

## **City of Piqua, Ohio**

Reports on Internal Controls and Compliance  
and Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2008





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
City of Piqua  
201 West Water Street  
Piqua, Ohio 45356 - 5001

We have reviewed the *Independent Auditors' Report* of the City of Piqua, Miami County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Piqua is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 14, 2009

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

2525 north limestone street, ste. 103  
springfield, oh 45503

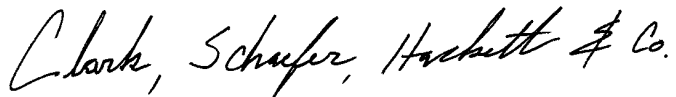
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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated June 16, 2009.

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

A handwritten signature in cursive script that reads "Clark, Schaefer, Hackett & Co." The signature is written in black ink and is positioned above the typed name and date.

Springfield, Ohio  
June 16, 2009

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

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

**Compliance**

We have audited the compliance of the City of Piqua, Ohio (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

**Internal Control over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

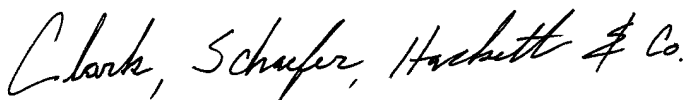
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Ohio, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 16, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Springfield, Ohio  
June 16, 2009

City of Piqua, Ohio  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2008

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through the Office of Housing and Community Partnerships</i>			
Community Development Block Grants/State's Program	A-C-06-165-1	14.228	\$ 375,279
HOME Investment Partnerships Program	A-C-06-165-2	14.239	355,414
Total U.S. Department of Housing and Urban Development			<u>730,693</u>
<u>U.S. Department of Justice</u>			
<i>Direct programs:</i>			
Body Armour Grant	2008BUBX05029246	16.607	1,199
Total U.S. Department of Justice			<u>1,199</u>
<u>U.S. Department of Transportation</u>			
<i>Passed through the Ohio Department of Transportation:</i>			
Highway Planning and Construction	07-0121	20.205	210,087
Total U.S. Department of Health and Human Services			<u>210,087</u>
<u>U.S. Department of Homeland Security</u>			
<i>Passed through the Ohio Emergency Management Agency:</i>			
Public Assistance Task Force One	N/A	97.025	19,688
Disaster Relief - Public Assistance Grant	FEMA-1805-dr-oh	97.036	88,124
Assistance to Firefighters Grant	EMW-2007-FO-02756	97.044	163,710
Total U.S. Department of Homeland Security			<u>271,522</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 1,213,501</u></u>

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

**NOTE 1 – GENERAL:**

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

**NOTE 2 – BASIS OF ACCOUNTING:**

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

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

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

**NOTE 4 – LOANS OUTSTANDING:**

At December 31, 2008, the City has the following amounts outstanding under federal loan programs:

HOME Investment Partnership Program - Rental Rehab program (CFDA #14.239)	\$ 69,178
Community Development Block Grant - Microenterprise program (CFDA #14.228)	46,172
HOME Investment Partnership loan program (CFDA #14.239)	960,916
Less: Allowance for Uncollectable Accounts	<u>(1,068,732)</u>
Net Loans Outstanding	\$ <u>7,534</u>

The Rental Rehab program requires the City continuing compliance requirements and therefore the loan balance will be included in the Schedule of Expenditures of Federal Awards. These loans are reported on the City's financial statements within the special revenue funds. During 2008, the City issued \$85,805 of new loans under Rental Rehab program (CFDA #14.228) and issued \$239,019 of new loans under the HOME Investment Partnership loan program.

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

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	None noted
Identification of major programs:	
CFDA 14.239 – HOME Investment Partnership Grant	
Dollar threshold to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

None noted

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

None noted

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

**2007-1:** Certain audit adjustments were necessary to correct misstatements noted in the prior year financial statements.

Status: Corrected

***CITY OF PIQUA, OHIO***

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended December 31, 2008**

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

# **INTRODUCTORY SECTION**

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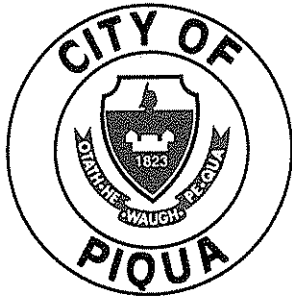
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## FINANCE DEPARTMENT

Cynthia A. Holtzapple – Director of Finance  
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E-Mail: [choltzapple@piquaoh.org](mailto:choltzapple@piquaoh.org)

June 16, 2009

Honorable Mayor Thomas D. Hudson, City Commission Members  
and Citizens of the City of Piqua, Ohio:

This Comprehensive Annual Financial Report is for the year ended December 31, 2008. We believe this report, prepared by the Department of Finance, presents financial and operating information about the City's activities during the year that should be useful to citizens, taxpayers and investors. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief the enclosed data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

### Reporting Entity

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

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

### Local Economic Conditions and Outlook

The City of Piqua is a community (2000 Census 20,738) in Miami County, located in the west central part of the state, twenty-five miles north of Dayton. Inter and intra state highways I-75, Route 36 and Route 66 serve as the City's major transportation arteries. Edison Community College, with over 4,500 students, is located on the east side of the city.

The City does not depend on one firm for local employment; as many as six companies employ in excess of 250 people each, lending to the City's diversification. The City has four industrial parks with plenty of room for expansion. The City's emphasis on economic retention and development are significant factors affecting



the future economic strength of the community. Promoting Piqua as a good place for all types of businesses, new and existing, will continue to be one our highest priorities.

## **Major Initiatives**

*Current Year Projects:* During 2008 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 ninth round of a Federal Comprehensive Housing Improvement Program in which local housing rehabilitation loans totaling \$4,387,126 were given to some 327 qualified low and moderate income property owners. During 2008, the City completed the eighth round and started the ninth round of CHIP grants by awarding an additional fourteen families \$330,484 in housing and mortgage assistance.

The following significant events took place in 2008:

- Continue implementation of a city-wide comprehensive plan for future development of the City of Piqua.
- Completion of the County Road 25-A reconstruction project.
- Additional funding, completion of restoration, and grand opening of the historic Piqua Hotel project.
- Continued redevelopment of the City's downtown and surrounding areas. This redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights.
- Continued neighborhood improvements through the Neighborhood Associations and City's Neighborhood Improvement Team. Host national summer youth workgroup program.
- Continuation of the Storm Water Infiltration Study.
- Complete study of the Water Plant.
- Sanitary sewer overflow (SSO) study of the Wastewater Plant.
- Wastewater Equalization Tank design, construction, and implementation.
- Passage and begin implementing long range financial plan.

*Future Projects:* The city anticipates the following significant events to take place in 2009:

- Continue implementation of a city-wide comprehensive plan for future development of the City of Piqua.
- Commencement of Riverside Drive Phase 1 reconstruction project.
- Additional funding, completion of restoration, and grand opening of a restaurant facility in the Fort Piqua Plaza.
- Continued redevelopment of the City's downtown and surrounding areas. This redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights.
- Continued neighborhood improvements through the Neighborhood Associations and City's Neighborhood Improvement Team.
- Implementation of a Storm Water Utility based on the feasibility study to address sanitary sewer overflow infiltration.
- Review of Water Plant study, water source exploration, and potential new Water Plant design and construction.
- Wastewater Equalization Tank, construction and implementation.
- Selection and begin implementation of a new municipal information system.
- Continue phase in of long range financial plan.

## 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.

**Single Audit:** The City receives enough federal funds to require an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations." City management is responsible for ensuring that an internal control structure is in place to reasonably assure compliance with applicable federal program laws and regulations. The City's single audit includes tests to determine the adequacy of accounting and administrative controls related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. Results of the City's single audit for the fiscal year ended December 31, 2008, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

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

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

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

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

**Financial Reporting:** Beginning in 2002 the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments." As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion follows the Report of Independent Accountants, providing an assessment of the City's finances for 2008. During 2006, the City implemented GASB 44, Economic Condition Reporting and a Statistical Data Section.

## **General Government**

**General Fund Revenues:** The 2008 municipal income tax revenue of \$10,275,491 increased due to the lottery winners' one time payment, other taxes increased due to a larger than anticipated inheritance tax, while the Kwh tax revenues remained relatively the same. Interest revenue is down due to lower interest rates in 2008 and is expected to drop in 2009 as rates further decline. Municipal income tax revenue has stabilized through April 2009 and is expected to return to 2007 levels.

**General Fund Expenditures:** The 2008 General Fund expenditures and other financing uses increased 2.4% compared with 2007 as there were more community development projects completed.

**General Fund Balances:** Current year activity contributed to a more than \$1.3 million increase in the undesignated fund balance from 2007.

## **Business-Type Funds**

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

During 2008 and 2007 the area experienced seasonal temperatures and increased moisture, returning usage and revenue to more historical levels. Utility usage and revenue in 2008 was stable and comparable to 2007 levels considering rate increases implemented.

**Power System:** Total customer revenues were \$23.6 million with usage similar to 2007 levels based on a slight rate increase. With operating costs increasing 6% due to increased purchased power costs, revenues only exceeded expenses in 2008 by \$288,427.

The system supplies electricity to more than 11,000 accounts within its service area. The power system, established in the 1930's, purchases power from power wholesalers, while supplementing power needs with fuel oil generation. Presently, the United States E.P.A. Clean Air Standards are met by emission control equipment which became operational in 1984. The system is responsible for purchasing and generating power, transmitting and distributing electricity and providing all related services.

The City of Piqua obtains its power supply from various sources. Two megawatts of Power is available from the New York Power Authority (NYPA). A twenty-year transmission agreement with the Dayton Power & Light Company guarantees supply access. Alternative contracts and projects are being considered by the Power system. During 2006, the City entered into a contract with Dayton Power & Light and AMP Ohio to provide power at an economic price through 2008.

**Water System:** Customer revenues of \$2.9 million were slightly higher than 2007 levels based on a small rate increase. Operating expenses of \$2.7 million also remained at 2007 levels. Net income was \$201,247. More than 8,800 accounts are serviced by Piqua's municipal water system.

**Wastewater System:** System revenues of \$3.1 million were slightly higher than 2007 levels based on a slight rate increase. Expenses were similar to 2007 generating a net profit of \$253,393 in 2008.

## **Cash Management**

Currently, the City's policy is to minimize market and credit risks while maintaining a competitive yield on its portfolio. The market risk is minimized by utilizing a computerized cash projection system that assists the planning for future cash needs. The credit risk is minimized by investments with large and liquid financial institutions or in guaranteed U.S. Treasury obligations. Accordingly, deposits are insured by federal depository insurance or collateralized with U.S. Treasury obligations at 105% and held by City agents.

During 2008, the City's return on average investment balances equaled 2.6% a decrease, due to interest rate decreases, from the 2007 level of 4.5%.

## **Risk Management**

In 2002, the City entered into a joint insurance pool with other local cities to protect the City's assets. This jointly governed organization continues to provide real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public officials' liability coverage.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Employee health care, life insurance and numerous small specialty policies are insured through commercial carriers. Oversight responsibilities belong to the City's Human Resources Director.

## **The Independent Audit**

Piqua's City Charter requires an annual audit of the financial statements of the City by an independent auditor. The 2008 audit was completed by Clark, Schaefer, Hackett & Co. and represents the twenty-ninth consecutive year that an independent firm has performed the City's financial audit. All State of Ohio compliance and federal grant audit requirements are included as part of the independent annual engagement. See page 10 of the Financial Section of this report for their unqualified opinion.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the eighteenth 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, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

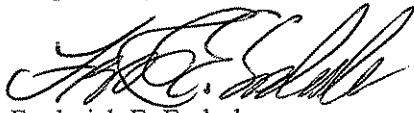
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable 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 eighteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## Acknowledgments

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

Respectfully submitted,



Frederick E. Enderle  
City Manager



Cynthia A. Holtzapple,  
Director of Finance

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

## **CITY OF PIQUA, OHIO**

### **CITY OFFICIALS**

Thomas D. Hudson, Mayor  
Julia A. Terry, Commissioner  
John J. Martin, Commissioner  
Lucinda L. Fess, Commissioner  
William D. Vogt, Commissioner

### **CITY MANAGER**

Frederick E. Enderle

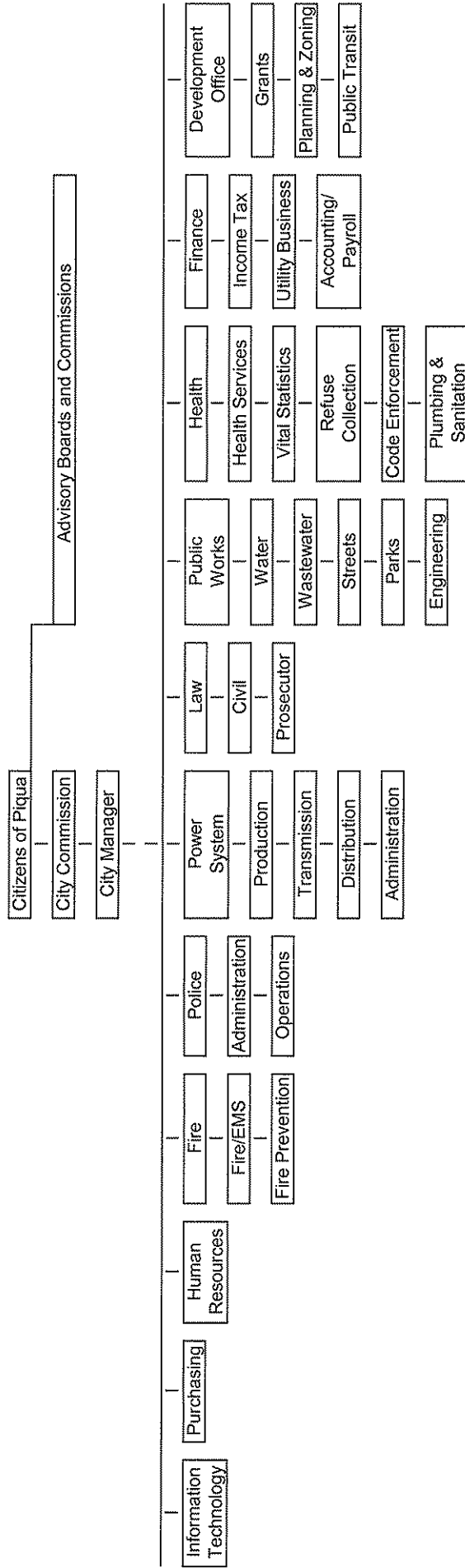
### **INDEPENDENT AUDITORS**

Clark Schaefer Hackett & Co

# CITY OF PIQUA, OHIO

## City Organization Chart

2008





# 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, 2007

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



President

Executive Director

# **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Ohio (the City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Piqua's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Ohio, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 12 through 22 and 52 through 57 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 16, 2009

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2008*  
*(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, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

- The assets of the City exceeded its liabilities at December 31, 2008 by \$130.2 million (net assets). Of this amount, \$37.9 million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$23.8 million and may be used to meet the government's on-going obligations. The unrestricted net assets of the City's business-type activities are \$14.1 million and may be used to meet the on-going obligations of the City's business-type activities, including the water, wastewater, refuse, and electricity enterprises.
- The City's total net assets increased by \$4.9 million in 2008. Net assets of the governmental activities increased \$3.6 million, which represents a 5.7 percent increase from 2007.
- The total cost of the City's programs increased \$4.22 million or 9.25 percent. The cost of governmental activities increased \$2.5 million or 16.7 percent, while the cost of business-type activities increased \$1.7 million or 5.5 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$22.9 million. The combined governmental funds fund balance increased \$2.9 million from the prior year's ending fund balance. Approximately \$10.5 million of the \$22.9 million fund balance is considered unreserved at December 31, 2008.
- The general fund reported a fund balance of \$18.8 million at the end of the current fiscal year. The unreserved fund balance for the general fund was \$8.0 million or 66.3 percent of total general fund expenditures (including transfers out). There was a \$2.2 million increase in the total general fund balance for the year ended December 31, 2008.
- The City had \$1.2 million less in debt at December 31, 2008 than at December 31, 2007.
- Total costs of services increased by over \$2.5 million, while net costs of services increased by over \$5.6 million for governmental activities.

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2008*  
*(Unaudited)*

**Using This Annual Financial Report**

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

The Statement of Net Assets and the Statement of Activities (on pages 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 nonmajor funds presented in total in one column.

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

*Statement of Net Assets and the Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2008*  
*(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 Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements or on an accompanying schedule.
- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Piqua uses enterprise funds to account for its electric, water, refuse, wastewater services, golf, municipal pool and Fort Piqua Plaza. Internal service funds are an accounting method used to accumulate and allocate costs internally among the City's various functions. The City of Piqua uses an internal service fund to account for its information technology and insurance activities. As these activities predominantly benefit governmental rather than business-type functions, they are shown within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, wastewater, and refuse systems as well as golf, municipal pool and Fort Piqua Plaza, which are considered to be major funds of the City.
- *Fiduciary funds* – Funds used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the City's own programs.

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

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 through 51 of this report.

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2008*  
*(Unaudited)*

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget. The City adopts an annual appropriation budget for its general fund and other major funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget. Required supplementary information can be found on pages 52 through 57 of this report.

The combining statements in connection with non-major governmental funds and internal service funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 58 through 73 of this report.

**The City of Piqua as a Whole**

Recall that the analysis of the Statement of Net Assets looks at the City as a whole. One of the most important questions to consider is, "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information to help answer this question. The Net Asset statement shows the difference between assets and liabilities, which is one way to measure the City's financial position. As reviewed over time, increases or decreases in the City's net assets are an indicator of whether the City's financial health is improving or deteriorating. However, other non-financial factors must also be considered such as changes in the property tax base of the city, the condition of the City's roads and neighborhoods, and the reputation of the public schools in order to assess the overall health of the City. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities for both 2008 and 2007.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 31,775,322	\$ 29,181,660	\$ 17,951,136	\$ 16,404,972	\$ 49,726,458	\$ 45,586,632
Capital assets	42,806,937	42,778,139	56,500,285	57,143,971	99,307,222	99,922,110
<i>Total assets</i>	<i>74,582,259</i>	<i>71,959,799</i>	<i>74,451,421</i>	<i>73,548,943</i>	<i>149,033,680</i>	<i>145,508,742</i>
Long-term debt	6,141,808	6,549,043	7,088,320	8,110,571	13,230,128	14,659,614
Other liabilities	2,949,094	3,470,412	2,645,037	2,026,059	5,594,131	5,496,471
<i>Total liabilities</i>	<i>9,090,902</i>	<i>10,019,455</i>	<i>9,733,357</i>	<i>10,136,630</i>	<i>18,824,259</i>	<i>20,156,085</i>
Net assets:						
Invested in capital assets, net of debt	41,291,151	41,254,589	50,518,920	50,298,375	91,810,071	91,552,964
Restricted by Legislation	14,684	33,231	-	727	14,684	33,958
Restricted by Debt Covenants	394,408	394,825	50,000	50,000	444,408	444,825
Unrestricted	23,791,114	20,257,699	14,149,144	13,063,211	37,940,258	33,320,910
<i>Total net assets</i>	<i>\$ 65,491,357</i>	<i>\$ 61,940,344</i>	<i>\$ 64,718,064</i>	<i>\$ 63,412,313</i>	<i>\$ 130,209,421</i>	<i>\$ 125,352,657</i>



**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2008*  
*(Unaudited)*

The amount by which the City's assets exceed its liabilities is called net assets. Net Assets may serve over time as a useful indicator of a government's financial position. At year-end, the City's net assets were \$130.2 million compared to \$125.4 million in 2007, an increase of \$4.8 million. Net Assets for governmental activities increased \$3.6 million, while business-type activities increased \$1.2 million.

Of that amount, in 2008 approximately \$91.8 million (70.5%) was invested in capital assets, net of debt related to those assets. At year-end 2007 that amount was approximately \$91.6 million (73%). The largest portion of the City's net assets (70.5%) 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 2008, the City loaned \$600,000 to the Fort Piqua Redevelopment Corp. for the Fort Piqua Hotel restoration project. Previously in 2007, the City loaned \$4.3 million to the Piqua Investment Fund, LLC and \$1.7 million to the Fort Piqua Redevelopment Corporation for the same restoration project. The loan is for a period of thirty years making these funds unavailable for use in the near future.

For 2008 another \$.4 million (.3%) was subject to legislative and external restrictions upon its use. The remaining \$37.9 million (29.1%) in 2008 was unrestricted and available for future use. For 2007 \$.5 million (.3%) was subject to external restrictions and \$33.3 million (26.6%) 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 assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Our total net assets of the City's governmental activities increased \$3.6 million during the current year, primarily due to the increase in assets mentioned above. Unrestricted net assets increased by \$3.5 million, while restricted net assets decreased slightly by \$19,000, reflecting their use in designated ways.

Total net assets of the City's business-type activities increased \$1.2 million during the current year; \$0.2 million due to increased net capital assets and \$1.0 million due to unrestricted net assets.

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

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2008*  
*(Unaudited)*

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for Services	\$ 1,605,192	\$ 1,449,072	\$ 32,769,017	\$ 28,887,742	\$ 34,374,209	\$ 30,336,814
Operating Grants/Contributions	1,219,765	2,301,314		2,548	1,219,765	2,303,862
Capital Grants/Contributions	1,822,124	3,978,896		726,507	1,822,124	4,705,403
General revenues:						
Property Taxes	1,452,709	1,466,214			1,452,709	1,466,214
Income Taxes	10,275,491	8,351,952			10,275,491	8,351,952
Other Taxes	4,702,541	3,813,396			4,702,541	3,813,396
Investment Earnings & Misc.	390,321	679,639	445,609	730,055	835,930	1,409,694
<b>Total Revenues</b>	<b>21,468,143</b>	<b>22,040,483</b>	<b>33,214,626</b>	<b>30,346,852</b>	<b>54,682,769</b>	<b>52,387,335</b>
Program Expenses						
General Government	2,960,257	2,891,558			2,960,257	2,891,558
Public Safety	7,796,876	7,878,066			7,796,876	7,878,066
Street and Maintenance	5,143,056	3,168,720			5,143,056	3,168,720
Parks and Recreation	915,284	702,284			915,284	702,284
Community Development	618,328	343,948			618,328	343,948
Interest on long-term debt	289,387	197,747			289,387	197,747
Electric			23,953,783	22,477,649	23,953,783	22,477,649
Wastewater			2,845,460	2,831,444	2,845,460	2,831,444
Water			2,850,285	2,754,437	2,850,285	2,754,437
Refuse			1,523,263	1,440,545	1,523,263	1,440,545
Golf			688,377	729,467	688,377	729,467
Ft. Piqua Plaza			42,372		42,372	
Pool			199,277	191,162	199,277	191,162
<b>Total Expenses</b>	<b>17,723,188</b>	<b>15,182,323</b>	<b>32,102,817</b>	<b>30,424,704</b>	<b>49,826,005</b>	<b>45,607,027</b>
Increase (Decrease) in Net Assets before Transfers & Proceeds	3,744,955	6,858,160	1,111,809	(77,852)	4,856,764	6,780,308
Transfers	(193,942)	(199,931)	193,942	199,931	-	-
<b>Increase(Decrease) in Net Assets</b>	<b>\$ 3,551,013</b>	<b>\$ 6,658,229</b>	<b>\$ 1,305,751</b>	<b>\$ 122,079</b>	<b>\$ 4,856,764</b>	<b>\$ 6,780,308</b>
Net Assets Beginning	61,940,344	55,282,115	63,412,313	63,290,234	125,352,657	118,572,349
<b>Net Assets Ending</b>	<b>\$ 65,491,357</b>	<b>\$ 61,940,344</b>	<b>\$ 64,718,064</b>	<b>\$ 63,412,313</b>	<b>\$ 130,209,421</b>	<b>\$ 125,352,657</b>

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2008*  
*(Unaudited)*

**Governmental Activities**

Governmental activities increased the City's net assets by \$3,551,013, in 2008 as compared to an increase of \$6,658,229 during 2007, thereby accounting for 5.7 percent of growth in total net assets. Total revenues decreased by \$572,340 due to decreased capital grants. Our program expenses increased by \$2,540,865 due to increased street maintenance, infrastructure projects, parks and recreation projects and more community development projects.

Several types of revenues fund our governmental activities with city income tax being the largest contributor. The income tax revenue for 2008 was \$10,275,491 compared to \$8,351,952 in 2007 an increase of 23.0 percent. During 2008 several residents won the lottery with their one time payout accounting for over \$1.9 million of the increase in income tax. The City's income tax rate was 1.75 percent for 2008, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.75 percent for those who pay income tax to another city.

General revenues from other taxes, such as Kilowatt-hour tax, Inheritance tax and Local Government Funds, are also revenue generators and in 2008, we received amounts higher than in 2007 due to the a large inheritance tax. Program revenues saw a slight increase of \$156,120 in charges for services while operating and capital grants decreased \$3,238,321 as projects were completed. Overall decrease in program revenues was \$3,082,201 or 39.9%. With the combination of program revenues, property tax, income tax, intergovernmental funding and investment earnings, all expenses in the governmental activities are funded. The City monitors its source of revenues very closely for fluctuations.

For the most part, increases in expenses closely parallel inflation and growth in the demand for services. The largest program function for the City relates to Public Safety, which accounts for 44.0 percent of total program expenses. Street and Maintenance accounts for 29.0 percent of total program expenses, while General Government accounts for 16.7 percent. Street and Maintenance cost of services increased due to the County Road 25-A reconstruction project. Cost of services increased in the areas of parks and recreation and community development as more projects were undertaken.

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	
	2008	2007	2008	2007	2008	2007
General Government	\$ 2,960,257	\$ 2,891,558	\$ 1,397,798	\$ 2,324,912	\$ 1,562,459	\$ 566,646
Public Safety	7,796,876	7,878,066	1,032,938	931,051	6,763,938	6,947,015
Street and Maintenance	5,143,056	3,168,720	1,303,478	4,002,472	3,839,578	(833,752)
Parks and Recreation	915,284	702,284	406,316	30,173	508,968	672,111
Community Development	618,328	343,948	506,551	440,674	111,777	(96,726)
Interest on long-term debt	289,387	197,747	-	-	289,387	197,747
<b>Total</b>	<b>\$ 17,723,188</b>	<b>\$ 15,182,323</b>	<b>\$ 4,647,081</b>	<b>\$ 7,729,282</b>	<b>\$ 13,076,107</b>	<b>\$ 7,453,041</b>

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2008*  
*(Unaudited)*

**Business-Type Activities**

The Business-Type activities of the City, which include the City's Electric, Wastewater, Water and Refuse operations as well as Golf, Pool and Fort Piqua Plaza activities, increased the City's net assets by \$1,305,751 in 2008.

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

	Total Cost of Services		Program Revenues		Net Revenue (Expense) from Operations	
	2008	2007	2008	2007	2008	2007
Electric	\$ 23,953,783	\$ 22,477,649	\$ 24,242,210	\$ 21,135,872	\$ 288,427	\$(1,341,777)
Wastewater	2,845,460	2,831,444	3,098,853	2,730,716	253,393	(100,728)
Water	2,850,285	2,754,437	3,051,532	3,502,803	201,247	748,366
Refuse	1,523,263	1,440,545	1,659,648	1,530,335	136,385	89,790
Golf	688,377	729,467	605,828	627,962	(82,549)	(101,505)
Ft. Piqua Plaza	42,372		18,200		(24,172)	
Pool	199,277	191,162	92,746	89,109	(106,531)	(102,053)
<b>Total</b>	<b>\$ 32,102,817</b>	<b>\$ 30,424,704</b>	<b>\$ 32,769,017</b>	<b>\$ 29,616,797</b>	<b>\$ 666,200</b>	<b>\$ (807,907)</b>

For 2008 the Electric, Wastewater, Water and Refuse utilities all had operating revenues in excess of expenses. For the most part, increases in expenses closely parallel inflation and growth in the demand for services. Golf and Pool activity funds had expenses in excess of revenues of \$189,080 in 2008 as compared to \$203,558 in 2007. A portion of the Fort Piqua Plaza opened in late 2008 and had expenses in excess of revenues of \$24,172.

**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 2008 of \$21.0 million compared to \$21.7 million in 2007. All governmental funds had expenditures in 2008 of \$18.4 million compared to \$19.3 million in 2007. The most significant fund is our general fund, which had an unreserved fund balance at year-end of \$8 million in 2008 compared to \$6.7 million in 2007. 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 \$3,380,696 in 2008 as compared to \$2,347,218 in 2007. The funds are monitored consistently with adjustments made to the budgets to accommodate yearly revenues.

Within the Street Maintenance Fund, revenues exceeded expenditures by \$291,299 in 2008 as compared to \$364,480 in 2007. Unreserved fund balance at year-end was \$1.37 million in 2008 as compared to \$1.4 million in 2007. The City was able to maintain a similar fund balance for use on planned construction needs in 2009.

Within the Street Levy Construction Fund, revenues exceeded expenditures by \$62,011 in 2008 compared to \$337,250 in 2007. Unreserved fund balance at year-end was \$1,145,679 in 2008 as compared to \$384,273 in 2007. Fund balance increases were planned in anticipation of street maintenance needs in 2009.

Information about the Enterprise Funds starts on the Statement of Activities on page 24. These funds are accounted for on an accrual basis. All business type funds had operating revenues of \$32.3 million in 2008 and \$28.6 million in 2007. Operating expenses were \$31.7 million in 2008 and \$30 million in 2007.

**CITY OF PIQUA, OHIO**  
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The enterprise fund balances increased \$1,327,447 with the Electric fund increasing \$.7 million based on a planned rate stabilization program, Wastewater increasing \$.3 million and Water increasing \$.2 million and Refuse \$.1 million based on increased rates. The other fund balances were similar to 2007. 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 2008, the City amended its general fund budget at the middle and end of the fiscal year. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the 2008 general fund, original budgeted revenues were \$12.2 million. The final budgeted revenue amount was \$12.0 million. Actual revenues were \$14.3 million. The increase in actual revenues over budget for 2008 was due to a higher municipal income tax based on the late year lottery winners, an unanticipated year end inheritance tax and larger operating contributions. For the 2007 general fund, original budgeted revenues were \$13.2 million. The final budgeted revenue amount was \$13.2 million. Actual revenues collected were \$13.3 million.

For 2008, original general fund appropriations were budgeted at \$12.8 million. Final budgeted appropriations were \$12.2 million. Actual expenditures were \$10.9 million. This decrease was due to lower than expected personnel costs, general government operating expenditures and hotel investment costs. For 2007, original general fund appropriations were budgeted at \$17.4 million. Final budgeted appropriations were \$17.7 million. Actual expenditures were \$11 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	
	2008	2007	2008	2007
Land and Land Improvements	\$ 4,150,248	\$ 4,127,748	\$ 1,391,690	\$ 1,413,930
Infrastructure Land	888,609	888,581		
Construction in Progress	6,097,362	5,584,586	1,871,081	823,932
Buildings and Improvements	9,108,577	9,281,577	19,137,037	20,112,791
Furniture, Fixtures and Equipment	2,483,630	2,826,989	32,357,309	32,945,207
Infrastructure	20,078,511	20,068,658		
Intangible Assets			1,743,168	1,848,111
<b>Total Capital Assets</b>	<b>\$ 42,806,937</b>	<b>\$ 42,778,139</b>	<b>\$ 56,500,285</b>	<b>\$ 57,143,971</b>

**CITY OF PIQUA, OHIO**  
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Total Capital Assets for the City of Piqua for the year ended December 31, 2008 were \$99,307,222, a decrease of \$614,888 over 2007. Additions in 2008 were \$3,629,547 less than in 2007. 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, 2008, the City of Piqua had \$1.2 million less in debt at \$10.1 million compared to \$11.3 million in debt outstanding at December 31, 2007.

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

	Governmental Activities		Business-type Activities	
	2008	2007	2008	2007
General Obligation Bonds	\$ 1,000,000	\$ 1,455,000	\$ 2,498,590	\$ 2,960,745
Taxable Revenue Bonds	2,210,000	2,400,000		
Pension Bonds	335,000	355,000		
Special Assessment Bonds	91,397	124,250		
State Infrastructure Bank Note	486,977			
OWDA Loans			3,482,775	3,971,061
Capital Lease	28,809	68,551		
<b>Total</b>	<b>\$ 4,152,183</b>	<b>\$ 4,402,801</b>	<b>\$ 5,981,365</b>	<b>\$ 6,931,806</b>

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

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

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

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

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

During 2008 the Street Construction Fund borrowed \$486,977 from the State Infrastructure Bank to help finance the County Road 25-A widening project.

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

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 \$37,997,769 on December 31, 2008.

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 2009 budget were Economic development, job creation, safety, and long-term fiscal stability. With the uncertainty surrounding the economy, the City considered the impact on two primary revenue sources: income tax revenue and state shared revenue.

In the 2009 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 2009 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources.

General fund expenditure appropriations for 2009 have been approved by City Commission in the amount of \$14.4 million. This appropriation level is approximately \$3.5 million more than actual 2008 general fund budgetary basis expenditures (including transfers out). The appropriation level was set based on estimated revenues in the General Fund similar to 2008 levels.

### **Current Financial Related Activities**

The City anticipates the following significant events to take place in 2009:

- Commencement of Riverside Drive Phase 1 reconstruction project.
- Additional funding, completion of restoration, and grand opening of a restaurant facility in the Fort Piqua Plaza.
- Implementation of a Storm Water Utility based on the feasibility study to address sanitary sewer overflow infiltration.
- Review of Water Plant Study, Water Source exploration, and potential new Water Plant design and construction.
- Selection and begin implementation of a new municipal information system.

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

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

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

## CITY OF PIQUA, OHIO

### STATEMENT OF NET ASSETS DECEMBER 31, 2008

	Government Activities	Business Type Activities	Total Activities
<b>ASSETS:</b>			
Equity in pooled cash and cash equivalents	\$ 10,652,164	\$ 10,860,646	\$ 21,512,810
Equity in pooled investments	2,657,379	1,827,459	4,484,838
Accounts receivable	7,834,058	4,364,798	12,198,856
Allowance for Bad Debts		(320,851)	(320,851)
Interfund balances	(225,766)	225,766	-
Inventories	-	853,196	853,196
Prepaid items and other assets	16,650	140,122	156,772
Loans receivable, net of allowance	10,840,837		10,840,837
Capital assets not being depreciated	11,136,219	2,524,103	13,660,322
Capital assets being depreciated, net	31,670,718	53,976,182	85,646,900
Total assets	74,582,259	74,451,421	149,033,680
 <b>LIABILITIES:</b>			
Accounts payable	237,726	1,879,657	2,117,383
Salary and benefits payable	459,206	44,715	503,921
Other accruals	667,033	717,585	1,384,618
Unearned revenue	1,585,129	3,080	1,588,209
Long-term debt:			
Due within one year	1,342,824	1,457,480	2,800,304
Due in more than one year	4,798,984	5,630,840	10,429,824
Total liabilities	9,090,902	9,733,357	18,824,259
 <b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	41,291,151	50,518,920	91,810,071
Restricted by: legislation	14,684	-	14,684
Restricted by: debt covenants	394,408	50,000	444,408
Unrestricted	23,791,114	14,149,144	37,940,258
Total net assets	65,491,357	64,718,064	130,209,421
Total liabilities and net assets	\$ 74,582,259	\$ 74,451,421	\$ 149,033,680

See accompanying notes to the basic financial statements



**CITY OF PIQUA, OHIO**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>GOVERNMENTAL ACTIVITIES:</b>							
General government	\$ 2,960,257	\$ 624,510	\$ 675,538	\$ 97,750	\$ (1,562,459)	\$ -	\$ (1,562,459)
Public safety	7,796,876	772,244	63,642	197,052	(6,763,938)	-	(6,763,938)
Streets and maintenance	5,143,056	93,392	-	1,210,086	(3,839,578)	-	(3,839,578)
Parks and recreation	915,284	88,900	180	317,236	(508,968)	-	(508,968)
Community development	618,328	26,146	480,405	-	(111,777)	-	(111,777)
Interest on long term debt	289,387	-	-	-	(289,387)	-	(289,387)
Total governmental activities	<u>17,723,188</u>	<u>1,605,192</u>	<u>1,219,765</u>	<u>1,822,124</u>	<u>(13,076,107)</u>	<u>-</u>	<u>(13,076,107)</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Electric	23,953,783	24,242,210	-	-	-	288,427	288,427
Wastewater	2,845,460	3,098,853	-	-	-	253,393	253,393
Refuse	1,523,263	1,659,648	-	-	-	136,385	136,385
Water	2,850,285	3,051,532	-	-	-	201,247	201,247
Golf	688,377	605,828	-	-	-	(82,549)	(82,549)
Ft. Piqua Plaza	42,372	18,200	-	-	-	(24,172)	(24,172)
Municipal Pool	199,277	92,746	-	-	-	(106,531)	(106,531)
Total business-type activities	<u>32,102,817</u>	<u>32,769,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>666,200</u>	<u>666,200</u>
Total	<u>\$ 49,826,005</u>	<u>\$ 34,374,209</u>	<u>\$ 1,219,765</u>	<u>\$ 1,822,124</u>	<u>\$ (13,076,107)</u>	<u>\$ 666,200</u>	<u>\$ (12,409,907)</u>
<b>GENERAL REVENUES:</b>							
Property taxes					1,452,709	-	1,452,709
State shared taxes					3,443,434	-	3,443,434
Income tax					10,275,491	-	10,275,491
Locally levied taxes					1,259,107	-	1,259,107
Investment earnings					388,469	445,609	834,078
Miscellaneous					1,852	-	1,852
Total general revenues					<u>16,821,062</u>	<u>445,609</u>	<u>17,266,671</u>
Transfers, in (out)					<u>(193,942)</u>	<u>193,942</u>	<u>-</u>
Change in net assets					3,551,013	1,305,751	4,856,764
Total net assets:							
Beginning of year					<u>61,940,344</u>	<u>63,412,313</u>	<u>125,352,657</u>
End of year					<u>\$ 65,491,357</u>	<u>\$ 64,718,064</u>	<u>\$ 130,209,421</u>

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008**

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
<b>ASSETS</b>						
Equity in pooled cash and cash equivalents	\$3,982,925	\$1,585,020	\$1,103,409	\$302,667	\$109,665	\$7,083,686
Equity in pooled investments	1,654,966	52,331	-	91,398	-	1,798,695
Accounts receivable	5,586,092	993,760	659,901	188,885	399,053	7,827,691
Interfund receivable	175,133	-	-	-	-	175,133
Prepaid items and other assets	8,248	-	-	-	-	8,248
Loans Receivable, net of allowance	10,391,096	-	-	-	449,741	10,840,837
<b>Total Assets</b>	<b>\$21,798,460</b>	<b>\$2,631,111</b>	<b>\$1,763,310</b>	<b>\$582,950</b>	<b>\$958,459</b>	<b>\$27,734,290</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable	\$ 130,300	\$ 89,547	\$ 3,099	\$ -	\$ 11,840	\$ 234,786
Interfund payable	-	-	-	-	175,133	175,133
Salaries and benefits	425,522	30,467	-	-	1,482	457,471
Accruals	37,265	393,213	150,719	-	54,366	635,563
<b>Total Current Liabilities</b>	<b>593,087</b>	<b>513,227</b>	<b>153,818</b>	<b>-</b>	<b>242,821</b>	<b>1,502,953</b>
<b>LONG-TERM LIABILITIES:</b>						
Restricted deposits	17,176	-	-	-	-	17,176
Deferred revenue	2,366,560	383,594	266,429	188,542	132,595	3,337,720
<b>Total Long Term Liabilities</b>	<b>2,383,736</b>	<b>383,594</b>	<b>266,429</b>	<b>188,542</b>	<b>132,595</b>	<b>3,354,896</b>
<b>Total Liabilities</b>	<b>2,976,823</b>	<b>896,821</b>	<b>420,247</b>	<b>188,542</b>	<b>375,416</b>	<b>4,857,849</b>
<b>FUND BALANCES</b>						
Reserved for encumbrances	428,757	359,365	197,384	-	181,074	1,166,580
Reserved for debt service	-	-	-	394,408	-	394,408
Reserved for non-current loans	10,391,096	-	-	-	449,741	10,840,837
Reserved by legislation	14,684	-	-	-	-	14,684
Unreserved reported in:						
General Fund	7,987,100	-	-	-	-	7,987,100
Special revenue funds	-	1,374,925	1,145,679	-	(47,772)	2,472,832
<b>Total fund balances</b>	<b>18,821,637</b>	<b>1,734,290</b>	<b>1,343,063</b>	<b>394,408</b>	<b>583,043</b>	<b>\$ 22,876,441</b>
<b>Total liabilities and fund balance</b>	<b>\$ 21,798,460</b>	<b>\$ 2,631,111</b>	<b>\$ 1,763,310</b>	<b>\$ 582,950</b>	<b>\$ 958,459</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 42,806,937
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,752,591
The following long-term liabilities are not due and payable in the current period and therefore are not reported as expenditures in the funds	
Capital leases, bonds and notes payable	(4,152,183)
Sick leave benefits	(1,972,449)
Accrued interest on bonds payable	(20,715)
Internal service funds are used to charge the costs of certain activities, such as the city's health care costs, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets	4,200,735
<b>Net assets of governmental activities</b>	<b>\$ 65,491,357</b>

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-- GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
<b>REVENUES:</b>						
Municipal income tax	\$ 7,158,030	\$ 1,642,826	\$ 1,467,083	\$ -	\$ -	\$ 10,267,939
Property taxes	1,154,790	-	-	68,620	229,299	1,452,709
State shared revenues	2,130,960	1,009,606	-	-	59,167	3,199,733
Locally levied taxes	1,259,107	-	-	-	-	1,259,107
Licenses and permits, fees	945,847	2,750	-	-	981	949,578
Grants: capital	239,302	-	1,210,086	-	317,236	1,766,624
Grants: operating	270,043	-	-	-	495,121	765,164
Investment income	166,483	32,401	19,621	27,098	7,766	253,369
Increase in fair market value of investments	53,763	1,560	-	-	-	55,323
Donations:						
Capital	55,500	-	-	-	-	55,500
Operating	361,505	-	-	-	50	361,555
Other fines, rents, and reimbursements	467,982	35,606	55,036	-	98,706	657,330
<b>Total revenues</b>	<u>14,263,312</u>	<u>2,724,749</u>	<u>2,751,826</u>	<u>95,718</u>	<u>1,208,326</u>	<u>21,043,931</u>
<b>EXPENDITURES:</b>						
General government administration	1,501,156	-	-	-	-	1,501,156
Public safety	7,499,017	-	-	-	276,596	7,775,613
Public health	492,327	-	-	-	4,587	496,914
Street repairs and maintenance	7,172	1,816,181	2,313,856	-	-	4,137,209
Parks and recreation	574,296	-	-	-	254,125	828,421
Community planning and development	390,259	-	-	-	552,165	942,424
Other	-	-	-	36,999	75,289	112,288
Debt principal payment	-	-	-	737,596	-	737,596
Debt interest payment	-	-	-	293,522	-	293,522
Capital costs	418,389	617,269	375,959	-	169,417	1,581,034
<b>Total expenditures</b>	<u>10,882,616</u>	<u>2,433,450</u>	<u>2,689,815</u>	<u>1,068,117</u>	<u>1,332,179</u>	<u>18,406,177</u>
Excess (deficiency) of revenues over expenditures	<u>3,380,696</u>	<u>291,299</u>	<u>62,011</u>	<u>(972,399)</u>	<u>(123,853)</u>	<u>2,637,754</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	-	-	486,977	-	-	486,977
Disposal of capital assets	1,852	-	-	-	-	1,852
Transfers, in	-	-	-	971,982	80,000	1,051,982
Transfers, out	(1,161,603)	(40,948)	-	-	(43,373)	(1,245,924)
<b>Total other financing sources (uses)</b>	<u>(1,159,751)</u>	<u>(40,948)</u>	<u>486,977</u>	<u>971,982</u>	<u>36,627</u>	<u>294,887</u>
Net change in fund balance	2,220,945	250,351	548,988	(417)	(87,226)	2,932,641
Fund balance-beginning of year	16,600,692	1,483,939	794,075	394,825	670,269	19,943,800
Fund balance-end of year	<u>\$ 18,821,637</u>	<u>\$ 1,734,290</u>	<u>\$ 1,343,063</u>	<u>\$ 394,408</u>	<u>\$ 583,043</u>	<u>\$ 22,876,441</u>

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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Total net change in fund balances Governmental funds	\$ 2,932,641
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures; however in the statement of activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays (\$1,587,452) exceed depreciation expense (\$1,558,654)	28,798
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: (State shared taxes \$243,701, Income taxes \$7,552, Ems billings (\$1,716), Fema revenue \$93,046)	342,583
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	737,596
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	179,464
Interest payable	4,135
Proceeds from the issuance of bonds, capital lease or other debt instruments are not considered revenues on the Statement of Activities	(486,977)
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	(187,227)
Change in the net assets of governmental activities on the statement of activities	<u>\$ 3,551,013</u>

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2008**

ASSETS	Electric	Wastewater	Refuse	Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Governmental Activities - Internal Service Funds
Current assets:									
Equity in pooled cash and cash equivalents	\$ 8,034,612	\$ 1,129,454	\$ 399,542	\$ 1,232,047	\$ 40,552	\$ 18,475	\$ 5,964	\$ 10,860,646	\$ 3,568,478
Equity in pooled investments	1,722,801	52,327	-	52,331	-	-	-	1,827,459	858,684
Accounts receivable	3,329,887	419,900	217,318	397,533	160	-	-	4,364,798	6,367
Allowance for uncollectible accounts	(209,244)	(42,913)	(24,840)	(43,854)	-	-	-	(320,851)	-
Inventories	705,664	-	-	131,680	15,852	-	-	853,196	-
Prepaid items and other assets	40,345	3,961	22,755	1,235	-	-	-	68,296	8,402
Total Current Assets	13,624,065	1,562,729	614,775	1,770,972	56,564	18,475	5,964	17,653,544	4,441,931
Noncurrent assets:									
Capital assets not being depreciated									
Land	68,661	33,775	17,949	162,293	370,344	-	-	653,022	-
Construction in process	784,134	1,086,947	-	-	-	-	-	1,871,081	-
Capital assets being depreciated									
Plant and equipment in service, net	31,755,397	9,617,100	227,519	10,763,873	1,282,775	-	329,518	53,976,182	113,543
Total Capital Assets	32,608,192	10,737,822	245,468	10,926,166	1,653,119	-	329,518	56,500,285	113,543
Deferred bond issuance costs	26,184	13,633	-	-	30,469	-	1,540	71,826	-
Total Noncurrent Assets	32,634,376	10,751,455	245,468	10,926,166	1,683,588	-	331,058	56,572,111	113,543
Total Assets	\$ 46,258,441	\$ 12,314,184	\$ 860,243	\$ 12,697,138	\$ 1,740,152	\$ 18,475	\$ 337,022	\$ 74,225,655	\$ 4,555,474

See accompanying notes to the basic financial statements

Continued

**CITY OF PIQUA, OHIO**

**BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2008**

	Electric	Wastewater	Refuse	Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Governmental Activities - Internal Service Funds
<b>LIABILITIES</b>									
Current liabilities:									
Accounts payable	\$ 1,715,008	\$ 40,171	\$ 24,689	\$ 90,362	\$ 4,863	\$ 1,115	\$ 3,449	\$ 1,879,657	\$ 2,940
Interfund payable	-	-	-	-	-	-	-	-	-
Salaries and benefits	15,599	6,948	3,759	7,215	11,194	-	-	44,715	1,735
Accrued vacation, personal, and sick leave	277,729	70,842	32,671	62,472	9,228	-	-	452,942	45,749
Accruals and prepaid memberships	9,998	636,337	-	47,928	8,600	17,360	442	720,665	10,755
Current portion of long term debt	370,000	390,874	-	118,664	119,000	-	6,000	1,004,538	-
<b>Total Current Liabilities</b>	<b>2,388,334</b>	<b>1,145,172</b>	<b>61,119</b>	<b>326,641</b>	<b>152,885</b>	<b>18,475</b>	<b>9,891</b>	<b>4,102,517</b>	<b>61,179</b>
Long-term liabilities:									
Accrued vacation, personal, and sick leave	307,987	140,587	58,778	129,258	17,403	-	-	654,013	29,452
Long term Debt	759,336	2,242,200	-	731,037	1,184,528	-	59,726	4,976,827	-
<b>Total Long-Term Liabilities</b>	<b>1,067,323</b>	<b>2,382,787</b>	<b>58,778</b>	<b>860,295</b>	<b>1,201,931</b>	<b>-</b>	<b>59,726</b>	<b>5,630,840</b>	<b>29,452</b>
<b>Total Liabilities</b>	<b>3,455,657</b>	<b>3,527,959</b>	<b>119,897</b>	<b>1,186,936</b>	<b>1,354,816</b>	<b>18,475</b>	<b>69,617</b>	<b>9,733,357</b>	<b>90,631</b>
<b>NET ASSETS</b>									
Invested in capital assets, net of related debt	31,478,856	8,104,748	245,468	10,076,465	349,591	-	263,792	50,518,920	113,543
Restricted by debt covenants	-	50,000	-	-	-	-	-	50,000	-
Unrestricted	11,323,928	631,477	494,878	1,433,737	35,745	-	3,613	13,923,378	4,351,300
<b>Total Net Assets</b>	<b>42,802,784</b>	<b>8,786,225</b>	<b>740,346</b>	<b>11,510,202</b>	<b>385,336</b>	<b>-</b>	<b>267,405</b>	<b>64,492,298</b>	<b>4,464,843</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 46,258,441</b>	<b>\$ 12,314,184</b>	<b>\$ 860,243</b>	<b>\$ 12,697,138</b>	<b>\$ 1,740,152</b>	<b>\$ 18,475</b>	<b>\$ 337,022</b>	<b>\$ 4,555,474</b>	<b>\$ 4,555,474</b>
Adjustment to consolidate the internal service fund activities								225,766	
<b>Total net assets per the government-wide Statement of Net Assets</b>								<b>\$ 64,718,064</b>	

See accompanying notes to the basic financial statements

Concluded

**CITY OF PIQUA, OHIO**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Business-type Activities							Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Golf	Ft. Piqua Plaza	Municipal Pool	
<b>OPERATING REVENUES:</b>								
Customer services	\$ 23,651,397	\$ 3,054,048	\$ 1,637,438	\$ 2,945,223	\$ 605,277	\$ 18,200	\$ 92,878	\$ 32,004,461
Penalty charges	161,896	35,350	20,310	33,663	-	-	-	251,219
Total operating revenues	23,813,293	3,089,398	1,657,748	2,978,886	605,277	18,200	92,878	32,255,680
<b>OPERATING EXPENSES:</b>								
Fossil fuels used for production	5,730	-	-	-	-	-	-	5,730
Purchased power	18,241,532	-	-	-	-	-	-	18,241,532
Salaries and employee benefits	1,824,892	970,941	504,205	1,070,295	273,201	-	79,957	4,723,491
Depreciation	1,651,719	942,733	8,276	401,692	85,534	-	37,474	3,127,428
Materials and supplies	379,924	97,527	32,131	224,634	136,280	2,358	36,153	909,007
Utilities	2,397	132,863	2,549	170,760	35,133	5,104	17,842	366,648
Outside services	953,112	278,271	814,485	385,757	14,657	30,728	5,279	2,482,289
Billing costs	391,279	208,695	89,803	245,513	-	-	-	935,290
Chemicals	-	7,780	-	178,873	35,766	-	9,528	231,947
Other	395,564	81,250	-	118,124	30,960	4,182	6,144	705,153
Total operating expenses	23,846,149	2,720,060	1,520,378	2,795,648	611,531	42,372	192,377	31,728,515
Operating income (loss)	(32,856)	369,338	137,370	183,238	(6,254)	(24,172)	(99,499)	527,165
<b>NON-OPERATING REVENUES(EXPENSES):</b>								
Interest on debt	(50,259)	(132,895)	-	(32,528)	(65,785)	-	(3,316)	(284,783)
Interest income	265,010	23,309	8,227	25,384	3,092	-	294	325,316
Net (decrease) in fair market value of investments.	49,348	1,563	-	1,559	-	-	-	52,470
Other, net	428,917	9,455	1,900	72,646	551	-	(132)	513,337
Net non-operating revenues (expenses)	693,016	(98,568)	10,127	67,061	(62,142)	-	(3,154)	606,340
Transfers, in	-	-	-	-	98,665	24,172	71,105	193,942
Change in net assets	660,160	270,770	147,497	250,299	30,269	-	(31,548)	1,327,447
Total net assets-beginning of year	42,142,624	8,515,455	592,849	11,259,903	355,067	-	298,953	4,678,527
Total net assets-end of year	\$ 42,802,784	\$ 8,786,225	\$ 740,346	\$ 11,510,202	\$ 385,336	\$ -	\$ 267,405	\$ 4,464,843

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

(21,696)

Change in net assets of business-type activities

\$ 1,305,751

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Business-type Activities						Total	Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Golf	Ft. Piqua Plaza		
<b>OPERATING ACTIVITIES:</b>								
Cash received for services	\$ 23,477,512	\$ 3,074,393	\$ 1,645,303	\$ 3,037,219	\$ 608,003	\$ 18,200	\$ 92,878	\$ 31,953,508
Cash paid to suppliers for goods or services	(20,235,356)	(213,415)	(1,069,409)	(1,278,703)	(250,018)	(23,897)	(73,515)	(23,144,313)
Cash paid to employees for services	(1,876,865)	(1,005,219)	(504,211)	(1,151,159)	(271,060)	-	(78,759)	(4,887,273)
Net cash provided by (used in) operating activities	1,365,291	1,855,759	71,683	607,357	86,925	(5,697)	(59,396)	3,921,922
<b>NONCAPITAL FINANCING ACTIVITIES:</b>								
Transfers, in	-	-	-	-	98,665	24,172	71,105	193,942
Net cash provided by (used in) noncapital financing activities	-	-	-	-	98,665	24,172	71,105	193,942
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>								
Principal paid on bonds and notes	(354,779)	(373,642)	-	(114,644)	(102,221)	-	(5,155)	(950,441)
Interest paid on bonds and notes	(51,452)	(132,895)	-	(32,528)	(66,163)	-	(3,335)	(286,373)
Acquisition and construction of capital assets	(1,365,841)	(1,117,221)	-	(94,982)	(20,000)	-	-	(2,598,044)
Disposals of capital assets	110,295	769	-	(1,512)	4,750	-	-	114,302
Net cash provided by (used in) capital & related financing activities	(1,661,777)	(1,622,889)	-	(243,666)	(183,634)	-	(8,490)	(3,720,556)
<b>INVESTING ACTIVITIES:</b>								
Purchases of investment securities	(1,673,382)	(50,767)	-	(50,770)	-	-	-	(1,774,919)
Proceeds from sale or maturity of investment securities	3,206,400	248,960	100,000	148,960	-	-	-	3,704,320
Interest received	303,625	26,268	9,427	27,145	3,092	-	317	369,874
Net cash provided by (used in) investing activities	1,836,643	224,461	109,427	125,335	3,092	-	317	2,299,275
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>1,540,157</b>	<b>457,231</b>	<b>181,110</b>	<b>489,026</b>	<b>5,048</b>	<b>18,475</b>	<b>3,536</b>	<b>2,694,583</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>6,494,455</b>	<b>672,223</b>	<b>218,432</b>	<b>743,021</b>	<b>35,504</b>	<b>-</b>	<b>2,428</b>	<b>8,166,063</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 8,034,612</b>	<b>\$ 1,129,454</b>	<b>\$ 399,542</b>	<b>\$ 1,232,047</b>	<b>\$ 40,552</b>	<b>\$ 18,475</b>	<b>\$ 5,964</b>	<b>\$ 10,860,646</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (32,856)</b>	<b>\$ 369,338</b>	<b>\$ 137,370</b>	<b>\$ 183,238</b>	<b>\$ (6,254)</b>	<b>\$ (24,172)</b>	<b>\$ (99,499)</b>	<b>\$ 527,165</b>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Depreciation	1,651,719	942,733	8,276	401,692	85,534	-	37,474	3,127,428
(Increase)/Decrease in Accounts Receivable	(697,274)	(27,410)	(14,345)	(14,503)	(147)	-	-	(753,679)
(Increase)/Decrease in Inventory	(25,347)	-	-	10,943	1,602	-	-	(12,802)
(Increase)/Decrease in Prepaids	(17,486)	(1,865)	(22,754)	(11,493)	-	-	-	(53,598)
Increase/(Decrease) in Accounts Payable	100,611	599,520	(35,754)	31,045	1,832	18,475	2,629	718,358
Increase/(Decrease) in Accrued Wages and Benefits	(51,973)	(38,194)	(3,010)	(77,166)	1,485	-	-	(168,858)
(Increase)/Decrease in Deferred Revenues	-	-	-	-	(750)	-	-	(750)
Net (Increase)/Decrease in Other Operating Net Assets	437,897	11,637	1,900	83,601	3,623	-	-	538,658
Net cash provided by (used in) operating activities	\$ 1,365,291	\$ 1,855,759	\$ 71,683	\$ 607,357	\$ 86,925	\$ (5,697)	\$ (59,396)	\$ 3,921,922
<b>SUPPLEMENTAL INFORMATION:</b>								
Noncash activities:	\$ 49,348	\$ 1,563	\$ -	\$ 1,559	\$ -	\$ -	\$ -	\$ 52,470
Change in fair value of investments	-	-	-	-	-	-	-	-

See accompanying notes to the basic financial statements



# CITY OF PIQUA, OHIO

## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS DECEMBER 31, 2008

<b>ASSETS:</b>	<u>Private Purpose Centennial Trust</u>	<u>Agency Funds</u>
Equity in pooled cash and cash equivalents	\$ 464	\$ 16,762
Total Assets	<u>\$ 464</u>	<u>\$ 16,762</u>
 <b>LIABILITIES:</b>		
Withholdings payable		\$ 16,331
Undistributed monies		<u>431</u>
Total Liabilities		<u>\$ 16,762</u>
 <b>NET ASSETS</b>		
Held in trust for other purposes	<u>\$ 464</u>	

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2008

<b>ADDITIONS</b>	
Interest income	<u>\$ 12</u>
Total additions	<u>\$ 12</u>
Change in net assets	\$ 12
Total net assets-beginning of year	<u>\$ 452</u>
Total net assets-end of year	<u>\$ 464</u>

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2008**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

***BASIS OF PRESENTATION***

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

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

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

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2008**

The City reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2008**

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. A portion of the fund balance is reserved in governmental funds for the amount of inventory and prepaid expenditures.

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

***Encumbrances***—The City utilizes encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures, which are not yet complete, are recorded as encumbrances. Encumbrances outstanding at year-end are reported as a reservation of fund balance since they do not constitute expenditures or liabilities.

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

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

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

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

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2008**

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

**Capital Assets**—Capital assets are recorded based on historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

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

**Reserves and Designations**—Reserves are portions of fund equity not appropriable for expenditures/expenses or are legally segregated for a specific future use, or both. Designations are tentative plans for financial resource use in a future period. Such plans or intent are subject to change. They may never be legally authorized or result in expenditure/expense.

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

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

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

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

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2008**

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

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

**B. POOLED CASH DEPOSITS AND INVESTMENTS**

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

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

At December 31, 2008, the carrying amount of the City's deposits was \$1,991,830 while the balance as shown by the bank statements was \$2,081,602. As of December 31, 2008, \$1,830,269 of the City's bank balance was exposed to custodial risk as discussed above, while \$251,333 was covered by Federal Deposit Insurance.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company but does operate in a manner similar to rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at the pool's share price, which is the price for which the investment could be sold for on December 31, 2008.

*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, 2008, all investments were registered in the name of the City.

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

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

<u>Investment Type</u>	<u>Quality Rating</u>	<u>Fair Value</u>
City of Piqua Bonds	Non-Rated	\$ 426,398
U.S. Government Agency Obligations	AAA	4,058,440
Unity National Investment	Non-Rated	504,019
STAR Ohio	AAAm	<u>19,029,495</u>
Total		<u>\$24,018,352</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, 2008.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
City of Piqua Bonds	\$ 426,398	1.77%
FHLB	4,058,440	16.90%
Unity National Investment	504,019	2.10%
STAR Ohio	<u>19,029,495</u>	<u>79.23%</u>
Total	<u>\$24,018,352</u>	<u>100.00%</u>

Except for investments in U.S. Treasury and STAR Ohio, no more than 15% of the City’s total investment portfolio will be invested in a single security type or with a single financial institution. Contrary to the City’s policy, the City maintained greater than 15% of its investment portfolio in FHLB securities at December 31, 2008.

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

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>			<u>Total Fair Value</u>
	<u>Less than 1</u>	<u>1 - 5</u>	<u>Greater than 5</u>	
City of Piqua Bonds & Notes	\$ 48,795	\$ 143,139	\$ 234,464	\$ 426,398
FHLB		4,058,440		4,058,440
Unity National Investment	504,019			504,019
STAR Ohio	<u>19,029,495</u>			<u>19,029,495</u>
Total	<u>\$19,582,309</u>	<u>\$4,201,579</u>	<u>\$ 234,464</u>	<u>\$24,018,352</u>

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**C. PROPERTY TAXES**

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

The property tax calendar is as follows:

Levy date	January 1, 2007
Lien date	January 1, 2008
Tax bill mailed	January 20, 2008
First installment payment due	February 20, 2008
Second installment payment due	July 20, 2008

The assessed values for the City at January 1, 2008 were as follows:

Real estate	\$ 326,748,650
Tangible personal property	<u>35,134,860</u>
Total	<u>\$ 361,883,510</u>

The County Treasurer collects property taxes on behalf of taxing districts, including the City of Piqua. The County Auditor periodically remits to the City its portion of taxes collected. Property taxes may be paid on either an annual or semiannual basis. Although total property tax collections for the next fiscal year are measurable, amounts to be received are not available at December 31, 2008, nor are they intended to finance 2008 operations. Therefore, the City has recorded property taxes receivable with a corresponding amount as deferred revenue.

Ohio law prohibits taxation of property in excess of \$10 per \$1,000 (10.0 mills) of assessed value without a vote of the citizens. The City's share is currently \$3.70 (3.7 mills) of assessed value. In 2008, the City also received an additional 0.60 mills to fund the Pension Refunding Bonds, and 0.12 mills for costs of the Miami Conservancy District.

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

**D. INCOME TAXES**

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

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



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**E. OTHER TAXES**

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

Estate taxes	\$ 1,025,081
Local government revenue assistance	1,025,235
Gasoline taxes	735,921
Vehicle license taxes	272,688
Miscellaneous other taxes	<u>384,509</u>
	<u>\$ 3,443,434</u>

The City has two locally issued taxes; a KWH tax totaling \$1,193,424 which is recognized based upon sales of electrical services, and a hotel/motel tax totaling \$65,683 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 \$10,833,303 for the restoration of the historic Fort Piqua Hotel into a library and conference/banquet center; and real estate second mortgages which are partially forgivable over five to fifteen year periods netted by an estimated allowance for forgiveness or amounts uncollectible. The real estate second mortgages are \$1,030,093 with an estimated allowance for forgiveness of \$1,022,559.

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

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**G. CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Construction In Process Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 4,127,748	\$ 22,500	\$ -	\$ -	\$ 4,150,248
Infrastructure land	888,581	-	-	28	888,609
Construction in progress	<u>5,584,586</u>	<u>1,096,745</u>	<u>-</u>	<u>(583,969)</u>	<u>6,097,362</u>
Assets not depreciated	<u>10,600,915</u>	<u>1,119,245</u>	<u>-</u>	<u>(583,941)</u>	<u>11,136,219</u>
Capital assets being depreciated:					
Buildings and improvements	11,309,070	70,926	(2,067)	-	11,377,929
Furniture, fixtures and equipment	10,297,687	397,281	-	-	10,694,968
Infrastructure	<u>25,778,765</u>	<u>-</u>	<u>-</u>	<u>583,941</u>	<u>26,362,706</u>
Depreciated capital assets	47,385,522	468,207	(2,067)	583,941	48,435,603
Accumulated depreciation:					
Buildings and improvements	(2,027,493)	(243,926)	2,067	-	(2,269,352)
Furniture, fixtures and equipment	(7,470,698)	(740,640)	-	-	(8,211,338)
Infrastructure	<u>(5,710,107)</u>	<u>(574,088)</u>	<u>-</u>	<u>-</u>	<u>(6,284,195)</u>
Total accumulated depreciation	<u>(15,208,298)</u>	<u>(1,558,654)</u>	<u>2,067</u>	<u>-</u>	<u>(16,764,885)</u>
Net capital assets being depreciated	<u>\$32,177,224</u>	<u>\$(1,090,447)</u>	<u>\$ -</u>	<u>\$ 583,941</u>	<u>\$31,670,718</u>
Net capital assets	<u>\$ 42,778,139</u>	<u>\$ 28,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,806,937</u>

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

General governmental	\$ 225,386
Public safety	265,032
Street repairs and maintenance	972,357
Parks	79,241
Community Development	<u>5,458</u>
Governmental functions depreciation expense	1,547,474
Information technology (internal service fund)	<u>11,180</u>
Total depreciation expense	<u>\$1,558,654</u>

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

	Beginning Balance	Increases	Decreases	Construction In Process Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 653,022	\$ -	\$ -	\$ -	\$ 653,022
Construction in progress	<u>823,932</u>	<u>1,822,728</u>	<u>-</u>	<u>(775,579)</u>	<u>1,871,081</u>
Assets not depreciated	<u>1,476,954</u>	<u>1,822,728</u>	<u>-</u>	<u>(775,579)</u>	<u>2,524,103</u>
Capital assets being depreciated:					
Land improvements	1,461,318	-	-	-	1,461,318
Buildings and improvements	34,698,644	13,900	(10,000)	-	34,702,544
Furniture, fixtures and equipment	81,261,915	761,416	(282,152)	775,579	82,516,758
Intangible assets	<u>2,833,483</u>	<u>-</u>	<u>(31,351)</u>	<u>-</u>	<u>2,802,132</u>
Depreciated capital assets	120,255,360	775,316	(323,503)	775,579	121,482,752
Accumulated depreciation:					
Land improvements	(700,410)	(22,240)	-	-	(722,650)
Buildings and improvements	(14,585,853)	(982,654)	3,000	-	(15,565,507)
Furniture, fixtures and equipment	(48,316,708)	(2,037,608)	194,867	-	(50,159,449)
Intangible assets	<u>(985,372)</u>	<u>(84,926)</u>	<u>11,334</u>	<u>-</u>	<u>(1,058,964)</u>
Total accumulated depreciation	<u>(64,588,343)</u>	<u>(3,127,428)</u>	<u>209,201</u>	<u>-</u>	<u>(67,506,570)</u>
Net capital assets being depreciated	<u>55,667,017</u>	<u>(2,352,112)</u>	<u>(114,302)</u>	<u>775,579</u>	<u>53,976,182</u>
Net capital assets	<u>\$ 57,143,971</u>	<u>\$ (529,384)</u>	<u>\$ (114,302)</u>	<u>\$ -</u>	<u>\$56,500,285</u>

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

Electric	\$ 1,651,719
Wastewater	942,733
Refuse	8,276
Water	401,692
Golf	85,534
Municipal Pool	<u>37,474</u>
Total depreciation expense	<u>\$ 3,127,428</u>

There was no capitalized interest for the fiscal year 2007 or 2008.

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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, 2008 was as follows:

	Maturity Dates	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>						
Building facility bonds, 5.97%	12/1/2010	\$1,455,000	\$ -	\$ 455,000	\$ 1,000,000	\$ 485,000
Total governmental general obligation bonds		1,455,000	-	455,000	1,000,000	485,000
Taxable revenue bonds, 7.12%	12/1/2017	2,400,000	-	190,000	2,210,000	200,000
Capital lease (Note I)	7/9/2009	68,551	-	39,742	28,809	28,809
Special assessment bonds, 9% (See note below)*	12/15/2018	124,250	-	32,853	91,397	28,795
State Infrastructure Bank Note, 3%	4/29/2020	-	486,977	-	486,977	-
Compensated absences		2,133,644	702,119	863,314	1,972,449	580,220
Restricted deposits		12,598	6,204	1,626	17,176	-
Other—Pension refunding bonds, 6.25%	12/01/2020	355,000	-	20,000	335,000	20,000
Total governmental long-term liabilities		<u>\$ 6,549,043</u>	<u>\$ 1,195,300</u>	<u>\$ 1,602,535</u>	<u>\$ 6,141,808</u>	<u>\$ 1,342,824</u>

\* Special assessment bonds mature annually on 12/15 through 2018.

**Business-Type Activities:**

Electric G.O. bonds, 2.0%-3.4%	11/15/2011	\$ 1,484,115	\$ -	\$ 354,779	\$ 1,129,336	\$ 370,000
OWDA Loan-1995, 4.56%	1/1/2015	3,006,716	-	373,642	2,633,074	390,874
OWDA Loan-2005, 3.5%	7/1/2015	869,511	-	103,285	766,226	106,932
OWDA Loan-2006, 3.25%	7/1/2015	94,834	-	11,359	83,475	11,732
Recreational facility bonds G.O., 2.0%-4.1%	11/15/2018	1,476,630	-	107,376	1,369,254	125,000
Compensated Absences		<u>1,178,765</u>	<u>469,568</u>	<u>541,378</u>	<u>1,106,955</u>	<u>452,942</u>
Total long-term liabilities		<u>\$ 8,110,571</u>	<u>\$ 469,568</u>	<u>\$ 1,491,819</u>	<u>\$ 7,088,320</u>	<u>\$ 1,457,480</u>

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

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

Ohio Water Development Authority (“OWDA 1995”) Wastewater Sewer Project Notes are issued under a cooperative agreement for construction, maintenance and operation of a state sewer project. Payments to the OWDA will be made from the utility’s pledged future revenues. The total principal and interest remaining to be paid on the notes is \$3,039,221. Principal and interest paid for the current year and total customer net revenues were \$506,537 and \$1,344,835, respectively.

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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 \$956,618. Principal and interest paid for the current year and total customer net revenues were \$147,172 and \$682,960, respectively.

State Infrastructure Bank Revenue Note was issued to finance a joint city/county road widening project. The city’s .25% income tax revenues from the Street construction fund and county highway use funds have been pledged for a ten year period ending in 2020. The total principal and interest remaining to be paid on the note is \$594,105, which will be payable starting in October 2010. The city’s .25% income tax levy will pay two thirds of the principal and interest with the remaining one third from county highway use funds. The estimated annual principal and interest payments represent 4% of the estimated net revenues from this tax levy.

Taxable Economic Development Bonds were issued to facilitate the rehabilitation of Fort Piqua Hotel complex. Net project revenues and non tax revenues will be used for the repayment of the bonds.

The Special Assessment Bonds which are held for investment by other City funds were issued annually to finance the publics costs associated with various street reconstruction projects. The total principal and interest remaining to be paid on the bonds is \$114,301. Principal and interest paid for the current year and total net revenue were \$44,037 and 81,074 respectively.

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

The annual requirements to pay principal and interest on long-term obligations at December 31, 2008 are listed as follows:

Year Ending December 31	General Obligation Bonds				Notes Payable			
	Governmental Activities		Business Type Activities		Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	485,000	59,700	477,155	90,385	-	-	509,538	144,171
2010	515,000	30,746	492,155	75,535	5,723	23,981	531,724	121,984
2011	-	-	507,155	59,150	45,018	14,392	554,889	98,820
2012	-	-	122,376	41,170	46,352	13,059	579,073	74,635
2013	-	-	127,376	36,310	47,801	11,610	1,307,551	73,454
2014—2018	-	-	772,373	97,060	261,724	35,328	-	-
2019—2023	-	-	-	-	80,359	8,758	-	-
2024—2026	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ 90,446</b>	<b>\$ 2,498,590</b>	<b>\$ 399,610</b>	<b>\$ 486,977</b>	<b>\$ 107,128</b>	<b>\$ 3,482,775</b>	<b>\$ 513,064</b>

Year Ending December 31	Pension Bonds		Special Assessment Bonds		Taxable Revenue Bonds Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
	2009	20,000	20,938	28,795	8,226	200,000
2010	20,000	19,688	22,891	5,634	210,000	143,112
2011	20,000	18,438	15,965	3,574	220,000	128,160
2012	25,000	17,188	7,143	2,137	235,000	112,496
2013	25,000	15,625	7,140	3,251	245,000	95,764
2014—2018	150,000	52,813	9,463	81	1,100,000	199,716
2019—2023	75,000	7,185	-	-	-	-
<b>Total</b>	<b>\$ 335,000</b>	<b>\$ 151,875</b>	<b>\$ 91,397</b>	<b>\$ 22,903</b>	<b>\$ 2,210,000</b>	<b>\$ 836,600</b>

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

<u>Obligation</u>	<u>Fund</u>
General obligation bonds	General fund, Electric, Golf, Pool, and Debt service
Pension refunding bonds	General fund and Debt service
Taxable revenue bonds	General fund and Debt service
Capital leases	Street maintenance and Debt service
Special assessment bonds	Debt service
Ohio water development authority note	Water, Wastewater, and Debt service
Restricted deposits	General Fund
Compensated absences	General Fund, Street maintenance, Community development, Electric, Water, Wastewater, Refuse, Golf, Pool, and Information technology

**I. CAPITAL LEASE COMMITMENTS**

The City is obligated under two leases accounted for as capital leases. The cost of the leased assets is included in the City's capital assets used in governmental activities. The original cost of the assets under capital lease was \$189,318.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2008. This amount also appears in Note H.

<u>Year ending December 31,</u>	<u>Capital Lease</u>
2009	<u>\$29,758</u>
Total minimum lease payments	29,758
Less: amount representing interest At 3.50%-4.25%	<u>(949)</u>
Present value of minimum lease payments	<u><u>\$ 28,809</u></u>

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**J. INTERFUND TRANSACTIONS**

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

Interfund receivable and payable balances at December 31, 2008 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 175,133	\$ -
Non-major Governmental Funds	<u>-</u>	<u>175,133</u>
	<u>\$ 175,133</u>	<u>\$ 175,133</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, 2008 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental		
General Fund	\$ -	\$ 1,161,603
Street Maintenance	-	40,948
Debt Service	971,982	-
Other Governmental (non-major)	80,000	43,373
Proprietary		
Golf	98,665	-
Fort Piqua Plaza	24,172	-
Municipal Pool	<u>71,105</u>	<u>-</u>
	<u>\$ 1,245,924</u>	<u>\$ 1,245,924</u>

Transfers out of the Street Maintenance and Other Governmental funds were used to reimburse the City's debt service funds and the general fund for debt service and pension obligation costs.

**K. PENSION PLAN OBLIGATIONS**

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

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***Police and Fire Disability Pension Fund Plan***—Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively for police officers and firefighters. The contribution requirements for the years ended December 31, 2008, 2007, and 2006 were \$1,407,327, \$1,417,029 and \$1,403,981, which consisted of \$962,921, \$968,889 and \$960,379 from the City and \$444,405, \$448,140, and \$443,602 from the employees, respectively, or 77% of the required contributions for 2007 and 73% of the required contributions for 2006 and 79% of the required contributions for 2005. The unpaid portion of \$246,838 is reported as liability in the respective funds.

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

OPERS administers three separate pension plans as described below:

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

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

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

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

The Ohio Revised Code also provides statutory authority for member and employer contributions. For 2008, 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, 2008, 2007 and 2006 were \$1,843,620, \$1,785,377, and \$1,708,494 respectively, equal to the required contributions for the year.



**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2008**

**L. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

***Police and Firemen's Disability Pension Fund OPEB***—The fund provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18, whether or not the child is attending school, or under the age of 22, if attending full-time or on a 2/3 basis. The Ohio Revised code provides that health care costs paid shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll.

The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer health care coverage to all eligible employees and is administrated as an Internal Revenue Code 401(h) account within the defined benefit pension plan. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 6.75% of covered payroll in 2008. Beginning in 2001, active members do not make contributions to the OPEB, all retirees and survivors make monthly health care contributions.

The number of participants eligible to receive health care benefits statewide as of December 31, 2007, the date of the last actuarial valuation available, was 14,295 for police and 10,583 for firemen. OP&F's total health care expense for the year ending December 31, 2007, the date of the last actuarial valuation available, was \$93,205,319, which was net of member contributions of \$56,031,875. The City's contributions that were used to pay post employment benefits by Ohio Police and Fire for the years ended December 31, 2008, 2007, and 2006 \$299,776, \$302,297, and \$343,636.63 respectively.

***Public Employees Retirement System OPEB***— OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to OPERS (7% of the total 14% contribution—See Note K) is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority for employer contributions and for requiring public employers to fund pension and post-retirement health care through their contributions to OPERS. The 2008 employer contribution rate for local government employer units was 14% of covered payroll, of which 7% was used to fund health care for the year.

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

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed.

**CITY OF PIQUA, OHIO**  
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**December 31, 2008**

Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

*Actuarial Review:* The assumptions and calculations below were based on the OPERS' latest actuarial review performed as of December 31, 2007.

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

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

*Investment Return:* The investment assumption rate for 2007 was 6.50%.

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

*Health Care:* Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 4% for the next 7 years. In subsequent years, (8 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate). OPEBs are advance-funded on an actuarially determined basis. At year-end 2008, the number of active contributing participants in the Traditional and Combined Plans totaled 363,503. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076. The amount of \$12.8 billion represents the actuarial value of the OPERS' net assets available for OPEB at December 31, 2007. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2007, reported the actuarial accrued liability and the unfunded actuarial accrued liability for OPEB at \$29.8 billion and \$17.0 billion, respectively. The City's contributions that were used to pay post employment benefits by Ohio Public Employee Retirement System for the years ended December 31, 2008, 2007, and 2006 \$537,720, \$422,508, and \$372,232 respectively.

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

#### **M. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM**

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

#### **N. OHIO PROFESSIONAL FIRE FIGHTERS DEFERRED COMPENSATION PROGRAM**

In addition to the Ohio Public Employees Deferred Compensation Program; the City offers its sworn fire officers an optional deferred compensation plan created in accordance with Internal Revenue Code ("IRC")

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2008**

Section 457. The plan which is only available to sworn fire officers permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**O. CONTINGENCIES**

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

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

**P. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In 2002, the City joined a joint insurance pool, Miami Valley Risk Management Association, Inc. ("MVRMA") with other local cities. The pool has been operational since December 1988, and was formed in accordance with Section 2744.081 of the Ohio Revised Code. This jointly governed organization provides real and personal property, crime, surety, general liability, boiler and machinery, employment practices liability, police professional and public officials liability coverage up to the limits stated below. Membership in MVRMA is intended to provide broad-based coverage up to the limits stated below, with increased emphasis on safety and loss prevention and to create opportunity for other local governments to participate. MVRMA is a non-profit corporation governed by a twenty-member board of trustees, consisting of a representative appointed by each of the member cities. The board of trustees elects the officers of the corporation, with each trustee having a single vote. Management is provided by an executive director, who is assisted by a claims manager, a full-time loss control manager and office staff. The board is responsible for its own financial matters and the corporation maintains its own books of account. Budgeting and financing of MVRMA is subject to the approval of the board, and the organization is covered by policies, procedures, and formally adopted bylaws.

The City pays an annual member contributions premium to MVRMA for this coverage. The agreement provides that MVRMA will be self-sustaining through member contributions premiums and the purchase of excess insurance and reinsurance. The city's deductible per occurrence for all types of claims is \$2,500. During 2008, MVRMA'S per-occurrence retention limit for property was \$200,000, with the exception of boiler and machinery for which there was a \$5,000 per occurrence retention limit. Liability had a per occurrence retention limit of \$1,000,000.

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

General Liability (including law enforcement)	\$10,000,000 per occurrence/ excess \$1,000,000 sir
Automobile Liability	\$10,000,000 per occurrence/excess \$1,000,000 sir
Police Professional Liability	\$10,000,000 excess \$1,000,000 (\$10,000,000 aggregate per city)
Boiler and Machinery	\$100,000,000 per occurrence

**CITY OF PIQUA, OHIO**  
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Property	\$1,000,000,000 per occurrence
Flood and Earthquake	\$25,000,000 per occurrence and annual aggregate
Employment Practices Liability and Public Officials Liability	\$10,000,000 excess \$1,000,000 (\$10,000,000 annual combined aggregate per city)

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

The City employee's health plan is provided through a fully insured plan with Medical Mutual of Ohio and is accounted for and financed through an internal service fund.

**Q. RELATED PARTY DISCLOSURES**

The current City Manager, Fred Enderle, is the Vice-President of the Fort Piqua Redevelopment Corporation, which is the general partner of the City of Piqua Downtown Redevelopment Project, L.P. The City of Piqua Downtown Redevelopment Project L.P. is in the process of restoring the historical Fort Piqua Hotel into a library and conference/banquet center. To date the City has loaned the project \$10,833,303 which will be funded 75% from donations, grants, and state tax credits reimbursements.

**R. PURCHASED POWER**

The City's electric distribution system during 2008 purchased wholesale electric power from two sources; Dayton Power and Light Company provides ten megawatts of firm power under a long term power which will expire in May 2014. Amp-Ohio provides the remaining power requirements with purchases from various sources including the New York Power Authority. In 2007, the city entered into three long term purchased power commitment contracts with Amp-Ohio. These are the Prairie State Energy Campus Project (20 megawatts), American Municipal Power Generating Station Project (20 Megawatts), and the Ohio River Hydroelectric Project (6 megawatts). These projects when completed in 2012 will provide firm power commitments through Amp-Ohio.

**REQUIRED SUPPLEMENTAL  
INFORMATION**

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Municipal income tax	\$ 5,507,429	\$ 5,507,429	\$ 7,158,030	\$ 1,650,601
Property taxes	1,081,491	1,154,681	1,154,790	109
State shared revenues	1,584,707	1,542,078	2,130,960	588,882
Locally levied taxes	1,279,100	1,261,201	1,259,107	(2,094)
Licenses, permits, fees	976,769	952,606	945,847	(6,759)
Grants-capital	246,200	163,000	239,302	76,302
Grants-operating	331,792	293,419	270,043	(23,376)
Interest income	310,170	169,089	166,483	(2,606)
Increase in fair value of investments	-	-	53,763	53,763
Donations:				
Capital	-	55,500	55,500	-
Operating	142,212	272,456	361,505	89,049
Other fines, rents, and reimbursements	788,484	581,070	467,982	(113,088)
Total revenues	<u>12,248,354</u>	<u>11,952,529</u>	<u>14,263,312</u>	<u>2,310,783</u>
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT ADMINISTRATION:</b>				
City building				
Personal services/administrative support	18,699	19,707	18,035	1,672
Operating expenditures	72,459	69,368	62,151	7,217
Capital	-	-	-	-
Total city building	<u>91,158</u>	<u>89,075</u>	<u>80,186</u>	<u>8,889</u>
City commission:				
Personal services/administrative support	34,320	33,919	33,800	119
Operating expenditures	41,023	40,932	39,356	1,576
Total city commission	<u>75,343</u>	<u>74,851</u>	<u>73,156</u>	<u>1,695</u>
Office of city manager:				
Personal services/administrative support	93,157	92,883	87,422	5,461
Operating expenditures	6,383	6,683	5,810	873
Total office of city manager	<u>99,540</u>	<u>99,566</u>	<u>93,232</u>	<u>6,334</u>
Purchasing department:				
Personal services/administrative support	2,629	1,240	1,152	88
Operating expenditures	218	161	127	34
Total purchasing department	<u>2,847</u>	<u>1,401</u>	<u>1,279</u>	<u>122</u>
Law department:				
Personal services/administrative support	115,174	117,888	101,626	16,262
Operating expenditures	25,380	11,470	9,563	1,907
Total law department	<u>140,554</u>	<u>129,358</u>	<u>111,189</u>	<u>18,169</u>
Finance department:				
Personal services/administrative support	145,105	140,587	132,621	7,966
Operating expenditures	9,052	8,362	7,418	944
Total finance department	<u>154,157</u>	<u>148,949</u>	<u>140,039</u>	<u>8,910</u>

(Continued)

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Human resources department:				
Personal services/administrative support	9,042	23,651	22,975	676
Operating expenditures	2,339	6,515	6,101	414
Total human resources department	<u>11,381</u>	<u>30,166</u>	<u>29,076</u>	<u>1,090</u>
Engineering department:				
Personal services/administrative support	78,227	71,207	64,400	6,807
Operating expenditures	7,410	6,997	6,424	573
Capital	-	-	-	-
Total engineering department	<u>85,637</u>	<u>78,204</u>	<u>70,824</u>	<u>7,380</u>
Income tax department:				
Personal services/administrative support	199,743	225,580	200,063	25,517
Operating expenditures	165,642	159,504	142,055	17,449
Total income tax department	<u>365,385</u>	<u>385,084</u>	<u>342,118</u>	<u>42,966</u>
Planning and zoning				
Personal services/administrative support	167,435	165,360	159,494	5,866
Operating expenditures	35,958	29,593	24,983	4,610
Total planning and zoning	<u>203,393</u>	<u>194,953</u>	<u>184,477</u>	<u>10,476</u>
General government				
Operating expenditures	396,920	1,075,994	395,383	680,611
Capital	-	55,500	55,500	-
Total general government	<u>396,920</u>	<u>1,131,494</u>	<u>450,883</u>	<u>680,611</u>
Civil Service Commission				
Operating expenditures	26,400	20,400	15,302	5,098
Total civil service commission	<u>26,400</u>	<u>20,400</u>	<u>15,302</u>	<u>5,098</u>
Pro Piqua				
Operating expenditures	47,302	46,352	47,985	(1,633)
Total pro piqua	<u>47,302</u>	<u>46,352</u>	<u>47,985</u>	<u>(1,633)</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>1,700,017</u>	<u>2,429,853</u>	<u>1,639,746</u>	<u>790,107</u>
<b>FORT PIQUA PLAZA RECONSTRUCTION</b>				
Personal services/administrative support	69,933	78,425	78,045	380
Operating expenditures	925,000	426,516	264,229	162,287
Total fort piqua plaza reconstruction	<u>994,933</u>	<u>504,941</u>	<u>342,274</u>	<u>162,667</u>

(Continued)

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>PUBLIC SAFETY:</b>				
Fire department:				
Personal services/administrative support	3,179,055	3,209,528	3,151,902	57,626
Operating expenditures	399,546	340,619	316,706	23,913
Capital	667,900	261,514	257,385	4,129
<b>Total fire department</b>	<b>4,246,501</b>	<b>3,811,661</b>	<b>3,725,993</b>	<b>85,668</b>
Police department:				
Personal services/administrative support	3,812,931	3,630,086	3,512,853	117,233
Operating expenditures	602,955	580,396	517,556	62,840
Capital	75,000	74,489	72,606	1,883
<b>Total police department</b>	<b>4,490,886</b>	<b>4,284,971</b>	<b>4,103,015</b>	<b>181,956</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>8,737,387</b>	<b>8,096,632</b>	<b>7,829,008</b>	<b>267,624</b>
<b>NEIGHBORHOOD IMPROVEMENT TEAM</b>				
Personal services/administrative support	6,003	3,937	3,934	3
Operating expenditures	120,500	16,724	2,664	14,060
Capital	20,000	22,500	22,500	-
<b>Total neighborhood improvement team</b>	<b>146,503</b>	<b>43,161</b>	<b>29,098</b>	<b>14,063</b>
<b>HEALTH:</b>				
Personal services/administrative support	381,844	383,272	355,882	27,390
Operating expenditures	120,383	104,937	94,742	10,195
Capital	-	-	-	-
<b>Total health department</b>	<b>502,227</b>	<b>488,209</b>	<b>450,624</b>	<b>37,585</b>
<b>PIQUA TREE DONATIONS:</b>				
Operating expenditures	1,000	7,400	7,172	228
<b>Total Piqua Tree Donations department</b>	<b>1,000</b>	<b>7,400</b>	<b>7,172</b>	<b>228</b>
<b>PARKS AND RECREATION:</b>				
Personal services/administrative support	453,887	416,838	379,401	37,437
Operating expenditures	237,418	214,655	194,895	19,760
Capital	34,200	10,398	10,398	-
<b>Total parks and recreation</b>	<b>725,505</b>	<b>641,891</b>	<b>584,694</b>	<b>57,197</b>
<b>Total expenditures</b>	<b>12,807,572</b>	<b>12,212,087</b>	<b>10,882,616</b>	<b>1,329,471</b>
Excess (deficiency) of revenues over expenditures	(559,218)	(259,558)	3,380,696	3,640,254
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	400,000	-	-	-
Disposal of fixed assets	-	1,852	1,852	-
Transfers out	(1,261,418)	(1,227,342)	(1,161,603)	65,739
<b>Total other financing sources (uses)</b>	<b>(861,418)</b>	<b>(1,225,490)</b>	<b>(1,159,751)</b>	<b>65,739</b>
<b>Net change in fund balance</b>	<b>(1,420,636)</b>	<b>(1,485,048)</b>	<b>2,220,945</b>	<b>3,705,993</b>
Fund balance- January 1, 2008	16,600,692	16,600,692	16,600,692	-
<b>Fund balance December 31, 2008</b>	<b>\$15,180,056</b>	<b>\$15,115,644</b>	<b>\$18,821,637</b>	<b>\$ 3,705,993</b>

(Concluded)



**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE  
STREET MAINTENANCE FUND  
FOR YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Municipal income tax	\$ 1,264,000	\$ 1,264,000	\$ 1,642,826	\$ 378,826
State shared revenues	1,026,708	1,011,160	1,009,606	(1,554)
Licenses, permits, fees	1,300	1,775	2,750	975
Interest income	25,000	32,925	32,401	(524)
Increase in fair value of investments	-	-	1,560	1,560
Other fines, rents, and reimbursements	19,855	32,829	35,606	2,777
Total revenues	<u>2,336,863</u>	<u>2,342,689</u>	<u>2,724,749</u>	<u>382,060</u>
<b>EXPENDITURES:</b>				
Personal services/administrative support	994,870	940,988	910,647	30,341
Operating expenditures	956,687	1,049,653	905,534	144,119
Capital costs	692,000	710,339	617,269	93,070
Total expenditures	<u>2,643,557</u>	<u>2,700,980</u>	<u>2,433,450</u>	<u>267,530</u>
Excess (deficiency) of revenues over expenditures	(306,694)	(358,291)	291,299	649,590
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(40,948)	(40,948)	(40,948)	-
Total other financing sources (uses)	<u>(40,948)</u>	<u>(40,948)</u>	<u>(40,948)</u>	<u>-</u>
Net change in fund balance	(347,642)	(399,239)	250,351	649,590
Fund balance- January 1, 2008	<u>1,483,939</u>	<u>1,483,939</u>	<u>1,483,939</u>	<u>-</u>
Fund balance December 31, 2008	<u>\$ 1,136,297</u>	<u>\$ 1,084,700</u>	<u>\$ 1,734,290</u>	<u>\$ 649,590</u>

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE  
STREET LEVY CONSTRUCTION FUND  
FOR YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Municipal income tax	\$ 1,128,571	\$ 1,128,571	\$ 1,467,083	\$ 338,512
Grants-capital	1,485,199	1,210,086	1,210,086	-
Interest income	12,500	19,875	19,621	(254)
Other fines, rents , and reimbursements		58,037	55,036	(3,001)
Total revenues	<u>2,626,270</u>	<u>2,416,569</u>	<u>2,751,826</u>	<u>335,257</u>
<b>EXPENDITURES:</b>				
Operating expenditures	430,355	2,400,022	2,313,856	86,166
Capital costs	2,986,700	487,038	375,959	111,079
Total expenditures	<u>3,417,055</u>	<u>2,887,060</u>	<u>2,689,815</u>	<u>197,245</u>
Excess (deficiency) of revenues over expenditures	<u>(790,785)</u>	<u>(470,491)</u>	<u>62,011</u>	<u>532,502</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of Debt	800,000	717,978	486,977	(231,001)
Total other financing sources (uses)	<u>800,000</u>	<u>717,978</u>	<u>486,977</u>	<u>(231,001)</u>
Net change in fund balance	9,215	247,487	548,988	301,501
Fund balance January 1, 2008	<u>794,075</u>	<u>794,075</u>	<u>794,075</u>	<u>-</u>
Fund balance December 31, 2008	<u>\$ 803,290</u>	<u>\$ 1,041,562</u>	<u>\$ 1,343,063</u>	<u>\$ 301,501</u>

**CITY OF PIQUA, OHIO**  
**Notes to the Required Supplemental Information**  
**December 31, 2008**

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

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

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

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

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

**OTHER  
SUPPLEMENTAL DATA**

# CITY OF PIQUA, OHIO

## NON-MAJOR FUNDS

Revolving Loan/Federal Program Income	To account for micro-enterprise loans and home mortgages resulting from federal grant activities
Community Development	To account for activities for social, economic, and other special development of the community
Trust	To account for resources recovered or held through legislation or enforcement activities.
Conservancy	To account for receipts and disbursements for the city's share of the district's operation and maintenance.
Safety Pension	To account for receipts and disbursements of a special property tax established to fund police and fire pension costs
Federal Grants	To account for federal funds available for public transit, FEMA, comprehensive housing, and block grants.

# CITY OF PIQUA, OHIO

## NON-MAJOR INTERNAL SERVICE/FIDUCIARY FUNDS

### Internal Service Funds

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

### Fiduciary Funds

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

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- NON MAJOR FUNDS  
DECEMBER 31, 2008**

<b>ASSETS:</b>	Revolving Loan/Federal Program Income	Community Development	Trust
Equity in pooled cash and cash equivalents	\$ 32,290	\$ 26,463	\$ 3,172
Equity in pooled investments	-	-	-
Accounts receivable	827	231,944	-
Interfund receivable	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	7,534	442,207	-
<b>Total Assets</b>	<b>\$ 40,651</b>	<b>\$ 700,614</b>	<b>\$ 3,172</b>
<b>LIABILITIES AND FUND BALANCE:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	-	11,840	-
Interfund payable	-	150,470	-
Salaries and benefits	-	1,482	-
Accruals	-	45,996	-
Total Current Liabilities	-	209,788	-
<b>LONG-TERM LIABILITIES:</b>			
Restricted deposits	-	-	-
Deferred revenue	-	-	-
Total Long Term Liabilities	-	-	-
Total Liabilities	-	209,788	-
<b>FUND BALANCES:</b>			
Reserved for encumbrances	-	178,933	-
Reserved by legislation	-	-	-
Reserved for non-current loans receivable	7,534	442,207	-
Unreserved	33,117	(130,314)	3,172
Total fund balances	40,651	490,826	3,172
<b>Total liabilities and fund balance</b>	<b>\$ 40,651</b>	<b>\$ 700,614</b>	<b>\$ 3,172</b>

(Continued)

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- NON MAJOR FUNDS  
DECEMBER 31, 2008**

<b>ASSETS:</b>	<u>Conservancy</u>	<u>Safety Pension</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
Equity in pooled cash and cash equivalents	\$ 42,144	\$ -	\$ 5,596	\$ 109,665
Equity in pooled investments	-	-	-	-
Accounts receivable	39,549	-	126,733	399,053
Interfund receivable	-	-	-	-
Prepaid items and other assets	-	-	-	-
Loans receivable, net of allowance	-	-	-	449,741
<b>Total Assets</b>	<u>81,693</u>	<u>-</u>	<u>132,329</u>	<u>958,459</u>
<b>LIABILITIES AND FUND BALANCE:</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	-	-	-	11,840
Interfund payable	-	-	24,663	175,133
Salaries and benefits	-	-	-	1,482
Accruals	-	-	8,370	54,366
<b>Total Current Liabilities</b>	<u>-</u>	<u>-</u>	<u>33,033</u>	<u>242,821</u>
<b>LONG-TERM LIABILITIES:</b>				
Restricted deposits	-	-	-	-
Deferred revenue	39,549	-	93,046	132,595
<b>Total Long Term Liabilities</b>	<u>39,549</u>	<u>-</u>	<u>93,046</u>	<u>132,595</u>
<b>Total Liabilities</b>	39,549	-	126,079	375,416
<b>FUND BALANCES:</b>				
Reserved for encumbrances	-	-	2,141	181,074
Reserved by legislation	-	-	-	-
Reserved for non-current loans receivable	-	-	-	449,741
Unreserved	42,144	-	4,109	(47,772)
<b>Total fund balances</b>	<u>42,144</u>	<u>-</u>	<u>6,250</u>	<u>583,043</u>
<b>Total liabilities and fund balance</b>	<u>\$ 81,693</u>	<u>\$ -</u>	<u>\$ 132,329</u>	<u>\$ 958,459</u>

(Concluded)



**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCE NON MAJOR FUNDS  
FOR YEAR ENDED DECEMBER 31, 2008**

	Revolving Loan/Federal Program Income	Community Development	Trust
<b>REVENUES:</b>			
Property taxes	\$ -	\$ 4,587	\$ -
State shared revenues	-	-	-
Licenses, permits, fees	231	750	-
Grants: capital	-	317,236	-
Grants: operating	-	-	-
Interest	4,547	298	118
Donations: operating	-	50	-
Other fines, rents, and reimbursements	25,165	63,784	9,757
Total revenues	<u>29,943</u>	<u>386,705</u>	<u>9,875</u>
<b>EXPENDITURES:</b>			
Personal services/administrative support	-	750	1,582
Operation and maintenance	70,024	259,748	27,538
Capital	-	169,417	-
Total expenditures	<u>70,024</u>	<u>429,915</u>	<u>29,120</u>
Excess (deficiency) of revenues over expenditures	<u>(40,081)</u>	<u>(43,210)</u>	<u>(19,245)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of debt	-	-	-
Transfers in	-	80,000	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance	(40,081)	36,790	(19,245)
Fund balance January 1, 2008	<u>80,732</u>	<u>454,036</u>	<u>22,417</u>
Fund balance December 31, 2008	<u>\$ 40,651</u>	<u>\$ 490,826</u>	<u>\$ 3,172</u>

(Continued)

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCE NON MAJOR FUNDS  
FOR YEAR ENDED DECEMBER 31, 2008**

	<u>Conservancy</u>	<u>Safety Pension</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
<b>REVENUES:</b>				
Property taxes	\$ 37,452	\$ 187,260	\$ -	\$ 229,299
State shared revenues	9,207	49,960	-	59,167
Licenses, permits, fees	-	-	-	981
Grants; capital	-	-	-	317,236
Grants; operating	-	-	495,121	495,121
Interest	859	1,944	-	7,766
Donations operating	-	-	-	50
Other fines, rents, and reimbursements	-	-	-	98,706
Total revenues	<u>47,518</u>	<u>239,164</u>	<u>495,121</u>	<u>1,208,326</u>
<b>EXPENDITURES:</b>				
Personal services/administrative support	-	264,453	8,519	275,304
Operation and maintenance	45,999	3,794	480,355	887,458
Capital	-	-	-	169,417
Total expenditures	<u>45,999</u>	<u>268,247</u>	<u>488,874</u>	<u>1,332,179</u>
Excess (deficiency) of revenues over expenditures	<u>1,519</u>	<u>(29,083)</u>	<u>6,247</u>	<u>(123,853)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	80,000
Transfers out	-	(43,373)	-	(43,373)
Total other financing sources (uses)	<u>-</u>	<u>(43,373)</u>	<u>-</u>	<u>36,627</u>
Net change in fund balance	1,519	(72,456)	6,247	(87,226)
Fund balance January 1, 2008	<u>40,625</u>	<u>72,456</u>	<u>3</u>	<u>670,269</u>
Fund balance December 31, 2008	<u>\$ 42,144</u>	<u>\$ -</u>	<u>\$ 6,250</u>	<u>\$ 583,043</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, 2008**

	Revolving Loan / Federal Program Income			Community Development		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 6,175	\$ 4,587	\$ (1,588)
State shared revenues	-	-	-	-	-	-
Licenses, permits, fees	370	231	(139)	750	750	-
Grants: capital	-	-	-	400,000	317,236	(82,764)
Grants: operating	-	-	-	-	-	-
Interest	4,976	4,547	(429)	312	298	(14)
Donations operating	-	-	-	50	50	-
Other	24,764	25,165	401	121,149	63,784	(57,365)
Total revenues	<u>30,110</u>	<u>29,943</u>	<u>(167)</u>	<u>528,436</u>	<u>386,705</u>	<u>(141,731)</u>
<b>EXPENDITURES:</b>						
Personal services	-	-	-	750	750	-
Operation and maintenance	70,156	70,024	132	461,149	259,748	201,401
Capital	-	-	-	240,766	169,417	71,349
Total expenditures	<u>70,156</u>	<u>70,024</u>	<u>132</u>	<u>702,665</u>	<u>429,915</u>	<u>272,750</u>
Excess (deficiency) of revenues over expenditures	(40,046)	(40,081)	(35)	(174,229)	(43,210)	131,019
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	-	-	-	93,825	-	(93,825)
Transfers in	-	-	-	81,500	80,000	(1,500)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,325</u>	<u>80,000</u>	<u>(95,325)</u>
Net change in fund balance	(40,046)	(40,081)	(35)	1,096	36,790	35,694
Fund balance January 1, 2008	<u>80,732</u>	<u>80,732</u>	<u>-</u>	<u>454,036</u>	<u>454,036</u>	<u>-</u>
Fund balance December 31, 2008	<u>\$ 40,686</u>	<u>\$ 40,651</u>	<u>\$ (35)</u>	<u>\$ 455,132</u>	<u>\$ 490,826</u>	<u>\$ 35,694</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, 2008**

	Trust			Conservancy		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 38,923	\$ 37,452	\$ (1,471)
State shared revenues	-	-	-	7,991	9,207	1,216
Licenses, permits, fees	-	-	-	-	-	-
Grants: capital	-	-	-	-	-	-
Grants: operating	-	-	-	-	-	-
Interest	100	118	18	1,072	859	(213)
Donations operating	-	-	-	-	-	-
Other	25,713	9,757	(15,956)	-	-	-
Total revenues	<u>25,813</u>	<u>9,875</u>	<u>(15,938)</u>	<u>47,986</u>	<u>47,518</u>	<u>(468)</u>
<b>EXPENDITURES:</b>						
Personal services	1,583	1,582	1	-	-	-
Operation and maintenance	35,814	27,538	8,276	46,041	45,999	42
Capital	-	-	-	-	-	-
Total expenditures	<u>37,397</u>	<u>29,120</u>	<u>8,277</u>	<u>46,041</u>	<u>45,999</u>	<u>42</u>
Excess (deficiency) of revenues over expenditures	<u>(11,584)</u>	<u>(19,245)</u>	<u>(7,661)</u>	<u>1,945</u>	<u>1,519</u>	<u>(426)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(11,584)	(19,245)	(7,661)	1,945	1,519	(426)
Fund balance January 1, 2008	<u>22,417</u>	<u>22,417</u>	<u>-</u>	<u>40,625</u>	<u>40,625</u>	<u>-</u>
Fund balance December 31, 2008	<u>\$ 10,833</u>	<u>\$ 3,172</u>	<u>\$ (7,661)</u>	<u>\$ 42,570</u>	<u>\$ 42,144</u>	<u>\$ (426)</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, 2008**

	Safety Pension			Federal Grants		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>						
Property taxes	\$ 187,244	\$ 187,260	\$ 16	\$ -	\$ -	\$ -
State shared revenues	45,008	49,960	4,952	-	-	-
Licenses, permits, fees	-	-	-	-	-	-
Grants: capital	-	-	-	-	-	-
Grants: operating	-	-	-	595,392	495,121	(100,271)
Interest	3,827	1,944	(1,883)	-	-	-
Donations operating	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>236,079</u>	<u>239,164</u>	<u>3,085</u>	<u>595,392</u>	<u>495,121</u>	<u>(100,271)</u>
<b>EXPENDITURES:</b>						
Personal services	261,361	264,453	(3,092)	103,500	8,519	94,981
Operation and maintenance	3,800	3,794	6	491,892	480,355	11,537
Capital	-	-	-	-	-	-
Total expenditures	<u>265,161</u>	<u>268,247</u>	<u>(3,086)</u>	<u>595,392</u>	<u>488,874</u>	<u>106,518</u>
Excess (deficiency) of revenues over expenditures	<u>(29,082)</u>	<u>(29,083)</u>	<u>(1)</u>	<u>-</u>	<u>6,247</u>	<u>6,247</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issurance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(43,373)	(43,373)	-	-	-	-
Total other financing sources (uses)	<u>(43,373)</u>	<u>(43,373)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(72,455)	(72,456)	(1)	-	6,247	6,247
Fund balance January 1, 2008	<u>72,456</u>	<u>72,456</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Fund balance December 31, 2008	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 3</u>	<u>\$ 6,250</u>	<u>\$ 6,247</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, 2008**

	Totals		
	Budget	Actual	Variance
<b>REVENUES:</b>			
Property taxes	\$ 232,342	\$ 229,299	\$ (3,043)
State shared revenues	52,999	59,167	6,168
Licenses, permits, fees	1,120	981	(139)
Grants: capital	400,000	317,236	(82,764)
Grants: operating	595,392	495,121	(100,271)
Interest	10,287	7,766	(2,521)
Donations operating	50	50	-
Other	171,626	98,706	(72,920)
Total revenues	<u>1,463,816</u>	<u>1,208,326</u>	<u>(255,490)</u>
<b>EXPENDITURES:</b>			
Personal services	367,194	275,304	91,890
Operation and maintenance	1,108,852	887,458	221,394
Capital	240,766	169,417	71,349
Total expenditures	<u>1,716,812</u>	<u>1,332,179</u>	<u>384,633</u>
Excess (deficiency) of revenues over expenditures	<u>(252,996)</u>	<u>(123,853)</u>	<u>129,143</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of debt	93,825	-	(93,825)
Transfers in	81,500	80,000	(1,500)
Transfers out	(43,373)	(43,373)	-
Total other financing sources (uses)	<u>131,952</u>	<u>36,627</u>	<u>(95,325)</u>
Net change in fund balance	(121,044)	(87,226)	33,818
Fund balance January 1, 2008	<u>670,269</u>	<u>670,269</u>	<u>-</u>
Fund balance December 31, 2008	<u>\$ 549,225</u>	<u>\$ 583,043</u>	<u>\$ 33,818</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 31,2008**

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>			
Property taxes	\$ 68,620	\$ 68,620	\$ -
Interest income	28,325	27,098	(1,227)
Total revenues	<u>96,945</u>	<u>95,718</u>	<u>(1,227)</u>
<b>EXPENDITURES:</b>			
Operating expenditures	104,000	36,999	67,001
Debt principal payment	737,597	737,596	1
Debt interest payment	293,596	293,522	74
Total expenditures	<u>1,135,193</u>	<u>1,068,117</u>	<u>67,076</u>
Excess (deficiency) of revenues over expenditures	<u>(1,038,248)</u>	<u>(972,399)</u>	<u>65,849</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	973,996	971,982	(2,014)
Total other financing sources (uses)	<u>973,996</u>	<u>971,982</u>	<u>(2,014)</u>
Net change in fund balance	(64,252)	(417)	63,835
Fund balance January 1, 2008	<u>394,825</u>	<u>394,825</u>	<u>-</u>
Fund balance December 31, 2008	<u><u>\$ 330,573</u></u>	<u><u>\$ 394,408</u></u>	<u><u>\$ 63,835</u></u>

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- INTERNAL SERVICE FUNDS  
DECEMBER 31, 2008**

<b>ASSETS:</b>	<u>Workers Compensation</u>	<u>Liability Insurance</u>	<u>Health Insurance</u>	<u>Information Technology</u>	<u>Total</u>
Current assets:					
Equity in pooled cash and cash equivalents	\$1,654,533	\$453,057	\$1,175,388	\$285,500	\$3,568,478
Equity in pooled investments	335,000	523,684	-	-	858,684
Accounts receivable	1,745	3,343	\$1,279	-	6,367
Prepaid items and other assets	-	-	8,402	-	8,402
Total Current Assets	<u>1,991,278</u>	<u>980,084</u>	<u>1,185,069</u>	<u>285,500</u>	<u>4,441,931</u>
Noncurrent assets:					
Capital assets being depreciated					
Plant and equipment in service, net	-	-	-	113,543	113,543
Total Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,543</u>	<u>113,543</u>
Total Assets	<u>\$ 1,991,278</u>	<u>\$ 980,084</u>	<u>\$ 1,185,069</u>	<u>\$ 399,043</u>	<u>\$4,555,474</u>
 <b>LIABILITIES AND FUND BALANCE:</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	-	-	377	2,563	2,940
Salaries and benefits	-	-	-	1,735	1,735
Accrued vacation, personal and sick leave	-	-	-	45,749	45,749
Accruals	-	-	7,395	3,360	10,755
Total Current Liabilities	<u>-</u>	<u>-</u>	<u>7,772</u>	<u>53,407</u>	<u>61,179</u>
 <b>NONCURRENT LIABILITIES:</b>					
Accrued vacation, personal and sick leave	-	-	-	29,452	29,452
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,452</u>	<u>29,452</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>7,772</u>	<u>82,859</u>	<u>90,631</u>
 <b>FUND BALANCES:</b>					
Invested in capital assets, net of related debt				113,543	113,543
Unreserved	1,991,278	980,084	1,177,297	202,641	4,351,300
Total Net Assets	<u>1,991,278</u>	<u>980,084</u>	<u>1,177,297</u>	<u>316,184</u>	<u>4,464,843</u>
Total Liabilities and Net Assets	<u>\$ 1,991,278</u>	<u>\$ 980,084</u>	<u>\$ 1,185,069</u>	<u>\$ 399,043</u>	<u>\$4,555,474</u>



**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENSES, AND CHANGES IN NET ASSETS- INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Workers Compensation</u>	<u>Liability Insurance</u>	<u>Health Insurance</u>	<u>Information Technology</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>					
Customer services	\$ 18,806	\$ 63,509	\$ 2,197,884	\$ 448,302	\$ 2,728,501
Penalty charges	-	-	-	-	-
Total operating revenues	18,806	63,509	2,197,884	448,302	2,728,501
<b>OPERATING EXPENSES:</b>					
Salaries and Employee benefits	248,582	-	2,158,443	267,914	2,674,939
Depreciation	-	-	-	11,180	11,180
Outside Services	-	280,378	39,809	83,477	403,664
Total operating expenses	248,582	280,378	2,198,252	362,571	3,089,783
Operating income (loss)	(229,776)	(216,869)	(368)	85,731	(361,282)
<b>NON-OPERATING REVENUES(EXPENSES):</b>					
Interest income	64,634	32,525	28,330	5,362	130,851
Net increase/(decrease) in fair market value of investments	-	-	-	-	-
	-	16,747	-	-	16,747
Net non-operating revenues(expenses)	64,634	49,272	28,330	5,362	147,598
Change in net assets	(165,142)	(167,597)	27,962	91,093	(213,684)
Total net assets-beginning of year	2,156,420	1,147,681	1,149,335	225,091	4,678,527
Total net assets-end of year	<u>\$ 1,991,278</u>	<u>\$ 980,084</u>	<u>\$ 1,177,297</u>	<u>\$ 316,184</u>	<u>\$ 4,464,843</u>

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF CASH FLOWS-INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Workers Compensation	Liability Insurance	City Health Insurance	Information Technology	Totals
<b>OPERATING ACTIVITIES:</b>					
Receipts from interfund services	\$ 18,806	\$ 63,509	\$ 2,197,604	\$ 448,302	\$ 2,728,221
Cash paid to suppliers for goods or services	(248,582)	(280,378)	(2,181,515)	(99,965)	(2,810,440)
Cash paid to employees for services	-	-	-	(254,404)	(254,404)
Net cash provided by (used in) operating activities	<u>(229,776)</u>	<u>(216,869)</u>	<u>16,089</u>	<u>93,933</u>	<u>(336,623)</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	-	-	-	(6,418)	(6,418)
Disposals of capital assets	-	-	-	-	-
Net cash provided by (used in) capital & related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,418)</u>	<u>(6,418)</u>
<b>INVESTING ACTIVITIES:</b>					
Purchases of investment securities	-	(506,934)	-	-	(506,934)
Proceeds from sale or maturity of investment securities	20,000	391,680	-	-	411,680
Interest received	64,737	35,996	28,330	5,361	134,424
Net cash provided by (used in) investing activities	<u>84,737</u>	<u>(79,258)</u>	<u>28,330</u>	<u>5,361</u>	<u>39,170</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(145,039)</b>	<b>(296,127)</b>	<b>44,419</b>	<b>92,876</b>	<b>(303,871)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>1,799,572</b>	<b>749,184</b>	<b>1,130,969</b>	<b>192,624</b>	<b>3,872,349</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 1,654,533</b>	<b>\$ 453,057</b>	<b>\$ 1,175,388</b>	<b>\$ 285,500</b>	<b>3,568,478</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (229,776)</b>	<b>\$ (216,869)</b>	<b>\$ (368)</b>	<b>\$ 85,731</b>	<b>(361,282)</b>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	11,180	11,180
(Increase)/Decrease in Accounts Receivable	-	-	(279)	-	(279)
(Increase)/Decrease in Inventory	-	-	-	-	-
(Increase)/Decrease in Prepaids	-	-	112,058	-	112,058
Increase/(Decrease) in Accounts Payable	-	-	(95,322)	(16,488)	(111,810)
Increase/(Decrease) in Accrued Wages and Benefits	-	-	-	13,510	13,510
Net cash provided by (used in) operating activities	<u>\$ (229,776)</u>	<u>\$ (216,869)</u>	<u>\$ 16,089</u>	<u>\$ 93,933</u>	<u>\$ (336,623)</u>
<b>SUPPLEMENTAL INFORMATION:</b>					
Noncash activities:					
Change in fair value of investments	<u>\$ -</u>	<u>\$ 16,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,747</u>

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
DECEMBER 31, 2008**

	<u>Unclaimed Funds</u>	<u>Employee Flexible Spending</u>	<u>Total</u>
<b>ASSETS:</b>			
Equity in pooled cash and cash equivalents	\$ 431	\$ 16,331	\$ 16,762
Total Assets	<u>\$ 431</u>	<u>\$ 16,331</u>	<u>\$ 16,762</u>
<b>LIABILITIES:</b>			
Withholdings payable	\$ -	\$ 16,331	\$ 16,331
Undistributed monies	<u>431</u>	<u>-</u>	<u>431</u>
Total Liabilities	<u>\$ 431</u>	<u>\$ 16,331</u>	<u>\$ 16,762</u>

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR YEAR ENDED DECEMBER 31,2008**

	Balance at January 1, 2008	Additions	Deductions	Balance at December 31, 2008
<b>Unclaimed Funds</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 226	\$ 266	\$ 61	\$ 431
Total Assets	<u>\$ 226</u>	<u>\$ 266</u>	<u>\$ 61</u>	<u>\$ 431</u>
<b>LIABILITIES</b>				
Undistributed monies	\$ 226	\$ 266	\$ 61	431
Total Liabilities	<u>\$ 226</u>	<u>\$ 266</u>	<u>\$ 61</u>	<u>\$ 431</u>
<b>Employee Flexible Spending</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 19,731	\$ 161,249	\$ 164,649	\$ 16,331
Total Assets	<u>\$ 19,731</u>	<u>\$ 161,249</u>	<u>\$ 164,649</u>	<u>\$ 16,331</u>
<b>LIABILITIES</b>				
Withholdings payable	\$ 19,731	\$ 161,249	\$ 164,649	\$ 16,331
Total Liabilities	<u>\$ 19,731</u>	<u>\$ 161,249</u>	<u>\$ 164,649</u>	<u>\$ 16,331</u>
<b>Total- All AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 19,957	\$ 161,515	\$ 164,710	\$ 16,762
Total Assets	<u>\$ 19,957</u>	<u>\$ 161,515</u>	<u>\$ 164,710</u>	<u>\$ 16,762</u>
<b>LIABILITIES</b>				
Withholdings payable	\$ 19,731	\$ 161,249	\$ 164,649	\$ 16,331
Undistributed monies	226	266	61	431
Total Liabilities	<u>\$ 19,957</u>	<u>\$ 161,515</u>	<u>\$ 164,710</u>	<u>\$ 16,762</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>86-87</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>88-91</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

CITY OF PIQUA, OHIO

Table 1

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

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

**CITY OF PIQUA, OHIO**

**Table 2**

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

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

(Continued)



**CITY OF PIQUA, OHIO**

**Table 2**

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

	2008	2007	2006	2005	2004	2003	2002
<b>General revenues and other changes in net assets</b>							
Governmental activities							
Property taxes	\$1,452,709	\$1,466,214	\$1,505,317	\$1,525,944	\$1,452,019	\$1,503,856	\$1,516,613
State Shared taxes	3,443,434	2,522,305	2,953,529	3,280,931	2,431,261	2,786,967	2,441,040
Income tax	10,275,491	8,351,952	8,611,614	8,378,103	7,338,490	7,364,357	6,913,931
Locally levied taxes	1,259,107	1,291,091	1,309,110	1,249,360	1,095,211	1,057,683	1,084,235
Investment earnings	388,469	661,171	578,256	289,066	177,473	199,911	529,466
Miscellaneous	1,852	18,468	6,383	385,572	73,018	93,971	-
Transfers	(193,942)	(199,931)	(197,103)	(136,609)	(230,861)	(139,574)	(51,281)
<b>Total governmental activities general revenues and other changes in net assets</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>12,867,171</b>	<b>12,434,004</b>
Business-type Activities							
Investment earnings	445,609	730,055	603,404	287,164	173,763	167,710	559,412
Special item	-	-	(432,106)	(604,824)	-	-	-
Transfers	193,942	199,931	197,103	136,609	230,861	139,574	51,281
<b>Total business-type activities general revenues and other changes in net assets</b>	<b>639,551</b>	<b>929,986</b>	<b>368,401</b>	<b>(181,051)</b>	<b>404,624</b>	<b>307,284</b>	<b>610,693</b>
<b>Total primary government general revenues and other changes in net assets</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>13,174,455</b>	<b>13,044,697</b>
<b>Change in net assets</b>							
Governmental activities	3,551,013	6,658,229	6,502,480	1,200,200	871,655	2,259,213	3,064,315
Business-type activities	1,305,751	122,079	3,038,239	948,944	(259,128)	58,448	823,328
<b>Total primary government activities</b>	<b>\$4,856,764</b>	<b>\$6,780,308</b>	<b>\$9,540,719</b>	<b>\$2,149,144</b>	<b>\$612,527</b>	<b>\$2,317,661</b>	<b>\$3,887,643</b>

(Concluded)

Source: City of Piqua Finance Department  
GASB 34 implemented 2002, 1999 - 2001 data not available  
Fort Piqua Plaza operations began in Oct. 2008

Table 3

CITY OF PIQUA, OHIO

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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>General Fund</b>										
Reserved	\$ 10,834,537	\$ 9,926,096	\$ 4,039,446	\$ 413,703	\$ 867,692	\$ 181,424	\$ 967,139	\$ 146,648	\$ 818,689	\$ 316,300
Unreserved	7,987,100	6,674,596	8,594,514	7,675,124	5,827,239	6,961,400	4,694,765	5,550,783	7,694,748	7,846,574
Total General Fund	18,821,637	16,600,692	12,633,960	8,088,827	6,694,931	7,142,824	5,661,904	5,697,431	8,513,437	8,162,874
<b>Street Maintenance Fund</b>										
Reserved	359,365	50,166	163,780	10,766	4,121	1,432	230,919	131,131	504,195	45,366
Unreserved	1,374,925	1,433,773	1,003,903	610,379	435,921	282,168	15,563	237,945	685,720	915,389
Total Street Maintenance Fund	1,734,290	1,483,939	1,167,683	621,145	440,042	283,600	246,482	369,076	1,189,915	960,755
<b>Street Levy Fund</b>										
Reserved	197,384	409,802	45,903	86,492	30,642	228,872	438,821	568,447	152,360	5,939
Unreserved	1,145,679	384,273	410,922	227,390	207,500	95,817	(327,053)	31,341	837,056	980,376
Total Street Levy Fund	1,343,063	794,075	456,825	313,882	238,142	324,689	111,768	599,788	989,416	986,315
<b>Other Governmental Funds</b>										
Reserved	1,025,223	949,265	863,657	642,604	430,985	360,451	446,431	389,446	4,335,218	701,760
Unreserved reported in:										
Revolving Loan/Program Income	33,117	72,554	49,165	52,846	51,418	38,357	37,361	-	-	-
Community Development	(130,314)	11,504	17,092	461,290	429,535	480,370	13,541	13,828	(2,052,329)	862,392
Trust	3,172	22,417	27,974	-	35,435	40,449	34,036	1,894	1,076	321
Conservancy	42,144	40,625	41,127	-	56,060	51,677	45,595	37,885	26,238	23,985
Safety Pension	-	72,456	60,676	39,106	26,771	107,463	73,886	41,339	2,483	30,747
Federal Grants	4,109	(103,727)	(5,410)	(152,714)	7,954	(44,177)	291,280	346,659	13,618	(161,936)
Total All Other Governmental Funds	977,451	1,065,094	1,054,281	1,043,132	1,038,158	1,034,590	942,130	831,051	2,326,304	1,457,269
<b>All Governmental Funds</b>										
Reserved	12,416,509	11,335,329	5,112,786	1,153,565	1,333,440	772,179	2,083,310	1,235,672	5,810,462	1,069,365
Unreserved	10,459,932	8,608,471	10,199,963	8,913,421	7,077,833	8,013,524	4,878,974	6,261,674	7,208,610	10,497,848
Total All Governmental Funds	\$ 22,876,441	\$ 19,943,800	\$ 15,312,749	\$ 10,066,986	\$ 8,411,273	\$ 8,785,703	\$ 6,962,284	\$ 7,497,346	\$ 13,019,072	\$ 11,567,213

Source: City of Piqua Finance Department

**CITY OF PIQUA, OHIO**

**Table 4**

**CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN YEARS**  
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>REVENUES</b>										
Municipal income tax	\$ 10,267,939	\$ 8,260,918	\$ 8,300,977	\$ 8,378,103	\$ 7,338,490	\$ 7,364,357	\$ 6,913,931	\$ 7,075,879	\$ 7,409,129	\$7,487,702
Property taxes	1,452,709	1,466,214	1,505,317	1,525,944	1,452,019	1,503,856	1,464,328	1,462,538	1,499,439	1,469,581
State shared revenues	3,199,733	2,530,167	3,192,533	3,086,008	2,440,954	2,309,931	2,428,657	2,627,852	2,430,990	2,301,013
Locally levied taxes	1,259,107	1,291,091	1,309,110	1,249,360	1,095,211	1,057,683	1,084,235	651,078	-	-
Licenses and permits, fees	949,578	1,073,084	574,837	314,412	358,178	282,538	351,468	354,595	327,355	304,077
Grants: capital	1,766,624	3,975,696	208,958	3,365	402,414	665,148	-	2,039,813	1,614,613	880,809
Grants: operating	765,164	1,954,777	600,798	713,537	714,033	623,044	3,053,192	-	-	-
Investment income	253,369	492,617	420,761	249,393	150,072	176,014	241,329	445,017	687,936	558,012
Increase in fair market value of investments	55,323	12,071	18,769	(33,256)	(29,936)	(78,911)	8,739	58,807	114,247	(157,684)
Donations: capital	55,500	3,200	650,347	57,122	193,680	72,075	73,627	-	-	-
Donations: operating	361,555	346,537	2,607,444	26,321	28,595	17,656	343	-	-	-
Other fines, rents, and reimbursements	657,330	325,783	1,518,010	444,458	367,119	271,811	249,637	538,842	458,497	601,684
Total revenues	21,043,931	21,732,155	20,907,861	16,014,767	14,510,829	14,265,202	15,869,486	15,254,421	14,542,206	13,445,194
<b>EXPENDITURES</b>										
General government administration	1,501,156	1,694,424	1,356,040	1,115,766	1,147,891	1,109,423	1,258,233	1,211,362	1,315,007	1,147,344
Public safety	7,775,613	7,676,395	7,567,735	7,117,151	7,134,397	6,442,819	6,142,233	6,038,913	5,970,936	5,815,958
Public health	496,914	521,419	393,863	331,834	318,869	301,939	273,225	342,946	311,693	205,183
Street repairs and maintenance	4,137,209	2,221,531	1,936,590	2,591,792	1,941,396	1,680,773	2,260,992	1,567,061	1,523,071	1,445,511
Parks and recreation	828,421	633,438	661,920	637,044	573,008	509,630	514,476	628,026	517,509	417,271
Community planning and development	942,424	544,972	749,395	1,281,353	703,930	593,528	637,002	639,101	493,558	516,879
Other	112,288	78,846	106,092	160,982	103,674	142,634	65,991	95,230	26,252	1,834
Capital improvements	1,581,034	5,093,251	1,991,144	1,306,288	2,407,139	2,105,214	4,516,303	9,557,507	6,811,701	2,674,455
Debt service:										
Principal	737,596	683,457	524,404	805,840	448,413	415,805	381,299	353,333	32,783	44,072
Interest	293,522	192,915	184,195	217,845	231,512	248,143	268,308	51,448	34,012	14,927
Payment of pension liability	-	-	-	-	-	-	-	-	533,877	-
Total expenditures	18,406,177	19,340,648	15,471,378	15,565,895	15,010,229	13,549,908	16,318,062	20,484,927	17,570,399	12,283,434
Excess (deficiency) of revenues over expenditures	2,637,754	2,391,507	5,436,483	448,872	(499,400)	715,294	(448,576)	(5,230,506)	(3,028,193)	1,161,760
<b>OTHER FINANCING SOURCES (USES):</b>										
Issuance of debt	486,977	2,421,007	-	474,842	236,037	99,155	-	-	4,552,939	-
Disposal of capital assets	1,852	18,468	6,383	385,572	73,018	93,971	-	-	-	-
Transfers in	1,051,982	689,718	657,677	899,980	1,258,438	2,430,459	4,931,844	3,640,573	5,955,341	954,315
Transfers out	(1,245,924)	(889,649)	(854,780)	(1,036,588)	(1,489,298)	(1,490,406)	(4,983,125)	(3,835,315)	(6,028,220)	(1,049,833)
Total other financing sources (uses)	294,887	2,233,544	(190,720)	723,806	78,195	1,133,179	(51,281)	(194,742)	4,480,060	(95,518)
Net change in fund balances	2,932,641	4,631,051	5,245,763	1,172,678	(421,205)	1,848,473	(499,857)	(5,425,248)	1,451,867	1,066,242
Debt service as a percentage of Noncapital expenditures	6.1%	6.2%	5.3%	7.2%	5.4%	5.8%	5.5%	3.7%	0.6%	0.6%

CITY OF PIQUA, OHIO

Table 5

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2008	1.75%	\$ 9,299,939	\$ 6,635,823	71%	\$ 1,070,972	12%	\$ 1,593,144	17%
2007	1.75%	\$ 8,278,497	\$ 6,441,487	78%	\$ 1,279,369	15%	\$ 557,641	7%
2006	1.75%	\$ 8,304,428	\$ 6,300,579	76%	\$ 1,458,825	18%	\$ 545,024	6%
2005	1.75%	8,285,031	6,394,175	77%	1,316,266	16%	574,590	7%
2004	1.75%	7,291,145	5,858,601	80%	872,733	12%	559,811	8%
2003	1.75%	7,377,796	5,773,887	78%	1,030,707	14%	573,202	8%
2002	1.75%	6,987,530	5,911,906	85%	594,701	9%	480,923	6%
2001	1.75%	7,080,816	5,836,282	82%	655,647	9%	588,887	9%
2000	1.75%	7,473,123	5,938,145	79%	1,017,625	14%	517,353	7%
1999	1.75%	7,350,955	5,728,286	78%	1,045,726	14%	576,943	8%

Source: City of Piqua Income Tax Department

## CITY OF PIQUA, OHIO

Table 6

INCOME TAX COLLECTIONS BY INCOME RANGE  
LAST SIX YEARS

Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2007	0-20,000	2,861	42.94%	22,686,532	7.99%
2007	20,001-40,000	1,629	24.45%	47,858,984	16.86%
2007	40,001-60,000	1,001	15.02%	48,988,779	17.25%
2007	60,001-80,000	545	8.18%	37,537,791	13.22%
2007	80,001-100,000	270	4.05%	23,909,330	8.42%
2007	over 100,000	357	5.36%	102,965,400	36.26%
	Total	<u>6,663</u>		<u>283,946,816</u>	
2006	0-20,000	2,887	43.04%	23,417,853	8.42%
2006	20,001-40,000	1,685	25.12%	49,085,205	17.65%
2006	40,001-60,000	996	14.85%	48,996,734	17.61%
2006	60,001-80,000	551	8.21%	37,597,868	13.52%
2006	80,001-100,000	270	4.03%	23,845,560	8.57%
2006	over 100,000	319	4.76%	95,221,726	34.23%
	Total	<u>6,708</u>		<u>278,164,946</u>	
2005	0-20,000	2,840	43.57%	23,206,195	8.58%
2005	20,001-40,000	1,655	25.39%	48,441,662	17.92%
2005	40,001-60,000	941	14.43%	46,343,589	17.14%
2005	60,001-80,000	517	7.93%	35,318,776	13.06%
2005	80,001-100,000	262	4.02%	23,149,682	8.56%
2005	over 100,000	304	4.66%	93,934,318	34.74%
	Total	<u>6,519</u>		<u>270,394,223</u>	
2004	0-20,000	2,917	42.98%	24,164,308	8.07%
2004	20,001-40,000	1,793	26.41%	52,604,328	17.56%
2004	40,001-60,000	975	14.36%	48,039,364	16.03%
2004	60,001-80,000	558	8.22%	38,117,997	12.72%
2004	80,001-100,000	260	3.83%	23,025,891	7.68%
2004	over 100,000	285	4.20%	113,682,534	37.94%
	Total	<u>6,788</u>		<u>299,634,422</u>	
2003	0-20,000	2,837	42.30%	22,995,807	8.57%
2003	20,001-40,000	1,777	26.49%	51,317,780	19.12%
2003	40,001-60,000	1,045	15.58%	51,539,737	19.21%
2003	60,001-80,000	547	8.16%	37,477,454	13.97%
2003	80,001-100,000	247	3.68%	21,891,662	8.16%
2003	over 100,000	254	3.79%	83,115,946	30.97%
	Total	<u>6,707</u>		<u>268,338,386</u>	
2002	0-20,000	2,653	41.70%	22,104,265	8.80%
2002	20,001-40,000	1,696	26.66%	49,156,152	19.58%
2002	40,001-60,000	997	15.67%	49,182,057	19.59%
2002	60,001-80,000	540	8.49%	36,984,022	14.73%
2002	80,001-100,000	222	3.49%	19,694,871	7.85%
2002	over 100,000	254	3.99%	73,924,095	29.45%
	Total	<u>6,362</u>		<u>251,045,462</u>	

Source: City of Piqua, Ohio Income Tax Department-certain amounts may be estimates-years are tax years. The City does not have a mandatory filing requirement. Number of filers does not equal total taxpayers due to taxpayers paying city taxes through employer withholding without a filing requirement. 1998 - 2001 tax year information is not available

**CITY OF PIQUA, OHIO**

**Table 7**

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

Year	Total Levy	Current Collection	Percent of Total Levy Collected	Delinquent Collection	Total Collection	Total Collection as Percent of Total Levy	Cumulative Delinquency	Real Property Assessed Value	Personal and Utilities Property Assessed Value	Total Assessed Value
2008	1,558,181	1,510,445	96.94	74,870	1,585,315	101.74	178,881	326,748,650	\$35,134,860	361,883,510
2007	1,545,521	1,485,097	96.09	44,588	1,529,685	98.98	115,635	301,859,760	\$52,758,960	354,618,720
2006	1,550,670	1,512,109	97.51	63,082	1,575,191	101.58	92,928	296,243,040	\$63,527,520	359,770,560
2005	1,581,499	1,544,095	97.63	69,912	1,614,007	102.06	91,922	291,828,330	65,159,360	356,987,690
2004	1,533,847	1,492,929	97.33	41,058	1,533,987	100.01	80,678	277,754,750	70,142,460	347,897,210
2003	1,543,196	1,501,773	97.32	42,463	1,544,236	100.07	80,815	275,053,010	76,389,910	351,442,920
2002	1,549,860	1,511,981	97.56	38,347	1,550,328	100.03	69,998	270,749,680	73,192,390	343,942,070
2001	1,487,288	1,430,444	96.18	26,364	1,456,808	97.95	79,820	256,052,460	72,293,270	328,345,730
2000	1,427,572	1,376,907	96.45	100,749	1,477,656	103.51	68,162	247,132,470	77,189,310	324,321,780
1999	1,457,727	1,382,089	94.81	72,483	1,454,572	99.78	42,953	235,594,180	69,491,010	305,085,190

Source: 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

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Governmental activities										
General obligation bonds	\$1,000,000	\$1,455,000	\$1,898,347	\$2,315,740	\$2,713,133	\$3,083,620	\$3,434,107	\$3,764,594	\$4,079,127	\$88,660
Special assessment bonds	91,397	124,250	136,089	175,960	193,654	186,042	180,571	171,664	200,464	130,775
Pension refunding bonds	335,000	355,000	375,000	390,000	405,000	420,000	435,000	450,000	460,000	
Taxable revenue bonds	2,210,000	2,400,000								
Promissory Notes	486,977	-	149,000	149,000	208,865					
Capital Leases	28,809	68,551	106,815	158,955	208,865					
Total gross governmental activities indebtedness	4,152,183	4,402,801	2,665,251	3,189,655	3,520,652	3,689,662	4,049,678	4,386,258	4,739,591	219,435
Business type activities										
General obligation bonds	\$2,498,590	\$2,960,745	\$3,634,555	\$4,294,317	\$4,944,078	\$5,821,380	\$6,080,893	\$6,645,406	\$7,185,873	\$7,937,450
Mortgage revenue bonds									1,610,000	2,908,890
Promissory Notes	3,482,775	3,971,061	4,401,095	4,615,594	4,233,098	4,907,971	5,456,063	6,051,687	7,511,917	7,968,686
Total gross business-type activities indebtedness	5,981,365	6,931,806	8,035,650	8,909,911	9,177,176	10,729,351	11,536,956	12,697,093	16,307,790	18,815,026
Total gross primary government indebtedness	10,133,548	11,334,607	10,700,901	12,099,566	12,697,828	14,419,013	15,586,634	17,083,351	21,047,381	19,034,461
Percent of personal income	2.09%	2.34%	2.21%	2.50%	2.62%	2.97%	3.21%	3.52%	4.34%	3.93%
Per capita	\$ 489	\$ 547	\$ 516	\$ 583	\$ 612	\$ 695	\$ 752	\$ 824	\$ 1,015	\$ 923
Less debt outside limitations:										
Less debt service fund balance	71,080	82,573	77,135	66,779	63,193	49,208	50,472	53,885	50,607	1,549
Exempt self-supporting obligation debt:	\$2,498,590	\$2,960,745	\$3,634,555	\$4,294,317	\$4,944,078	\$5,821,380	\$6,080,893	\$6,645,406	\$8,795,873	\$10,846,340
Pension refunding bonds	335,000	355,000	375,000	390,000	405,000	420,000	435,000	450,000	460,000	-
Exempt self-supporting tax revenue bonds	2,210,000	2,400,000								
Special assessment bonds	91,397	124,250	136,089	175,960	193,654	186,042	180,571	171,664	200,464	130,775
Exempt self-supporting notes	3,969,752	3,971,061	4,550,095	4,764,594	4,233,098	4,907,971	5,456,063	6,051,687	7,511,917	7,968,686
Net debt within limitation for both Voted and Unvoted debt	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635	3,708,709	4,028,520	87,111
Percent of estimated actual property value	0.26%	0.41%	0.54%	0.67%	0.82%	0.86%	0.98%	1.13%	1.24%	0.03%
Per capita	\$ 46	\$ 69	\$ 93	\$ 116	\$ 138	\$ 146	\$ 163	\$ 179	\$ 194	\$ 4
Debt limitation for both voted and unvoted debt 10.5% of assessed valuation	\$37,997,769	\$37,234,966	\$37,775,909	\$37,483,707	\$36,529,207	\$36,901,507	\$36,113,917	\$34,476,302	\$34,053,787	\$32,033,945
Legal debt margin for voted and unvoted debt	\$37,040,040	\$35,793,988	\$35,847,882	\$35,075,791	\$33,670,402	\$33,867,095	\$32,730,282	\$30,767,593	\$30,025,267	\$31,946,834
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	2.52%	3.87%	5.10%	6.42%	7.83%	8.22%	9.37%	10.76%	11.83%	0.27%
Net debt within limitation for both voted and unvoted debt	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635	3,708,709	4,028,520	87,111
Less voted debt	-	-	-	-	-	-	-	-	-	-
Net debt with limitation for unvoted debt	957,729	1,440,978	1,928,027	2,407,916	2,858,805	3,034,412	3,383,635	3,708,709	4,028,520	87,111
Debt limitation for Unvoted debt 5.5% of assessed valuation	19,903,593	19,504,030	19,787,381	19,634,323	19,134,347	19,329,361	18,916,814	18,059,015	17,837,698	16,779,685
Legal debt margin for unvoted debt	18,945,864	18,063,052	17,723,702	17,226,407	16,275,542	16,294,949	15,533,179	14,350,306	13,809,178	16,692,574
Net debt within limitation for unvoted debt as a percentage of debt limit	4.81%	7.39%	9.74%	12.26%	14.94%	15.70%	17.89%	20.54%	22.58%	0.52%

Source: City of Piqua Finance Department

**CITY OF PIQUA, OHIO**

**Table 9**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
DECEMBER 31, 2008**

	<u>Gross Debt</u>	<u>Debt Service</u>	<u>Net Debt</u>	Percent Applicable to City (1)	<u>City's Share</u>
Piqua School District	\$ 8,981,003	\$ 734,492	\$ 8,246,511	80.78%	\$ 6,661,532
Upper Valley Joint Vocational School	670,000	95,589	574,411	16.52	94,893
Miami County	<u>16,540,000</u>	<u>411,278</u>	<u>16,128,722</u>	16.48	<u>2,658,013</u>
Total overlapping debt	26,191,003	1,241,359	24,949,644		9,414,438
City of Piqua	1,000,000	80,151	919,849	100.00%	919,849
Total net direct and overlapping debt	<u>\$27,191,003</u>	<u>\$ 1,321,510</u>	<u>\$ 25,869,493</u>		<u>\$ 10,334,287</u>

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

Source: Individual Jurisdictions



**CITY OF PIQUA, OHIO**

**DEBT COVERAGE  
BUSINESS TYPE ACTIVITIES  
December 31, 2008**

**Table 10**

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Power</b>										
Gross revenues	\$ 24,078,303	\$ 21,488,905	\$ 18,725,494	\$ 18,393,373	\$ 16,768,510	\$ 16,872,661	\$ 17,648,101	\$ 17,411,299	\$ 17,125,470	\$ 16,851,349
Direct operating expenses	21,765,513	20,643,787	14,259,799	15,553,778	15,403,238	15,151,271	15,639,200	12,375,133	12,167,826	11,585,345
Net revenue available for debt service	2,312,790	845,118	4,465,695	2,839,595	1,365,272	1,721,390	2,008,901	5,036,166	4,957,644	5,266,004
General obligation debt service requirements	410,259	408,495	410,539	402,880	403,789	488,902	449,075	448,375	446,700	444,050
Revenue obligation debt service requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,031,230	\$ 1,037,510
Debt service coverage	564	207	1,088	705	338	352	447	1,123	335	355
<b>Wastewater</b>										
Gross revenues	\$ 3,112,707	\$ 2,756,313	\$ 2,730,291	\$ 2,690,664	\$ 2,650,812	\$ 2,640,767	\$ 2,673,074	\$ 2,675,182	\$ 2,759,431	\$ 2,715,283
Direct operating expenses	1,767,872	1,678,005	1,832,516	1,629,290	1,588,385	1,532,618	1,414,830	1,340,327	1,323,629	1,296,479
Net revenue available for debt service	1,344,835	1,078,308	897,775	1,061,374	1,062,427	1,108,150	1,258,244	1,334,855	1,435,802	1,418,804
General obligation debt service requirements	-	176,963	188,925	200,888	212,850	224,813	236,775	248,738	260,700	272,662
Revenue obligation debt service requirements	\$ 506,537	\$ 506,537	\$ 506,537	\$ 820,578	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628
Debt service coverage	265	158	129	104	102	106	119	124	132	129
<b>Water</b>										
Gross revenues	\$ 3,004,270	\$ 2,751,678	\$ 2,673,640	\$ 2,545,102	\$ 2,516,706	\$ 2,505,710	\$ 2,531,566	\$ 2,551,938	\$ 2,628,040	\$ 2,639,794
Direct operating expenses	2,321,310	2,246,806	2,109,256	2,185,363	2,025,244	1,845,434	2,116,968	1,896,951	1,584,915	1,630,867
Net revenue available for debt service	682,960	504,872	564,384	359,739	491,462	660,276	414,598	654,987	1,043,125	1,008,927
General obligation debt service requirements	-	50,947	52,910	50,238	48,281	50,468	52,578	51,003	52,785	54,498
Revenue obligation debt service requirements	\$ 147,172	\$ 135,122	\$ 223,753	\$ 66,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service coverage	464	271	204	308	1,018	1,308	789	1,284	1,976	1,851
<b>Golf</b>										
Gross revenues	\$ 608,369	\$ 623,722	\$ 600,967	\$ 625,511	\$ 594,655	\$ 562,643	\$ 504,753	\$ 564,183	\$ 583,356	\$ 612,365
Direct operating expenses	525,446	568,058	550,122	539,118	541,073	467,023	390,479	380,037	324,720	379,761
Net revenue available for debt service	82,923	55,664	50,845	86,393	53,582	95,620	114,274	184,146	258,636	232,604
General obligation debt service requirements	\$ 168,385	\$ 180,231	\$ 177,532	\$ 180,205	\$ 265,233	\$ 215,598	\$ 230,774	\$ 230,747	\$ 231,040	\$ 230,936
Debt service coverage	49	31	29	48	20	44	50	80	112	101
<b>Pool</b>										
Gross revenues	\$ 93,172	\$ 89,708	\$ 90,075	\$ 96,102	\$ 74,383	\$ 77,338	\$ 91,672	\$ 72,303	\$ 63,883	\$ 73,579
Direct operating expenses	155,035	150,393	130,650	134,709	120,242	118,075	116,283	119,179	106,287	121,457
Net revenue available for debt service	(61,863)	(60,685)	(40,575)	(38,607)	(45,859)	(40,737)	(24,611)	(46,876)	(42,404)	(47,878)
General obligation debt service requirements	\$ 8,490	\$ 8,622	\$ 8,493	\$ 8,603	\$ 12,932	\$ 10,410	\$ 11,156	\$ 11,169	\$ 11,168	\$ 11,155
Debt service coverage	(729)	(704)	(478)	(449)	(355)	(391)	(221)	(420)	(380)	(429)
Gross revenues include operating revenue plus interest income										
Direct operating expenses exclude depreciation										
Annual debt service requirement includes principal and interest										

Source: City of Piqua Finance Department

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2008**

<u>NAME OF EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL EMPLOYMENT</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Industry Products	Manufacturer of die cutting equipment	350	3.4%
Walmart Stores Inc.	Retail store	345	3.4%
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	315	3.1%
Piqua City Schools	Public school district	308	3.0%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	280	2.7%
Tailwind Technologies Inc.	Manufacturer of aircraft propellers	277	2.7%
Upper Valley JVS	Regional joint vocational school	245	2.4%
Edison Community College	State community college	215	2.1%
City of Piqua	Municipal government	206	2.0%
Jackson Tube Service Inc.	Manufacturer of steel tubing	174	1.7%
Total available employment		10,186	

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 1999**

<u>NAME OF EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL EMPLOYMENT</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	655	6.4%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	400	3.9%
Jackson Tube Service Inc.	Manufacturer of steel tubing	334	3.3%
Charter Corporation	Manufacturer of aircraft propellers	327	3.2%
Industry Products	Manufacturer of die cutting equipment	298	2.9%
City of Piqua	Municipal government	231	2.3%
Hartzell Industries Inc.	Manufacturer of industrial fans	225	2.2%
Piqua City Schools	Public school district	218	2.1%
Upper Valley JVS	Regional joint vocational school	185	1.8%
Edison Community College	State community college	174	1.7%
Total available employment		9,613	

Source: City of Piqua Income Tax Office

**CITY OF PIQUA, OHIO**

**PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2008  
LAST EIGHT YEARS**

**Table 12**

Name of Taxpayer	Nature of Business	2008 Assessed Valuation	Percent of Total Assessed Valuation	2007 Assessed Valuation	2006 Assessed Valuation	2005 Assessed Valuation	2004 Assessed Valuation	2003 Assessed Valuation	2002 Assessed Valuation	2001 Assessed Valuation
Midamco	Shopping mall	\$ 8,964,070	2.48%	\$ 8,973,950	\$ 8,819,110	\$ 8,792,120	\$ 9,677,310	\$ 9,677,310	\$ 10,345,670	\$ 10,345,670
Harvey Tolson Real Estate	Shopping mall	4,284,110	1.18%	\$ 4,284,110						
Jackson Tube Service Inc.	Manufacturer of steel tubing	4,144,950	1.15%	5,959,740	8,455,350	9,498,430	9,099,760	8,389,390	9,310,510	8,636,390
Walmart Stores Inc.	Retailer of consumer goods	3,644,050	1.01%	3,230,090	3,804,410	-	-	-	-	-
Spalding & Evenflo Co., Inc.	Manufacturer of juvenile furniture	3,325,430	0.92%	4,739,550	6,838,690	7,502,000	8,650,400	8,514,030	11,285,850	10,245,560
Miami Valley Steel	Manufacturer of split rolled steel	2,951,210	0.82%	3,002,120	4,086,600	6,144,020	5,404,790	4,618,970	5,109,430	4,018,570
HCF Inc.	Nursing home	2,863,080	0.79%	2,863,080	2,863,080	2,863,080	2,606,780	2,606,780	2,606,780	2,606,780
Crane Pumps & Systems Inc.	Manufacturer of water pumps	2,492,560	0.69%	3,379,180	4,258,480	4,631,660	3,578,640	4,271,600	4,309,900	3,672,460
Home Depot Inc.	Hardware retailer	2,408,880	0.67%	2,819,960	3,071,200	3,240,210	3,240,210	-	-	-
Control NP Residual Pool 1	Retail strip mall	2,342,310	0.65%	2,120,300	1,607,140	1,607,140	1,607,140	1,607,140	1,607,140	1,607,140
<b>TOTAL</b>		<b>\$ 37,420,650</b>	<b>12.75%</b>	<b>\$ 41,372,080</b>	<b>\$ 43,804,060</b>	<b>\$ 44,278,660</b>	<b>\$ 43,865,030</b>	<b>\$ 39,685,220</b>	<b>\$ 44,575,280</b>	<b>\$ 41,132,570</b>
<b>TOTAL ASSESSED VALUATION</b>		<b>\$ 361,883,510</b>		<b>\$ 354,618,720</b>	<b>\$ 359,770,560</b>	<b>\$ 356,987,690</b>	<b>\$ 347,897,210</b>	<b>\$ 351,442,920</b>	<b>\$ 343,942,070</b>	<b>\$ 328,345,730</b>

Source: Miami County Auditor's Office

CITY OF PIQUA, OHIO

Table 13

FULL TIME EMPLOYEES BY PROGRAM/DEPARTMENT  
LAST TEN YEARS

PROGRAM	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>GOVERNMENTAL ACTIVITIES</b>										
General Government:										
City Building	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
City Manager	3.00	3.25	3.25	2.25	2.00	3.00	3.00	3.00	3.00	3.00
Law Department	2.00	1.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Planning and Zoning	2.00	2.00	2.00	2.00	-	-	-	-	-	-
Prosecutor	0.00	0.00	1.00	0.75	0.75	0.75	1.00	1.00	1.00	1.00
Human Resources	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Finance	20.00	20.00	20.00	20.00	19.50	20.00	21.00	21.00	21.00	21.00
Purchasing	1.00	1.00	1.00	1.00	1.00	-	-	1.00	1.00	1.00
Engineering	3.50	4.50	4.50	6.00	6.00	6.00	6.00	6.50	6.50	8.50
Hotel Project Manager	1.00	1.00	1.00	-	-	-	-	-	-	-
Health	6.00	6.00	6.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00
Public Safety:										
Police	38.00	40.00	40.00	40.00	40.50	40.00	39.00	40.50	40.50	40.50
Fire	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Streets:	17.00	17.00	17.00	17.00	16.00	17.50	19.00	21.00	18.50	17.50
Parks:	11.00	11.00	11.00	9.75	9.75	13.00	13.00	15.00	15.00	15.00
Community Development:	2.00	2.75	2.75	2.75	3.00	3.00	2.00	3.50	-	-
Total governmental activities	139.50	143.25	143.50	140.50	137.50	141.25	142.00	151.50	145.50	146.50
<b>BUSINESS-TYPE ACTIVITIES</b>										
Power:	36.50	33.50	33.50	37.00	37.00	37.00	38.00	39.00	39.00	40.00
Wastewater:	14.50	14.00	14.00	14.00	14.00	14.00	15.50	15.50	15.50	15.50
Water:	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50
Refuse:	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Golf:	7.00	13.00	14.00	13.00	14.00	14.00	10.50	10.50	10.50	9.00
Pool:	14.00	15.00	14.00	15.00	15.00	15.50	16.50	16.50	17.50	14.50
Total business-type activities	98.50	102.00	102.00	105.50	106.50	107.00	107.00	108.00	109.00	105.50
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	241.00	248.25	248.50	249.00	247.00	251.25	252.00	262.50	257.50	255.00

Source: City of Piqua 2008-1999 annual budgets

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

Table 14

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

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Power utility</b>										
Residential KWH billed (,000)	91,290	94,310	91,042	93,113	86,429	86,476	89,791	82,742	79,886	n/a
Residential billed revenue (,000)	\$ 7,805	\$ 8,825	\$ 5,675	\$ 5,824	\$ 5,198	\$ 5,211	\$ 5,534	\$ 5,186	\$ 4,988	\$ 4,988
Commercial KWH billed (,000)	113,026	114,998	119,563	118,880	114,671	108,145	110,991	106,599	109,611	n/a
Commercial billed revenue (,000)	\$ 8,339	\$ 7,219	\$ 6,670	\$ 6,719	\$ 6,258	\$ 5,921	\$ 6,233	\$ 6,223	\$ 6,344	\$ 6,344
Industrial KWH billed (,000)	110,693	110,080	105,373	96,145	91,083	93,246	95,461	92,111	96,428	n/a
Industrial billed revenue (,000)	\$ 7,087	\$ 6,180	\$ 5,141	\$ 4,853	\$ 4,380	\$ 4,559	\$ 4,816	\$ 4,773	\$ 4,568	\$ 4,568
Customer base	11,086	11,047	11,081	11,124	11,072	11,015	10,941	10,474	10,431	10,319
Construction line vehicles	25	25	25	25	25	25	25	25	25	25
<b>Water utility</b>										
Residential gallons billed (,000)	417,479	441,838	437,129	462,664	456,342	455,804	466,323	445,323	452,296	n/a
Residential billed revenue (,000)	\$ 2,149	\$ 1,937	\$ 1,871	\$ 1,856	\$ 1,834	\$ 1,830	\$ 1,855	\$ 1,796	\$ 1,810	\$ 1,808
Commercial gallons billed (,000)	139,917	160,127	156,082	160,263	155,211	148,757	159,680	160,346	166,404	n/a
Commercial billed revenue (,000)	\$ 563	\$ 533	\$ 517	\$ 500	\$ 491	\$ 480	\$ 499	\$ 502	\$ 517	\$ 533
Industrial gallons billed (,000)	56,398	48,475	41,575	39,167	41,267	38,294	46,166	46,456	53,810	n/a
Industrial billed revenue (,000)	\$ 179	\$ 139	\$ 120	\$ 111	\$ 115	\$ 110	\$ 125	\$ 126	\$ 140	\$ 154
Customer base	8,715	8,776	8,892	8,828	8,811	8,733	8,670	8,635	8,556	8,475
Vehicles in repair fleet	10	10	10	10	10	10	10	10	10	10
<b>Wastewater utility</b>										
Residential gallons billed (,000)	404,465	427,048	427,332	452,488	443,564	446,267	448,764	436,969	437,877	n/a
Residential billed revenue (,000)	\$ 2,287	\$ 2,002	\$ 1,960	\$ 2,035	\$ 2,003	\$ 2,006	\$ 2,014	\$ 1,974	\$ 1,965	\$ 1,956
Commercial gallons billed (,000)	127,089	129,302	134,651	135,340	133,097	129,590	135,082	139,986	154,794	n/a
Commercial billed revenue (,000)	\$ 500	\$ 436	\$ 438	\$ 438	\$ 434	\$ 425	\$ 440	\$ 455	\$ 500	\$ 490
Industrial gallons billed (,000)	63,343	60,383	57,949	53,457	49,427	44,058	56,070	49,580	57,554	n/a
Industrial billed revenue (,000)	\$ 247	\$ 196	\$ 183	\$ 171	\$ 161	\$ 147	\$ 175	\$ 162	\$ 178	\$ 183
Customer base	8,507	8,471	8,491	8,489	8,487	8,413	8,365	8,348	8,306	8,207
Vehicles in repair fleet	9	9	9	8	8	8	8	8	8	8
<b>Refuse utility</b>										
Residential customers billed	7,593	7,600	7,652	7,648	7,594	7,490	7,465	7,407	7,359	n/a
Commercial customers billed	96	97	74	75	78	77	76	66	67	n/a
Residential and commercial revenue billed (,000)	\$ 1,349	\$ 1,245	\$ 1,108	\$ 1,082	\$ 1,037	\$ 1,023	\$ 1,031	\$ 1,036	\$ 1,030	\$ 1,023
Tons of refuse collected	8,484	8,745	9,375	9,271	9,476	9,656	9,256	9,165	9,088	8,684
Tons of recycled refuse collected	1,246	1,171	1,192	1,069	912	1,079	1,043	1,009	999	1,009
Recycling fees collected(,000)	266	244	224	219	212	209	169	113	113	112
Vehicles in service	7	7	7	7	7	7	7	7	7	7
<b>Golf Course</b>										
Annual memberships	162	151	153	256	131	154	384	488	554	556
Rounds of golf played	22,969	22,750	22,965	25,033	24,151	22,230	28,262	33,235	36,942	38,304
Revenue collected (,000)	\$ 605	\$ 618	\$ 597	\$ 623	\$ 593	\$ 562	\$ 501	\$ 558	\$ 573	\$ 605

(Continued)

CITY OF PIQUA, OHIO

OPERATING INDICATORS AND DEMOGRAPHICS  
BY FUNCTION/PROGRAM  
LAST TEN YEARS

Table 14

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Health Department</b>										
Restaurant inspections	536	672	702	688	501	789	697	305	488	383
Swimming pool inspections	52	70	60	42	31	66	61	33	28	22
Nuisance consultations	2,285	2,551	3,447	2,235	1,753	1,891	1,898	1,430	1,100	916
Housing/Property maintenance enforcements	2,016	2,910	2,501	1,395	1,333	1,441	1,248	1,391	1,145	n/a
<b>Public Works</b>										
Right of way opening permits	110	100	77	87	52	26	0	0	0	0
Subdivision construction plan approvals	0	2	2	2	0	4	n/a	n/a	n/a	n/a
Area of City (in square miles)	11.4	11.4	11.4	11.4	11.3	11.3	11.3	11.3	11.1	11
<b>Street Maintenance</b>										
Miles of streets	103	103	100.4	100.4	103.3	103	100.3	99	99	99
Miles of streets repaved	3.4	5.8	2.5	4.2	3.9	1.9	2.5	3.6	4.2	n/a
Cubic yards of leaves disposed of	907	804	1555	1022	n/a	n/a	n/a	n/a	n/a	n/a
Tons of salt used	2,750	3,000	450	2,300	n/a	n/a	n/a	n/a	n/a	n/a
<b>Parks District</b>										
Number of parks	19	19	19	19	19	19	19	18	16	16
Acreage in parks	441.8	441.8	441.8	441.8	441.8	441.8	429	422	330	330
Fountain Park pool attendance	2280	5040	5015	n/a	n/a	n/a	n/a	5013	n/a	3526
Building rentals Mote Park	252	260	340	311	301	320	329	398	363	248
Building rentals all other parks	198	189	200	199	189	186	129	189	154	134
<b>Fire Department</b>										
Fire calls	540	514	500	466	450	475	489	526	528	512
Ems Response calls	3,230	3,083	3,120	2,990	3,083	2,787	2,551	2,571	2,638	2,567
Number of Sworn Officers	29	29	29	29	29	29	29	29	29	29
Number of Fire houses	1	1	1	1	1	1	1	1	1	1
Number of ambulances and fire response vehicles	13	13	13	13	12	11	11	11	10	10
<b>Police Department</b>										
Calls for service	23,195	22,618	24,627	28,895	31,318	31,103	33,393	36,740	37,176	34,402
Traffic citations	763	1,240	2,182	1,737	1,978	1,931	2,144	2,650	2,681	2,215
Number of sworn officers	33	34	34	34	34	34	33	33	33	32
Number of police response vehicles	26	26	26	26	24	24	24	24	24	24
<b>Planning &amp; Zoning Department</b>										
Zoning Permit applications	142	152	62	37	18	16	8	23	15	20
Commercial construction permits	40	47	62	37	18	16	8	23	15	20
Commercial construction value in (,000)	\$ 3,957	\$ 12,124	\$ 7,244	\$ 11,774	\$ 12,619	\$ 7,939	\$ 2,681	\$ 9,486	\$ 15,054	\$ 4,937
Residential construction permits	98	103	107	44	50	34	56	50	59	56
Residential construction value in (,000)	\$ 2,790	\$ 2,836	\$ 4,807	\$ 8,195	\$ 8,558	\$ 5,284	\$ 8,244	\$ 7,979	\$ 9,153	\$ 8,545

(Continued)

Table 14

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

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
<b>Municipal swimming pool</b>										
Annual memberships	710	373								
Annual attendance	19,273	18,119	20,435	21,439	24,670	25,283	25,552	23,108	22,475	23,128
Revenue collected (,000)	\$ 93	\$ 89	\$ 89	\$ 95	\$ 74	\$ 77	\$ 91	\$ 70	\$ 60	\$ 70
<b>General government information</b>										
Number of street lights	2,941	2,943	2,938	2,943	2,918	2,899	2,902	2,889	2,739	2,773
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Volumes of books in public libraries	123,333	140,181	136,023	137,389	136,096	165,179	107,000	124,032	127,394	107,593
Population	20,738	20,738	20,738	20,738	20,738	20,738	20,738	20,738	20,738	20,612
High school enrollment	3,737	3,766	3,792	3,922	3,932	3,932	3,861	3,846	3,911	4,015
Miami county unemployment rate	8.1%	6.3%	5.4%	5.4%	6.4%	5.8%	6.1%	4.8%	2.8%	3.2%
Household median income	\$ 44,566	\$ 44,212	\$ 43,861	\$ 42,378	\$ 40,945	\$ 39,560	\$ 38,222	\$ 36,930	\$ 35,681	\$ 33,438
Income per capita	\$ 23,384	\$ 23,198	\$ 23,014	\$ 22,235	\$ 21,483	\$ 20,757	\$ 20,055	\$ 19,377	\$ 18,719	\$ 17,545
Estimated personal income of city (,000)	\$ 484,937	\$ 481,080	\$ 477,264	\$ 461,109	\$ 445,514	\$ 430,459	\$ 415,901	\$ 401,840	\$ 388,195	\$ 361,638
Estimate total property value of city (,000)	\$ 1,033,952	\$ 1,013,963	\$ 1,100,519	\$ 1,069,733	\$ 1,069,733	\$ 1,086,863	\$ 1,081,860	\$ 1,013,309	\$ 1,006,266	\$ 942,874

(Concluded)







**Mary Taylor, CPA**  
Auditor of State

**CITY OF PIQUA**

**MIAMI COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 28, 2009**