            | 66,779            | 63,193            |
| Exempt self-supporting obligation debt:  | 785,000           | 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         |
| Pension refunding bonds  | 225,000           | 250,000           | 275,000           | 295,000           | 315,000           | 335,000           | 355,000           | 375,000           | 390,000           | 405,000           |
| Exempt self-supporting tax revenue bonds   | -                 | -                 | -                 | 1,800,000         | 2,010,000         | 2,210,000         | 2,400,000         | -                 | -                 | -                 |
| Special assessment bonds   | 86,105            | 111,806           | 129,028           | 95,664            | 62,602            | 91,397            | 124,250           | 136,089           | 175,960           | 193,654           |
| Exempt self-supporting notes   | 6,822,456         | 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         |
| <b>Net debt within limitation for both Voted and Unvoted debt</b>                                | <b>161,057</b>    | <b>201,113</b>    | <b>286,017</b>    | <b>320,900</b>    | <b>822,491</b>    | <b>957,729</b>    | <b>1,440,978</b>  | <b>1,928,027</b>  | <b>2,407,916</b>  | <b>2,858,805</b>  |
| Percent of estimated actual property value   | 0.06%             | 0.06%             | 0.09%             | 0.10%             | 0.24%             | 0.26%             | 0.41%             | 0.54%             | 0.67%             | 0.82%             |
| Per capita   | \$ 8              | \$ 10             | \$ 14             | \$ 16             | \$ 40             | \$ 46             | \$ 69             | \$ 93             | \$ 116            | \$ 138            |
| <b>Debt limitation for both voted and unvoted debt 10.5% of assessed valuation</b>               | <b>30,090,476</b> | <b>32,904,200</b> | <b>32,704,578</b> | <b>35,086,740</b> | <b>36,187,769</b> | <b>37,997,769</b> | <b>37,234,966</b> | <b>37,775,909</b> | <b>37,483,707</b> | <b>36,529,207</b> |
| <b>Legal debt margin for voted and unvoted debt</b>  | <b>29,929,419</b> | <b>32,703,087</b> | <b>32,418,561</b> | <b>34,765,840</b> | <b>35,365,278</b> | <b>37,040,040</b> | <b>35,793,988</b> | <b>35,847,882</b> | <b>35,075,791</b> | <b>33,670,402</b> |
| <b>Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit</b> | <b>0.54%</b>      | <b>0.61%</b>      | <b>0.87%</b>      | <b>0.91%</b>      | <b>2.27%</b>      | <b>2.52%</b>      | <b>3.87%</b>      | <b>5.10%</b>      | <b>6.42%</b>      | <b>7.83%</b>      |
| <b>Net debt within limitation for both voted and unvoted limitation</b>                          | <b>161,057</b>    | <b>201,113</b>    | <b>286,017</b>    | <b>320,900</b>    | <b>822,491</b>    | <b>957,729</b>    | <b>1,440,978</b>  | <b>1,928,027</b>  | <b>2,407,916</b>  | <b>2,858,805</b>  |
| Less voted debt  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Net debt with limitation for unvoted debt</b>   | <b>161,057</b>    | <b>201,113</b>    | <b>286,017</b>    | <b>320,900</b>    | <b>822,491</b>    | <b>957,729</b>    | <b>1,440,978</b>  | <b>1,928,027</b>  | <b>2,407,916</b>  | <b>2,858,805</b>  |
| <b>Debt limitation for Unvoted debt 5.5% of assessed valuation</b>                               | <b>15,761,678</b> | <b>17,235,533</b> | <b>17,130,969</b> | <b>18,378,769</b> | <b>18,935,498</b> | <b>19,903,593</b> | <b>19,504,030</b> | <b>19,787,381</b> | <b>19,634,323</b> | <b>19,134,347</b> |
| <b>Legal debt margin for unvoted debt</b>  | <b>1,560,621</b>  | <b>17,034,420</b> | <b>16,844,952</b> | <b>18,057,869</b> | <b>18,133,007</b> | <b>18,945,864</b> | <b>18,063,052</b> | <b>17,859,354</b> | <b>17,226,407</b> | <b>16,275,542</b> |
| <b>Net debt within limitation for unvoted debt as a percentage of debt limit</b>                 | <b>1.02%</b>      | <b>1.17%</b>      | <b>1.67%</b>      | <b>1.75%</b>      | <b>4.34%</b>      | <b>4.81%</b>      | <b>7.39%</b>      | <b>9.74%</b>      | <b>12.26%</b>     | <b>14.94%</b>     |

Source: City of Piqua Finance Department

**CITY OF PIQUA, OHIO**

**Table 9**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
DECEMBER 31, 2013**

|  | <u>Gross<br/>Debt</u> | <u>Debt<br/>Service</u> | <u>Net<br/>Debt</u>  | Percent<br>Applicable<br>to City (1) | <u>City's<br/>Share</u> |
|--|-----------------------|-------------------------|----------------------|--------------------------------------|-------------------------|
| Piqua School District                    | \$ 41,578,001         | \$ 2,297,573            | \$ 39,280,428        | 71.13%                               | \$ 27,940,168           |
| Upper Valley Joint<br>Vocational School  | 4,250,000             | 178,314                 | 4,071,686            | 12.65                                | 515,068                 |
| Miami County                             | <u>17,920,000</u>     | <u>111,198</u>          | <u>17,808,802</u>    | 13.56                                | <u>2,414,874</u>        |
| Total overlapping debt                   | 63,748,001            | 2,587,085               | 61,160,916           |                                      | 30,870,110              |
| City of Piqua                            | \$1,252,442           | \$57,795                | 1,194,647            | 100.00%                              | 1,194,647               |
| Total net direct and<br>overlapping debt | <u>\$ 65,000,443</u>  | <u>\$ 2,644,880</u>     | <u>\$ 62,355,563</u> |                                      | <u>\$ 32,064,757</u>    |

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

Source: Individual Jurisdictions

CITY OF PIQUA, OHIO

Table 10

DEBT COVERAGE  
BUSINESS TYPE ACTIVITIES  
LAST TEN YEARS

|  | 2013          | 2012          | 2011          | 2010          | 2009          | 2008          | 2007          | 2006          | 2005          | 2004          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Power</b>                                 |               |               |               |               |               |               |               |               |               |               |
| Gross revenues                               | \$ 23,863,393 | \$ 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 |
| Direct operating expenses                    | 23,347,871    | 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    |
| Net revenue available for debt service       | 515,522       | 3,521,478     | 2,021,812     | 3,563,954     | 2,891,727     | 2,312,790     | 845,118       | 4,465,695     | 2,839,595     | 1,365,272     |
| General obligation debt service requirements | -             | -             | 408,430       | 405,590       | 406,690       | 410,259       | 408,495       | 410,539       | 402,880       | 403,789       |
| Revenue obligation debt service requirements | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Debt service coverage                        | -             | -             | 495           | 879           | 711           | 564           | 207           | 1,088         | 705           | 338           |
| <b>Wastewater</b>                            |               |               |               |               |               |               |               |               |               |               |
| Gross revenues                               | \$ 3,502,967  | \$ 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  |
| Direct operating expenses                    | 2,128,150     | 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     |
| Net revenue available for debt service       | 1,374,817     | 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     |
| General obligation debt service requirements | -             | -             | -             | -             | -             | -             | 176,963       | 188,925       | 200,888       | 212,850       |
| Revenue obligation debt service requirements | \$ 809,928    | \$ 809,929    | \$ 809,929    | \$ 781,841    | \$ 506,537    | \$ 506,537    | \$ 506,537    | \$ 506,537    | \$ 820,578    | \$ 824,628    |
| Debt service coverage                        | 170           | 163           | 160           | 211           | 276           | 265           | 158           | 129           | 104           | 102           |
| <b>Water</b>                                 |               |               |               |               |               |               |               |               |               |               |
| Gross revenues                               | \$ 4,593,671  | \$ 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  |
| Direct operating expenses                    | 2,407,410     | 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     |
| Net revenue available for debt service       | 2,186,261     | 1,616,763     | 423,146       | 823,351       | 808,983       | 682,960       | 504,872       | 564,384       | 359,739       | 491,462       |
| General obligation debt service requirements | -             | -             | -             | -             | -             | -             | 50,947        | 52,910        | 50,238        | 48,281        |
| Revenue obligation debt service requirements | \$ 147,172    | \$ 147,172    | \$ 147,172    | \$ 147,172    | \$ 147,172    | \$ 147,172    | \$ 135,122    | \$ 223,753    | \$ 66,411     | \$ -          |
| Debt service coverage                        | 1,486         | 1,099         | 288           | 559           | 550           | 464           | 271           | 204           | 308           | 1,018         |
| <b>Golf</b>                                  |               |               |               |               |               |               |               |               |               |               |
| Gross revenues                               | \$ 512,752    | \$ 557,254    | \$ 471,609    | \$ 536,337    | \$ 596,423    | \$ 608,369    | \$ 623,722    | \$ 600,967    | \$ 625,511    | \$ 594,655    |
| Direct operating expenses                    | 535,208       | 528,664       | 440,196       | 467,903       | 502,379       | 525,446       | 568,058       | 550,122       | 539,118       | 541,073       |
| Net revenue available for debt service       | (22,456)      | 28,590        | 31,413        | 68,434        | 94,044        | 82,923        | 55,664        | 50,845        | 86,393        | 53,582        |
| General obligation debt service requirements | \$ 179,249    | \$ 167,714    | \$ 167,285    | \$ 171,308    | \$ 170,118    | \$ 168,385    | \$ 180,231    | \$ 177,532    | \$ 180,205    | \$ 265,233    |
| Debt service coverage                        | (13)          | 17            | 19            | 40            | 55            | 49            | 31            | 29            | 48            | 20            |
| <b>Pool</b>                                  |               |               |               |               |               |               |               |               |               |               |
| Gross revenues                               | \$ 61,565     | \$ 73,874     | \$ 79,027     | \$ 74,967     | \$ 80,052     | \$ 93,172     | \$ 89,708     | \$ 90,075     | \$ 96,102     | \$ 74,383     |
| Direct operating expenses                    | 151,975       | 161,421       | 136,185       | 131,471       | 148,190       | 155,035       | 150,393       | 130,650       | 134,709       | 120,242       |
| Net revenue available for debt service       | (90,410)      | (87,547)      | (57,158)      | (56,504)      | (68,138)      | (61,863)      | (60,685)      | (40,575)      | (38,607)      | (45,859)      |
| General obligation debt service requirements | \$ 9,037      | \$ 8,456      | \$ 8,435      | \$ 8,637      | \$ 8,577      | \$ 8,490      | \$ 8,622      | \$ 8,493      | \$ 8,603      | \$ 12,932     |
| Debt service coverage                        | (1,000)       | (1,035)       | (678)         | (654)         | (794)         | (729)         | (704)         | (478)         | (449)         | (355)         |

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, 2013**

| <u>NAME OF EMPLOYER</u>         | <u>NATURE OF BUSINESS</u>              | <u>TOTAL<br/>EMPLOYMENT</u> | <u>PERCENT OF<br/>TOTAL<br/>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                 | 320                         | 3.1%                                       |
| 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                   | 223                         | 2.2%                                       |
| Upper Valley JVS                | Regional joint vocational school       | 213                         | 2.1%                                       |
| Edison Community College        | State community college                | 160                         | 1.6%                                       |
| Jackson Tube Service Inc.       | Manufacturer of steel tubing           | 160                         | 1.6%                                       |
| Total available employment      |  | 10,207                      |  |

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2004**

| <u>NAME OF EMPLOYER</u>         | <u>NATURE OF BUSINESS</u>              | <u>TOTAL<br/>EMPLOYMENT</u> | <u>PERCENT OF<br/>TOTAL<br/>EMPLOYMENT</u> |
|---------------------------------|--|-----------------------------|--|
| Spalding & Evenflo Company Inc. | Manufacturer of juvenile furniture     | 400                         | 4.1%                                       |
| Jackson Tube Service Inc.       | Manufacturer of steel tubing           | 350                         | 3.6%                                       |
| Crane Pumps & Systems Inc.      | Manufacturer of industrial water pumps | 300                         | 3.1%                                       |
| 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%                                       |
| Piqua Technologies Inc.         | Manufacturer of automotive gaskets     | 200                         | 2.1%                                       |
| Upper Valley JVS                | Regional joint vocational school       | 185                         | 1.9%                                       |
| Total available employment      |  | 9,750                       |  |

Source: City of Piqua Income Tax Office

CITY OF PIQUA, OHIO

PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2013  
LAST EIGHT YEARS

Table 12

| Name of Taxpayer             | Nature of Business                 | 2013 Assessed Valuation | Percent of Total Assessed Valuation | 2012 Assessed Valuation | 2011 Assessed Valuation | 2010 Assessed Valuation | 2009 Assessed Valuation | 2008 Assessed Valuation | 2007 Assessed Valuation | 2006 Assessed Valuation |
|------------------------------|------------------------------------|-------------------------|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Midamco                      | Shopping mall                      | \$ 4,442,650            | 1.55%                               | \$ 4,667,270            | \$ 4,825,900            | \$ 6,473,830            | \$ 9,302,280            | \$ 8,964,070            | \$ 8,973,950            | \$ 8,819,110            |
| Harvey Co LLC                | Shopping mall                      | \$ 3,516,520            | 1.23%                               | \$ 3,724,630            | \$ 4,057,130            | \$ 4,057,130            | \$ 4,284,110            | \$ 4,284,110            | \$ 4,284,110            | -                       |
| Walmart Stores Inc.          | Retailer of consumer goods         | \$ 3,021,200            | 1.05%                               | \$ 3,180,870            | \$ 3,180,870            | \$ 3,180,870            | \$ 3,180,870            | \$ 3,644,050            | \$ 3,230,090            | \$ 3,804,410            |
| Spalding & Evenflo Co., Inc. | Manufacturer of juvenile furniture | \$ 3,396,650            | 1.19%                               | \$ 2,161,150            | \$ 2,177,460            | \$ 2,177,460            | \$ 2,161,150            | \$ 3,325,430            | \$ 4,739,550            | \$ 6,838,690            |
| HCF Inc.                     | Nursing home                       | \$ 2,662,740            | 0.93%                               | \$ 2,847,210            | \$ 2,822,910            | \$ 2,822,910            | \$ 2,822,910            | \$ 2,863,080            | \$ 2,863,080            | \$ 2,863,080            |
| Miami Valley Steel           | Manufacturer of split rolled steel | \$ 2,440,590            | 0.85%                               | \$ 2,324,010            | \$ 2,324,010            | \$ 2,324,010            | \$ 2,324,010            | \$ 2,951,210            | \$ 3,002,120            | \$ 4,086,600            |
| Jideji Properties LLC        | Land Holding Company               | \$ 2,344,060            | 0.82%                               | \$ 2,250,000            | \$ 2,250,000            | \$ 2,250,000            | \$ 2,250,000            | \$ 2,250,000            | \$ 2,250,000            | \$ 2,250,000            |
| Jackson Tube Service Inc.    | Manufacturer of steel tubing       | \$ 1,800,160            | 0.63%                               | \$ 1,960,010            | \$ 2,087,550            | \$ 2,087,550            | \$ 3,045,220            | \$ 4,144,950            | \$ 5,959,740            | \$ 8,455,350            |
| Home Depot Inc.              | Hardware retailer                  | \$ 1,794,150            | 0.63%                               | \$ 2,078,140            | \$ 2,096,970            | \$ 2,096,970            | \$ 2,084,010            | \$ 2,408,880            | \$ 2,819,960            | \$ 3,071,200            |
| Coil Plus Inc.               | Manufacturer of slit steel         | \$ 1,784,450            | 0.62%                               | \$ 906,750              | \$ 906,750              | \$ 906,750              | \$ 906,750              | \$ 906,750              | \$ 906,750              | \$ 906,750              |
| TOTAL                        |                                    | \$ 27,203,170           | 9.50%                               | \$ 26,100,040           | \$ 26,729,550           | \$ 28,377,480           | \$ 32,361,310           | \$ 35,742,530           | \$ 39,029,350           | \$ 41,095,190           |
| TOTAL ASSESSED VALUATION     |                                    | \$ 286,575,960          |                                     | \$ 313,373,330          | \$ 311,472,170          | \$ 334,159,430          | \$ 344,645,420          | \$ 361,883,510          | \$ 354,618,720          | \$ 359,770,560          |

Source: Miami County Auditor's Office

**CITY OF PIQUA, OHIO**

**Table 13**

**DEMOGRAPHIC AND  
ECONOMIC STATISTICS  
LAST TEN YEARS**

| Year | Population <sup>1</sup> | Estimated                                     |                             | Per capita<br>Personal Income <sup>2</sup> | Miami County<br>Unemployment rate <sup>3</sup> | Household<br>Median Income <sup>2</sup> | Avg Sale Price<br>for a Single<br>Family Home <sup>4</sup> |
|------|-------------------------|---|-----------------------------|--|--|---|--|
|      |                         | Total Personal<br>Income of City <sup>2</sup> | Income of City <sup>2</sup> |  |  |   |  |
| 2013 | 20,552                  | \$ 413,506,240                                | \$ 413,506,240              | \$ 20,120                                  | 6.7%   | \$ 36,150                               | \$ 96,622  |
| 2012 | 20,552                  | \$ 402,634,232                                | \$ 402,634,232              | \$ 19,591                                  | 6.3%   | \$ 38,064                               | \$ 93,591  |
| 2011 | 20,552                  | \$ 416,732,904                                | \$ 416,732,904              | \$ 20,277                                  | 7.4%   | \$ 39,493                               | \$ 89,235  |
| 2010 | 20,552                  | \$ 421,768,144                                | \$ 421,768,144              | \$ 20,522                                  | 9.6%   | \$ 42,226                               | \$ 91,387  |
| 2009 | 20,738                  | \$ 478,499,000                                | \$ 478,499,000              | \$ 23,074                                  | 12.2%  | \$ 44,347                               | \$ 101,200   |
| 2008 | 20,738                  | \$ 484,937,000                                | \$ 484,937,000              | \$ 23,384                                  | 8.1%   | \$ 44,566                               |  |
| 2007 | 20,738                  | \$ 481,080,000                                | \$ 481,080,000              | \$ 23,198                                  | 6.3%   | \$ 44,212                               |  |
| 2006 | 20,738                  | \$ 477,264,000                                | \$ 477,264,000              | \$ 23,014                                  | 5.4%   | \$ 43,861                               |  |
| 2005 | 20,738                  | \$ 461,109,000                                | \$ 461,109,000              | \$ 22,235                                  | 5.4%   | \$ 42,378                               |  |
| 2004 | 20,738                  | \$ 445,514,000                                | \$ 445,514,000              | \$ 21,483                                  | 6.4%   | \$ 40,945                               |  |

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

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

| <u>PROGRAM</u>                  | <u>2013</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> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>GOVERNMENTAL ACTIVITIES</b>  |             |             |             |             |             |             |             |             |             |             |
| General Government:             |             |             |             |             |             |             |             |             |             |             |
| City Building                   | -           | -           | -           | 0.50        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        |
| City Manager                    | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 3.00        | 3.25        | 3.25        | 2.25        | 2.00        |
| Law Department                  | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 1.75        | 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        | 2.00        | -           |
| Prosecutor                      | -           | -           | -           | -           | -           | -           | -           | 1.00        | 0.75        | 0.75        |
| Human Resources                 | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 1.75        | 1.75        | 1.75        |
| Finance                         | 20.00       | 20.00       | 20.00       | 21.00       | 21.00       | 20.00       | 20.00       | 20.00       | 20.00       | 19.50       |
| Purchasing                      | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        | 1.00        |
| Engineering                     | 4.00        | 4.50        | 4.50        | 4.50        | 4.50        | 3.50        | 4.50        | 4.50        | 6.00        | 6.00        |
| Hotel Project Manager           | -           | -           | -           | -           | -           | 1.00        | 1.00        | 1.00        | -           | -           |
| Health                          | 3.60        | 3.50        | 4.00        | 3.50        | 4.50        | 6.00        | 6.00        | 6.00        | 5.00        | 5.00        |
| Public Safety:                  |             |             |             |             |             |             |             |             |             |             |
| Police                          | 34.00       | 35.00       | 35.00       | 40.00       | 40.00       | 38.00       | 40.00       | 40.00       | 40.00       | 40.50       |
| Fire                            | 32.00       | 28.00       | 28.00       | 30.00       | 30.00       | 30.00       | 30.00       | 30.00       | 30.00       | 30.00       |
| Streets:                        | 15.00       | 15.00       | 15.00       | 16.00       | 15.00       | 17.00       | 17.00       | 17.00       | 17.00       | 16.00       |
| Parks:                          | 6.00        | 7.50        | 7.50        | 8.00        | 7.50        | 11.00       | 11.00       | 11.00       | 9.75        | 9.75        |
| Community Development:          | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 2.00        | 2.75        | 2.75        | 2.75        | 3.00        |
| Total governmental activities   | 125.60      | 124.50      | 125.00      | 134.50      | 134.50      | 139.50      | 143.25      | 143.50      | 140.50      | 137.50      |
| <b>BUSINESS-TYPE ACTIVITIES</b> |             |             |             |             |             |             |             |             |             |             |
| Power:                          | 26.50       | 25.50       | 25.50       | 26.50       | 26.50       | 26.50       | 33.50       | 33.50       | 37.00       | 37.00       |
| Wastewater:                     | 14.20       | 14.20       | 14.00       | 14.70       | 14.50       | 14.50       | 14.00       | 14.00       | 14.00       | 14.00       |
| Water:                          | 16.60       | 15.70       | 15.50       | 17.70       | 18.50       | 18.50       | 18.50       | 18.50       | 18.50       | 18.50       |
| Stormwater                      | 3.60        | 1.60        | 1.50        | 1.00        | -           | -           | -           | -           | -           | -           |
| Refuse:                         | 7.50        | 8.00        | 8.00        | 8.00        | 8.00        | 8.00        | 8.00        | 8.00        | 8.00        | 8.00        |
| Golf:                           | 10.00       | 10.00       | 10.00       | 9.00        | 8.00        | 7.00        | 13.00       | 14.00       | 13.00       | 14.00       |
| Pool:                           | 16.00       | 16.00       | 16.00       | 16.00       | 16.00       | 14.00       | 15.00       | 14.00       | 15.00       | 15.00       |
| Total business-type activities  | 94.40       | 91.00       | 90.50       | 92.90       | 91.50       | 88.50       | 102.00      | 102.00      | 105.50      | 106.50      |
| 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                          | 223.00      | 218.50      | 218.50      | 230.40      | 229.00      | 231.00      | 248.25      | 248.50      | 249.00      | 247.00      |

Source: City of Piqua 2013-2004 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                                | 2013      | 2012     | 2011     | 2010     | 2009     | 2008     | 2007      | 2006     | 2005      | 2004      |
|---|-----------|----------|----------|----------|----------|----------|-----------|----------|-----------|-----------|
| <b>Health Department</b>                        |           |          |          |          |          |          |           |          |           |           |
| Restaurant inspections                          | 335       | 357      | 439      | 750      | 965      | 536      | 672       | 702      | 688       | 501       |
| Swimming pool inspections                       | 44        | 44       | 42       | 45       | 64       | 52       | 70        | 60       | 42        | 31        |
| Nuisance consultations                          | 737       | 1,121    | 924      | 1,526    | 1,931    | 2,285    | 2,551     | 3,447    | 2,235     | 1,753     |
| Housing/Property maintenance enforcements       | 143       | 119      | 198      | 618      | 1,888    | 2,016    | 2,910     | 2,501    | 1,395     | 1,333     |
| <b>Public Works</b>                             |           |          |          |          |          |          |           |          |           |           |
| Right of way opening permits                    | 37        | 41       | 121      | 110      | 90       | 110      | 100       | 77       | 87        | 52        |
| Subdivision construction plan approvals         | 0         | 0        | 0        | 0        | 0        | 0        | 2         | 2        | 2         | 0         |
| Area of City (in square miles)                  | 11.8      | 11.8     | 11.8     | 11.8     | 11.8     | 11.4     | 11.4      | 11.4     | 11.4      | 11.3      |
| <b>Street Maintenance</b>                       |           |          |          |          |          |          |           |          |           |           |
| Miles of streets                                | 103       | 103      | 103      | 103      | 103      | 103      | 103       | 100.4    | 100.4     | 103.3     |
| Miles of streets repaved                        | 3.2       | 1.5      | 8.3      | 3.9      | 1.8      | 3.4      | 5.8       | 2.5      | 4.2       | 3.9       |
| Cubic yards of leaves disposed of               | 1198      | 1267     | 2070     | 2057     | 1209     | 907      | 804       | 1555     | 1022      | n/a       |
| Tons of salt used                               | 2,600     | 1,250    | 2,250    | 2,500    | 1,500    | 2,750    | 3,000     | 450      | 2,300     | n/a       |
| <b>Parks District</b>                           |           |          |          |          |          |          |           |          |           |           |
| 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                      | 122       | 98       | 189      | 196      | 266      | 252      | 260       | 340      | 311       | 301       |
| Building rentals all other parks                | 149       | 167      | 157      | 270      | 228      | 198      | 189       | 200      | 199       | 189       |
| <b>Fire Department</b>                          |           |          |          |          |          |          |           |          |           |           |
| Fire calls                                      | 449       | 447      | 482      | 474      | 439      | 540      | 514       | 500      | 466       | 450       |
| Ems Response calls                              | 3,595     | 3,515    | 3,536    | 3,176    | 3,153    | 3,230    | 3,083     | 3,120    | 2,990     | 3,083     |
| Number of Sworn officers                        | 32        | 26       | 27       | 28       | 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 | 16        | 15       | 13       | 13       | 13       | 13       | 13        | 13       | 13        | 12        |
| <b>Police Department</b>                        |           |          |          |          |          |          |           |          |           |           |
| Calls for service                               | 14,858    | 17,029   | 20,628   | 20,628   | 23,053   | 23,195   | 22,618    | 24,627   | 28,895    | 31,318    |
| Traffic citations                               | 797       | 1,082    | 1,299    | 1,299    | 1,666    | 763      | 1,240     | 2,182    | 1,737     | 1,978     |
| Number of sworn officers                        | 28        | 29       | 31       | 31       | 33       | 33       | 34        | 34       | 34        | 34        |
| Number of police response vehicles              | 25        | 25       | 25       | 25       | 25       | 26       | 26        | 26       | 26        | 24        |
| <b>Planning &amp; Zoning Department</b>         |           |          |          |          |          |          |           |          |           |           |
| Zoning Permit applications                      | 159       | 182      | 179      | 167      | 99       | 142      | 152       | 62       | 37        | 18        |
| Commercial construction permits                 | 93        | 109      | 115      | 82       | 37       | 40       | 47        | 62       | 37        | 18        |
| Commercial construction value in (,000)         | \$ 37,342 | \$ 9,990 | \$ 2,667 | \$ 4,635 | \$ 2,497 | \$ 3,957 | \$ 12,124 | \$ 7,244 | \$ 11,774 | \$ 12,619 |
| Residential construction permits                | 66        | 73       | 64       | 85       | 62       | 98       | 103       | 107      | 44        | 50        |
| Residential construction value in (,000)        | \$ 1,046  | \$ 1,333 | \$ 1,322 | \$ 1,649 | \$ 1,417 | \$ 2,790 | \$ 2,836  | \$ 4,807 | \$ 8,195  | \$ 8,558  |

(Continued)

CITY OF PIQUA, OHIO

Table 15

OPERATING INDICATORS  
BY FUNCTION/PROGRAM  
LAST TEN YEARS

| Function/Program                                 | 2013     | 2012     | 2011     | 2010     | 2009     | 2008     | 2007     | 2006     | 2005     | 2004     |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Power utility</b>                             |          |          |          |          |          |          |          |          |          |          |
| Residential KWH billed (,000)                    | 88,325   | 88,836   | 91,442   | 92,475   | 87,344   | 91,290   | 94,310   | 91,042   | 93,113   | 86,429   |
| Residential billed revenue (,000)                | \$ 8,256 | \$ 8,230 | \$ 8,512 | \$ 8,590 | \$ 8,242 | \$ 7,805 | \$ 6,825 | \$ 5,675 | \$ 5,824 | \$ 5,198 |
| Commercial KWH billed (,000)                     | 95,667   | 104,435  | 103,290  | 107,057  | 109,155  | 113,026  | 114,998  | 119,563  | 118,880  | 114,671  |
| Commercial billed revenue (,000)                 | \$ 7,402 | \$ 7,609 | \$ 7,896 | \$ 8,132 | \$ 8,521 | \$ 8,339 | \$ 7,219 | \$ 6,670 | \$ 6,719 | \$ 6,258 |
| Industrial KWH billed (,000)                     | 121,672  | 119,612  | 112,516  | 103,184  | 91,855   | 110,693  | 110,690  | 105,373  | 96,145   | 91,083   |
| Industrial billed revenue (,000)                 | \$ 7,724 | \$ 7,340 | \$ 7,217 | \$ 6,664 | \$ 6,310 | \$ 7,087 | \$ 6,180 | \$ 5,141 | \$ 4,853 | \$ 4,380 |
| Customer base                                    | 10,680   | 10,700   | 10,935   | 10,962   | 10,941   | 11,086   | 11,047   | 11,081   | 11,124   | 11,072   |
| Construction line vehicles                       | 26       | 25       | 25       | 25       | 25       | 25       | 25       | 25       | 25       | 25       |
| <b>Water utility</b>                             |          |          |          |          |          |          |          |          |          |          |
| Residential gallons billed (,000)                | 369,493  | 383,528  | 378,982  | 393,495  | 409,533  | 417,479  | 441,838  | 437,129  | 462,664  | 456,342  |
| Residential billed revenue (,000)                | \$ 3,248 | \$ 2,490 | \$ 2,285 | \$ 2,354 | \$ 2,264 | \$ 2,149 | \$ 1,937 | \$ 1,871 | \$ 1,856 | \$ 1,834 |
| Commercial gallons billed (,000)                 | 116,398  | 128,138  | 131,499  | 132,298  | 129,742  | 139,917  | 160,127  | 156,082  | 160,263  | 155,211  |
| Commercial billed revenue (,000)                 | \$ 895   | \$ 658   | \$ 652   | \$ 635   | \$ 622   | \$ 563   | \$ 533   | \$ 517   | \$ 500   | \$ 491   |
| Industrial gallons billed (,000)                 | 59,290   | 46,472   | 41,973   | 43,209   | 44,350   | 56,398   | 48,475   | 41,575   | 39,167   | 41,267   |
| Industrial billed revenue (,000)                 | \$ 298   | \$ 186   | \$ 164   | \$ 169   | \$ 161   | \$ 179   | \$ 139   | \$ 120   | \$ 111   | \$ 115   |
| Customer base                                    | 8,751    | 8,615    | 8,789    | 8,721    | 8,726    | 8,715    | 8,776    | 8,892    | 8,828    | 8,811    |
| Vehicles in repair fleet                         | 14       | 10       | 10       | 10       | 10       | 10       | 10       | 10       | 10       | 10       |
| <b>Wastewater utility</b>                        |          |          |          |          |          |          |          |          |          |          |
| Residential gallons billed (,000)                | 356,151  | 379,528  | 378,651  | 379,749  | 396,510  | 404,465  | 427,048  | 427,332  | 452,488  | 443,564  |
| Residential billed revenue (,000)                | \$ 2,623 | \$ 2,637 | \$ 2,595 | \$ 2,602 | \$ 2,451 | \$ 2,287 | \$ 2,002 | \$ 1,960 | \$ 2,035 | \$ 2,003 |
| Commercial gallons billed (,000)                 | 130,161  | 115,047  | 113,783  | 115,551  | 124,461  | 127,089  | 129,902  | 134,651  | 135,340  | 133,097  |
| Commercial billed revenue (,000)                 | \$ 546   | \$ 540   | \$ 555   | \$ 554   | \$ 544   | \$ 500   | \$ 436   | \$ 438   | \$ 438   | \$ 434   |
| Industrial gallons billed (,000)                 | 62,841   | 47,297   | 47,955   | 47,559   | 49,626   | 63,343   | 60,383   | 57,949   | 53,457   | 49,427   |
| Industrial billed revenue (,000)                 | \$ 275   | \$ 233   | \$ 234   | \$ 235   | \$ 225   | \$ 247   | \$ 196   | \$ 183   | \$ 171   | \$ 161   |
| Customer base                                    | 8,530    | 8,386    | 8,400    | 8,387    | 8,400    | 8,507    | 8,471    | 8,491    | 8,489    | 8,487    |
| Vehicles in repair fleet                         | 13       | 9        | 9        | 9        | 9        | 9        | 9        | 9        | 8        | 8        |
| <b>Refuse utility</b>                            |          |          |          |          |          |          |          |          |          |          |
| Residential customers billed                     | 7,882    | 7,763    | 7,718    | 7,659    | 7,648    | 7,593    | 7,600    | 7,652    | 7,648    | 7,594    |
| Commercial customers billed                      | 110      | 95       | 98       | 103      | 99       | 96       | 97       | 74       | 75       | 78       |
| Residential and commercial revenue billed (,000) | \$ 1,492 | \$ 1,479 | \$ 1,447 | \$ 1,438 | \$ 1,439 | \$ 1,349 | \$ 1,245 | \$ 1,108 | \$ 1,082 | \$ 1,037 |
| Tons of refuse collected                         | 7576     | 7535     | 7751     | 7608     | 7782     | 8484     | 8745     | 9375     | 9271     | 9476     |
| Tons of recycled refuse collected                | 1342     | 1496     | 1448     | 1104     | 1189     | 1246     | 1171     | 1192     | 1069     | 912      |
| Recycling fees collected(,000)                   | 262      | 262      | 285      | 285      | 288      | 266      | 244      | 224      | 219      | 212      |
| Vehicles in service                              | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        |
| <b>Stormwater utility</b>                        |          |          |          |          |          |          |          |          |          |          |
| Residential ERUS billed                          | 7424     | 7435     | 7447     | 7430     | n/a      | n/a      | n/a      | n/a      | n/a      | n/a      |
| Commercial ERUS billed                           | 5537     | 5654     | 5696     | 5699     | n/a      | n/a      | n/a      | n/a      | n/a      | n/a      |
| Industrial ERUS billed                           | 1422     | 1355     | 1288     | 1288     | n/a      | n/a      | n/a      | n/a      | n/a      | n/a      |
| Revenue billed (,000)                            | 881      | 814      | 814      | 647      | n/a      | n/a      | n/a      | n/a      | n/a      | n/a      |
| Vehicles in service                              | 4        | 3        | n/a      |

(Continued)

CITY OF PIQUA, OHIO

Table 15

OPERATING INDICATORS  
BY FUNCTION/PROGRAM  
LAST TEN YEARS

| Function/Program                      | 2013    | 2012    | 2011    | 2010    | 2009    | 2008    | 2007    | 2006    | 2005    | 2004    |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <u>Golf Course</u>                    |         |         |         |         |         |         |         |         |         |         |
| Annual memberships                    | 235     | 237     | 159     | 161     | 145     | 162     | 151     | 153     | 256     | 131     |
| Rounds of golf played                 | 18,121  | 10,597  | 15,205  | 12,800  | 19,018  | 22,969  | 22,750  | 22,965  | 25,033  | 24,151  |
| Revenue collected (,000)              | \$ 513  | \$ 557  | \$ 472  | \$ 534  | \$ 596  | \$ 605  | \$ 618  | \$ 597  | \$ 623  | \$ 593  |
| <u>Municipal swimming pool</u>        |         |         |         |         |         |         |         |         |         |         |
| Annual memberships                    | 365     | 269     | 567     | 408     | 328     | 316     | 373     | n/a     | n/a     | n/a     |
| Annual attendance                     | 7,377   | 15,787  | 9,921   | 15,697  | 13,930  | 19,273  | 18,119  | 20,435  | 21,439  | 24,670  |
| Revenue collected (,000)              | \$ 62   | \$ 74   | \$ 79   | \$ 75   | \$ 80   | \$ 93   | \$ 89   | \$ 89   | \$ 95   | \$ 74   |
| <u>Fort Piqua Plaza</u>               |         |         |         |         |         |         |         |         |         |         |
| Large room rentals                    | 72      | 68      | 78      | 56      | 42      | n/a     | n/a     | n/a     | n/a     | n/a     |
| Small room rentals                    | 67      | 28      | 51      | 71      | 43      | n/a     | n/a     | n/a     | n/a     | n/a     |
| Audio visual equipment rentals        | 139     | 68      | 129     | 48      | 27      | n/a     | n/a     | n/a     | n/a     | n/a     |
| Revenue collected (,000)              | \$ 147  | \$ 109  | \$ 106  | \$ 115  | \$ 62   | n/a     | n/a     | n/a     | n/a     | n/a     |
| <u>General government information</u> |         |         |         |         |         |         |         |         |         |         |
| Number of street lights               | 2,911   | 2,902   | 2,884   | 2,884   | 2,884   | 2,884   | 2,884   | 2,884   | 2,884   | 2,884   |
| Number of public libraries            | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Volumes of books in public libraries  | 151,986 | 146,478 | 139,927 | 134,615 | 132,048 | 123,333 | 140,181 | 136,023 | 137,389 | 136,096 |
| High school enrollment                | 3,705   | 3,708   | 3,638   | 3,692   | 3,737   | 3,737   | 3,766   | 3,792   | 3,922   | 3,932   |

Source: City of Piqua

(Concluded)