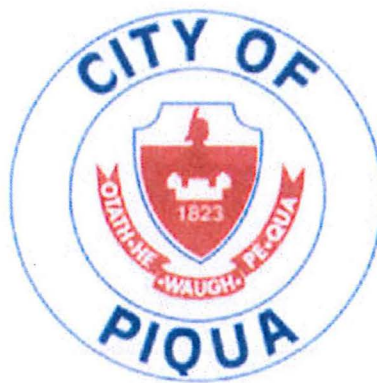




**Comprehensive Annual Financial Report  
for the year ended December 31, 2015**



***CITY OF PIQUA, OHIO***

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended December 31, 2015**

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

**CITY OF PIQUA, OHIO  
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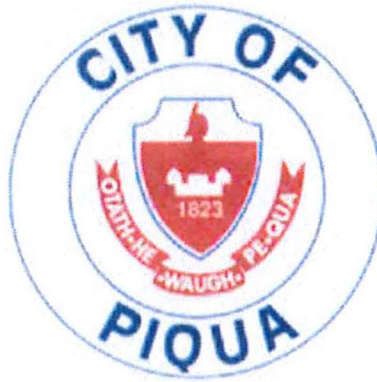
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# Introductory Section





## CITY OF PIQUA, OHIO

201 West Water Street • Piqua, Ohio 45356  
www.piquaoh.org

June 24, 2016

Honorable Mayor Kathryn Hinds, City Commission Members  
and Citizens of the City of Piqua, Ohio:

This Comprehensive Annual Financial Report is for the year ended December 31, 2015. We believe this report, prepared by the Department of Finance, presents financial and operating information about the City's activities during the year that should be useful to citizens, taxpayers and investors. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief the enclosed data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

### **Reporting Entity**

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

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

### **Local Economic Conditions and Outlook**

The City of Piqua is a community (2010 Census 20,522) in Miami County, located in the west central part of the state, twenty-five miles north of Dayton. Inter and intra state highways I-75, Route 36 and Route 66 serve as the City's major transportation arteries. Edison Community College, with over 3,911 students, is located on the east side of the city.

The City does not depend on one firm for local employment; as many as ten companies employ in excess of 200 people each, lending to the City's diversification. The City has four industrial parks with plenty of room for expansion. The City's emphasis on economic retention and development are significant factors affecting the future economic strength of the community. Promoting Piqua as a good place for all types of businesses, new and existing, will continue to be one of our highest priorities.

In 2015, the city of Piqua continued to experience growth and expansion across multiple industry sectors. P&R Specialty completed a \$1.1 million, 30,000 square foot expansion of warehouse space to support their growing manufacturing operations. Winans Coffee and Chocolates tripled their operations space with a \$450,000 renovation of a vacant downtown building. Retailers who opened new operations in Piqua include Dunham's Sports, Harvest Pantry, Rustiques, El Herradero, and Charming Times. Over \$11.0 million in new commercial construction started in Piqua in 2015. Additionally, residential construction increased from \$2.5 million in 2014 to over \$3.3 million in 2015.

## **Major Initiatives**

***Current Year Projects:*** During 2015 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 following significant events took place in 2015:

- The redevelopment of the City's downtown and surrounding areas. The redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights
- Completed Phase III street reconstruction of North 25A
- New Water Plant construction
- Applied for Downtown redevelopment grant to continue façade improvements to downtown structures
- Continued the Riverfront Redevelopment Project
- Continued beautification project on East Ash Street and US 36
- Completed Adequate Fire and Emergency Response (SAFER) grant of over \$1 million for fire staffing
- Partnered with Miami County for a Federal CHIP grant of \$646,000
- Expanded the "Back Pack Food Program" for High School Students
- Started a semi-automated recycling collection program
- Provided Active Shooter and Life Threats modern training to all public education facilities and many business organizations
- Implemented Carbon Dioxide Detector Program
- Hosted 2015 Miami Valley Cycling Summit
- Completed the Historic East Piqua Master Plan
- Completed construction and restoration for the West Interceptor to Echo Lake
- Received Public Works grant of \$1.1 million for Water Hydropillar
- Completed design of New Downtown Water Hydropillar

***Future Projects:*** The city anticipates the following significant events to take place in 2016:

- Continue the redevelopment of the City's downtown and surrounding areas. The redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights
- Continue neighborhood improvements through the Neighborhood Associations, City's Neighborhood Improvement Team and Housing Enhancement League of Piqua (HELP)
- Continue construction on new Water Plant through 2017
- Apply for Downtown redevelopment grant to continue façade improvements to downtown structures
- Start Implementation of the Historic East Piqua Master Plan
- Continue the Riverfront Redevelopment Project
- Continue monitoring long range financial plan
- Plan for first annual Piqua 4<sup>th</sup> Fest
- Begin construction on New Downtown Water Hydropillar
- Obtained \$300,000 critical infrastructure grant for part of Utility Automated Metering Infrastructure System
- Design and begin implementation of Utility Automated Metering Infrastructure

## Financial Information

Management of the City is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

The City's records are maintained on modified accrual basis for all governmental and similar fiduciary fund types. Accordingly, revenues are recognized when susceptible to accrual (i.e. both measurable and available). Expenditures, other than interest on long-term debt, are recorded as liabilities when incurred. Proprietary funds utilize the accrual basis of accounting and the electric system employs the Federal Energy Commission's system of accounts. A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the Basic 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 Independent Auditor's Report, providing an assessment of the City's finances for 2015.

## General Government

**General Governmental Revenues:** The 2015 municipal income tax revenue of \$10,661,411 increased 29%. Kilowatt hour tax revenues increased slightly. Interest revenue dropped and is expected to be similar in 2016 as rates remain low. Municipal income tax revenue is up slightly through May 2016 as a .25% levy was passed effective 2015. Grants were slightly higher in 2015 based on one time projects and are expected to continue at the 2015 level in 2016.

**General Governmental Expenditures:** The 2015 General Governmental expenditures and other financing uses decreased 46.5% compared with 2014. In 2015, more capital, community development, and public safety projects were completed. The large acquisition of the Fort Piqua Plaza was in 2014.

**General Fund Balances:** Current year activity contributed to a \$386,711 increase in the unassigned fund balance from 2014.

## **Business-Type Funds**

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

**Power System:** Total customer revenues were \$29.1 million with usage comparable to 2014 levels. Revenues remained stable based on increased industrial use. Operating and capital grants of \$.3 million were received in 2015. With operating costs slightly higher, revenues exceeded expenses in 2015 by \$879,128. A rate study, completed in 2014, recommended slight rate increases that started in 2015.

The system supplies electricity to more than 10,700 accounts within its service area. The power system, established in the 1930's, purchases power from power wholesalers, while supplementing power needs with fuel oil generation. The system is responsible for purchasing and generating power, transmitting and distributing electricity and providing all related services.

The City of Piqua obtains its power supply from various sources. Two megawatts of Power is available from the New York Power Authority (NYPA). A twenty-year transmission agreement with the Dayton Power & Light Company guarantees supply access. Alternative contracts and projects are being considered by the Power system. During 2006, the City entered into a contract with Dayton Power & Light and AMP Ohio to provide power at an economic price. Piqua Power participates in the American Public Power Association's Reliable Public Power Provider (RP3) program. In 2015 Piqua achieved Diamond status, one of only fifty-four municipal electric systems in the country, representing less than 3% of all eligible electric systems for its superior reliability, safety, workforce development and system improvement programs.

**Water System:** Customer revenues of \$5.1 million were higher than 2014 levels due to a rate increase while usage dropped 1.5%. Capital grants and contributions of \$154,730 were received in 2015. Operating expenses of \$4.2 million were up slightly while still increasing the net revenue from operations to \$1,054,722. More than 8,600 accounts are serviced by Piqua's municipal water system.

**Wastewater System:** Customer revenues were \$3.5 million with usage down 2.0%. Capital grants and contributions of \$196,000 were received in 2015. Operating expenses of \$3.2 million decreased slightly. Net revenue from operations was \$481,081 in 2015.

**Refuse System:** System revenues of \$1.8 million were similar to 2014 levels. Operating expenses of \$1.9 million were up slightly. Expenses exceeded revenues by \$130,733. Refuse service is provided to more than 7,800 customers.

**Stormwater System:** Customer revenues of \$1.1 million represented the fifth full year of operations and were up slightly due to a rate increase. Operating and Capital grants of \$693,452 were received in 2015. Operating expenses of \$846,714 were up slightly. Net revenue from operations was \$922,389 in 2015. Stormwater service is provided to approximately 7,900 customers.

## **The Independent Audit**

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The State Auditor's Office has completed an audit of the 2015 financial statements. The 2014 audit was also completed by The State Auditor's Office. All State of Ohio compliance and federal grant audit requirements are included as part of the independent annual engagement. See page 9 of the Financial Section of this report for their unmodified opinions.

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the twenty-fifth 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, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

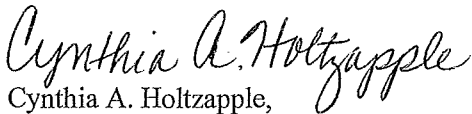
## Acknowledgments

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

Respectfully submitted,



Gaty A. Huff  
City Manager



Cynthia A. Holtzapple,  
Director of Finance

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

# **CITY OF PIQUA, OHIO**

## **CITY OFFICIALS**

Kathryn Hinds, Mayor  
John J. Martin, Commissioner  
Julia A. Terry, Commissioner  
William D. Vogt, Commissioner  
Joseph H. Wilson, Commissioner

## **CITY MANAGER**

Gary A. Huff

## **INDEPENDENT AUDITORS**

Ohio Auditor of State

# City of Piqua 2015 Organization Chart





Government Finance Officers Association

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

Presented to

**City of Piqua  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

City of Piqua  
Miami County  
201 West Water Street  
Piqua, Ohio 45356

To the City Commissioners:

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Miami County, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Piqua, Miami County, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note I to the financial statements, during the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

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

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

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

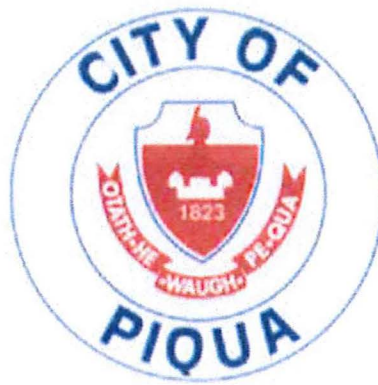
In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Robert R. Hinkle". The signature is written in a cursive style with a large initial "R".

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

June 24, 2016

# Financial Section



**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2015*  
*(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, 2015. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at December 31, 2015 by \$139.8 million (net position). Of this amount, \$22.8 million is considered unrestricted. The unrestricted net position of the City's governmental activities is \$8.5 million and may be used to meet the government's on-going obligations. The unrestricted net position of the City's business-type activities are \$14.3 million and may be used to meet the on-going obligations of the City's business-type activities, including the water, wastewater, refuse, stormwater, and electricity enterprises.
- The City's total net position increased by \$5.7 million or 4.3 percent in 2015. Net position of the governmental activities increased \$2.3 million, which represents a 3.7 percent increase from 2014. Net position of the business type activities increased \$3.4 million which represents a 4.8 percent increase from 2014.
- The total cost of the City's programs increased \$1.3 million or 2.4 percent. The cost of governmental activities increased \$0.5 million or 3.3 percent, while the cost of business-type activities increased \$0.8 million or 2.0 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$18.4 million. The combined governmental funds fund balance increased \$0.5 million from the prior year's ending fund balance. Approximately \$7.8 million of the \$18.4 million fund balance is considered unassigned at December 31, 2015.
- The general fund reported a fund balance of \$11.3 million at the end of the current fiscal year. The unassigned fund balance for the general fund was \$7.8 million or 62 percent of total general fund expenditures (including transfers out). There was a \$0.5 million increase in the total general fund balance for the year ended December 31, 2015.
- The City had \$11.0 million more in debt of bonds and notes outstanding at December 31, 2015 than at December 31, 2014.
- Total costs of governmental services increased by \$0.5 million, while net costs of services for governmental activities decreased by \$0.3 million.

**Using This Annual Financial Report**

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

The Statement of Net Position and the Statement of Activities (on pages 23-24) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail and start on page 25. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2015*  
*(Unaudited)*

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

### ***Statement of Net Position and the Statement of Activities***

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

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

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

The fund financial statements begin on page 25 and provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Funds are established to help control and manage money for particular purposes or to show that the City is meeting legal responsibilities for using certain taxes, grants, and other money. The City of Piqua's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- ***Governmental funds*** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. On the government-wide statements, these funds are reported using the accrual method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of timing of related cash flows. The governmental fund statements, using a modified accrual system of accounting, provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements or on an accompanying schedule.
- ***Proprietary funds*** – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Piqua uses enterprise funds to account for its electric, water, refuse, wastewater, stormwater services, golf and municipal pool. 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

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provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, wastewater, refuse, and stormwater systems as well as golf and municipal pool, 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 59 of this report.

***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, proportionate share of net pension liability, and pension contributions. The City adopts an annual appropriation budget for its general fund and other funds. A budgetary comparison schedule has been provided for the general fund and other special revenue funds to demonstrate compliance with this budget. Also provided are the schedules of the City's proportionate share of the net pension liability for OPERS and Ohio Police and Fire and schedules of the City contributions for OPERS and Ohio Police and Fire. Required supplementary information can be found on pages 60 through 69 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 70 through 84 of this report.

**The City of Piqua as a Whole**

Recall that the analysis of the Statement of Net Position looks at the City as a whole. One of the most important questions to consider is, "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information to help answer this question. The Net Position statement shows the difference between assets with deferred outflows and liabilities with deferred inflows, which is one way to measure the City's financial position. As reviewed over time, increases or decreases in the City's net position are an indicator of whether the City's financial health is improving or deteriorating. However, other non-financial factors must also be considered such as changes in the property tax base of the city, the condition of the City's roads and neighborhoods, and the reputation of the public schools in order to assess the overall health of the City. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities for both 2015 and 2014.

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

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
<b>Assets</b>						
Current and other assets	\$ 25,341,133	\$ 24,710,475	\$ 28,707,918	\$ 26,040,534	\$ 54,049,051	\$ 50,751,009
Capital assets	56,679,577	55,288,659	78,649,077	62,844,170	135,328,654	118,132,829
<i>Total Assets</i>	82,020,710	79,999,134	107,356,995	88,884,704	189,377,705	168,883,838
<b>Deferred outflows of resources</b>						
Pension	1,926,181	1,242,668	891,813	605,706	2,817,994	1,848,374
<b>Liabilities</b>						
Long-term liabilities	16,645,874	16,275,819	25,180,871	15,196,044	41,826,745	31,471,863
Other liabilities	751,095	728,026	8,242,318	2,974,715	8,993,413	3,702,741
<i>Total Liabilities</i>	17,396,969	17,003,845	33,423,189	18,170,759	50,820,158	35,174,604
<b>Deferred Inflows of Resources</b>						
Property Taxes	1,292,710	1,293,224			1,292,710	1,293,224
Reimbursements	138,501	191,460	-	-	138,501	191,460
Pension	40,212	-	88,300	-	128,512	-
<i>Total Deferred Inflows of Resources</i>	1,471,423	1,484,684	88,300	-	1,559,723	1,484,684
<b>Net position:</b>						
Net investment in capital assets	56,129,075	54,540,426	60,462,159	55,861,423	116,591,234	110,401,849
Restricted for other purposes	6,365	5,632	-	-	6,365	5,632
Restricted for debt service	411,558	375,519	-	-	411,558	375,519
Unrestricted	8,531,501	7,831,696	14,275,160	15,458,228	22,806,661	23,289,924
<i>Total Net Position</i>	\$ 65,078,499	\$ 62,753,273	\$ 74,737,319	\$ 71,319,651	\$ 139,815,818	\$ 134,072,924

During 2015, the City adopted GASB Statement, 68 "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange"—that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension

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system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. Then pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014 from \$74,939,685 to \$62,753,273 for governmental activities and from \$75,502,526 to \$71,319,651 for business type activities.

The amount by which the City's assets and deferred outflows exceed its liabilities and deferred inflows is called net position. Net position may serve over time as a useful indicator of a government's financial position. At year-end, the City's net position was \$139.8 million compared to \$134.1 million in 2014, an increase of \$5.7 million. Net Position for governmental activities increased \$2.3 million, while business-type activities increased \$3.4 million.

Of that amount, in 2015 approximately \$116.6 million (83.4%) was invested in capital assets, net of debt related to those assets. At year-end 2014 that amount was approximately \$110.4 million (82.3%). The largest portion of the City's net position (83%) reflects investments in net capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

For 2015 another \$0.4 million (0.30%) was subject to legislative and external restrictions upon its use. The remaining \$22.8 million (16.3%) in 2015 was unrestricted and available for future use. For 2014 \$0.4 million (0.30%) was subject to external restrictions and \$23.3 million (17.4%) was unrestricted.

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

Our total net position of the City's governmental activities increased \$2.3 million during the current year; \$1.6 million due to an increase in net investment in capital assets and \$0.7 million due to an increase in unrestricted net position. Restricted net position increased slightly.

Total net position of the City's business-type activities increased \$3.4 million during the current year; \$4.6 million due to an increase in net investment in capital assets and \$1.2 million due to a decrease in unrestricted net position.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for Services	\$ 2,049,620	\$ 1,495,236	\$ 41,039,779	\$ 39,541,412	\$ 43,089,399	\$ 41,036,648
Operating Grants/Contributions	1,254,648	1,960,446	358,200	503,454	1,612,848	2,463,900
Capital Grants/Contributions	1,585,172	554,878	990,230	49,844	2,575,402	604,722
General revenues:						
Property Taxes	1,182,995	1,169,263			1,182,995	1,169,263
Income Taxes	10,661,411	8,285,580			10,661,411	8,285,580
Other Taxes	3,124,082	3,068,432			3,124,082	3,068,432
Investment Earnings & Misc.	24,793	95,115	35,933	48,158	60,726	143,273
<b>Total Revenues</b>	<b>19,882,721</b>	<b>16,628,950</b>	<b>42,424,142</b>	<b>40,142,868</b>	<b>62,306,863</b>	<b>56,771,818</b>
Program Expenses						
General Government	1,941,956	1,895,842			1,941,956	1,895,842
Public Safety	8,855,194	8,599,246			8,855,194	8,599,246
Street and Maintenance	4,696,334	5,238,564			4,696,334	5,238,564
Parks and Recreation	546,674	509,403			546,674	509,403
Fort Piqua Plaza	488,175	-			488,175	-
Community Development	552,143	272,904			552,143	272,904
Interest on long-term debt	26,495	49,855			26,495	49,855
Electric			28,506,759	28,187,077	28,506,759	28,187,077
Wastewater			3,170,850	3,479,419	3,170,850	3,479,419
Water			4,191,855	3,444,314	4,191,855	3,444,314
Refuse			1,924,274	1,701,599	1,924,274	1,701,599
Stormwater			846,714	814,109	846,714	814,109
Golf			662,334	589,459	662,334	589,459
Fort Piqua Plaza			-	294,781	-	294,781
Pool			154,212	174,256	154,212	174,256
<b>Total Expenses</b>	<b>17,106,971</b>	<b>16,565,814</b>	<b>39,456,998</b>	<b>38,685,014</b>	<b>56,563,969</b>	<b>55,250,828</b>
<b>Increase (Decrease) in Net Position before Transfers &amp; Proceeds</b>	<b>2,775,750</b>	<b>63,136</b>	<b>2,967,144</b>	<b>1,457,854</b>	<b>5,742,894</b>	<b>1,520,990</b>
Special Item			-	(2,587,176)	-	(2,587,176)
Transfers	(450,524)	(505,544)	450,524	505,544	-	-
<b>Increase(Decrease) in Net Position</b>	<b>\$ 2,325,226</b>	<b>\$ (442,408)</b>	<b>\$ 3,417,668</b>	<b>\$ (623,778)</b>	<b>\$ 5,742,894</b>	<b>\$ (1,066,186)</b>
Net Position Beginning Restated	62,753,273	N/A	71,319,651	N/A	134,072,924	N/A
<b>Net Position Ending</b>	<b>\$ 65,078,499</b>	<b>\$ 62,753,273</b>	<b>\$ 74,737,319</b>	<b>\$ 71,319,651</b>	<b>\$ 139,815,818</b>	<b>\$ 134,072,924</b>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,848,374 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$1,949,661. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed.

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	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$ 17,106,971	\$ 39,456,998	\$ 56,563,969
Pension expense under GASB 68	(1,412,067)	(537,594)	(1,949,661)
2015 contractually required contribution	1,291,438	629,615	1,921,053
Adjusted 2015 program expenses	16,986,342	39,549,019	56,535,361
Total 2014 program expenses under GASB 27	16,565,814	38,685,014	55,250,828
Increased in program expenses not related to pension	\$ 420,528	\$ 864,005	\$ 1,284,533

***Governmental Activities***

Governmental activities increased the City's net position by \$2,325,226 in 2015. Total revenues increased by \$3,253,771 due to increased capital grants and income tax collections. Our program expenses increased by \$541,157 due to increased safety staffing and the Fort Piqua Plaza moving from an enterprise to governmental activity.

Several types of revenues fund our governmental activities with city income tax being the largest contributor. The income tax revenue for 2015 was up significantly at \$10,661,411 compared to \$8,285,580 in 2014, an increase of 28.67 percent. During 2014 the citizens of Piqua passed an additional .25 percent income tax levy effective January 1, 2015 making the City's income tax rate 2.00 percent for 2015. The City's income tax rate was 1.75 percent for 2014. 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 2.00 percent for those who pay income tax to another city.

General revenues from other taxes, such as Kilowatt-hour tax and Local Government Funds, are also revenue generators and in 2015, we received \$55,650 more than in 2014, a 1.8% increase mostly due to higher Kilowatt-hour tax collections. Program revenues saw an increase of \$554,384 in charges for services while operating and capital grants increased \$324,496 overall as projects were completed. Overall increases in program revenues totaled \$878,880 or 21.91%. With the combination of program revenues, property tax, income tax, intergovernmental funding and investment earnings, all expenses in the governmental activities are funded. The City monitors its source of revenues very closely for fluctuations.

The largest program function for the City relates to Public Safety, which accounts for 51.8 percent of total program expenses. Street Maintenance accounts for 27.5 percent of total program expenses, while General Government accounts for 11.4 percent. Street and Maintenance cost of services decreased as significant street projects were completed. Community Development increased due to grant activity and the Fort Piqua Plaza is now a governmental activity based on current and future use.

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:

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**Table 3**

**Government Activities**

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2015	2014	2015	2014	2015	2014
General Government	\$ 1,941,956	\$ 1,895,842	\$ 357,447	\$ 376,948	\$ 1,584,509	\$ 1,518,894
Public Safety	8,855,194	8,599,246	1,450,446	1,535,153	7,404,748	7,064,093
Street and Maintenance	4,696,334	5,238,564	2,349,100	1,715,164	2,347,234	3,523,400
Parks and Recreation	546,674	509,403	28,565	87,649	518,109	421,754
Fort Piqua Plaza	488,175	-	363,758	-	124,417	-
Community Development	552,143	272,904	340,124	295,646	212,019	(22,742)
Interest on long-term debt	26,495	49,855	-	-	26,495	49,855
<b>Total</b>	<b>\$ 17,106,971</b>	<b>\$ 16,565,814</b>	<b>\$ 4,889,440</b>	<b>\$ 4,010,560</b>	<b>\$ 12,217,531</b>	<b>\$ 12,555,254</b>

***Business-Type Activities***

The Business-Type activities of the City, which include the City's Electric, Wastewater, Water, Refuse and Stormwater operations as well as Golf and Pool activities, increased the City's net position by \$3,417,668 in 2015.

**Table 4**

**Business-type Activities**

	Total Cost of Services		Program Revenues		Net Revenue (Expense) from Operations	
	2015	2014	2015	2014	2015	2014
Electric	\$ 28,506,759	\$ 28,187,077	\$ 29,385,887	\$ 28,141,649	\$ 879,128	\$ (45,428)
Wastewater	3,170,850	3,479,419	3,651,931	3,521,249	481,081	41,830
Water	4,191,855	3,444,314	5,246,577	4,949,103	1,054,722	1,504,789
Refuse	1,924,274	1,701,599	1,793,541	1,783,288	(130,733)	81,689
Stormwater	846,714	814,109	1,769,103	999,238	922,389	185,129
Golf	662,334	589,459	497,407	471,046	(164,927)	(118,413)
Ft. Piqua Plaza	-	294,781	-	159,099	-	(135,682)
Pool	154,212	174,256	43,763	70,038	(110,449)	(104,218)
<b>Total</b>	<b>\$ 39,456,998</b>	<b>\$ 38,685,014</b>	<b>\$ 42,388,209</b>	<b>\$ 40,094,710</b>	<b>\$ 2,931,211</b>	<b>\$ 1,409,696</b>

For 2015 the Electric, Wastewater, Water and Stormwater utilities all had program revenues in excess of expenses. For the most part, increases in expenses closely parallel inflation and growth in the demand for services. Golf and Pool activity funds had expenses in excess of program revenues of \$275,376 in 2015 as compared to \$222,631 in 2014. There was decreased use of the Golf Course and the Pool based on a weaker local economy and wet and cold weather during the season. During 2014, the City acquired the Fort Piqua Plaza and the operation in 2015 became a governmental activity.

**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 2015 of \$19.7 million compared to \$16.9 million in 2014. All governmental funds had expenditures in 2015 of \$19.0 million compared to \$16.6 million in 2014. The most significant fund is our general fund, which had an unassigned fund balance at year-end of \$7.8 million in 2015 compared to \$7.4 million in 2014. 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 \$840,999 in 2015 as compared to \$434,248 in 2014. During 2014 the City acquired the Fort Piqua Plaza as satisfaction of an economic development loan. In 2015 the Fort Piqua Plaza operations were changed from enterprise to governmental based on current and future use. The funds are monitored consistently with adjustments made to the budgets to accommodate yearly revenues.

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Within the Street Maintenance Fund, expenditures exceeded revenues by \$21,664 in 2015 as compared to \$79,843 in 2014. Several street projects were started during 2015. Fund balance at year-end in 2015 was \$4,236,738 as compared to \$4,258,402 in 2014, a slight decline.

Within the Street Levy Construction Fund, revenues exceeded expenditures by \$81,295 in 2015 compared to \$478,370 in 2014. Fund balance at year-end in 2015 was \$2,216,178 as compared to \$2,308,637 in 2014. The City was able to maintain a level of fund balance in anticipation of street maintenance needs in 2016.

Information about the Enterprise Funds starts on the Balance Sheet on page 28. These funds are accounted for on an accrual basis. All business type funds had operating revenues of \$40.7 million in 2015 and \$39.3 million in 2014. Operating expenses were \$39.2 million in 2015 and \$38.4 million in 2014.

The enterprise fund balances increased \$3,519,038 with the Electric fund increasing \$0.9 million, Wastewater increasing \$0.5 million, Water increasing \$1.1 million from a rate increase and Refuse decreasing \$0.1 million based on one-time operating costs. Stormwater increased its 2015 fund net position by \$0.9 million. The other funds were similar to 2014. 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 2015, the City amended its general fund budget during the middle and at the end of the fiscal year. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the 2015 general fund, original budgeted revenues were \$10.9 million. The final budgeted revenue amount was \$11.7 million. Actual revenues were \$12.8 million. Actual revenues were higher due to increased income tax revenues. For the 2014 general fund, original budgeted revenues were \$10.2 million. The final budgeted revenue amount was \$20.1 million. Actual revenues collected were \$11.0 million.

For 2015, original general fund appropriations were budgeted at \$12.8 million. Final budgeted appropriations were \$13.2 million. Actual expenditures were \$12.0 million. This decrease was achieved through continued lower personnel costs and general government operating expenditures. For 2014, original general fund appropriations were budgeted at \$11.1 million. Final budgeted appropriations were \$11.4 million. Actual expenditures were \$10.5 million. This decrease was due to lower than expected personnel and general government operating expenditures.

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**Capital Asset and Debt Administration**

**Table 5**  
**Capital Assets, Net of Depreciation at December 31**

	Governmental Activities		Business-Type Activities	
	2015	2014	2015	2014
Land and Land Improvements	\$ 4,990,877	\$ 4,726,277	\$ 2,249,665	\$ 1,951,391
Infrastructure Land	2,115,523	2,115,523	-	-
Construction in Progress	4,553,927	2,927,558	19,872,208	4,808,784
Buildings and Improvements	17,469,676	17,924,365	14,480,191	14,601,918
Furniture, Fixtures and Equipment	2,796,822	2,772,611	30,534,730	30,995,685
Infrastructure	24,752,752	24,822,325	-	-
Underground Piping			10,277,759	9,161,803
Intangible Assets	-	-	1,234,524	1,324,589
<b>Total Capital Assets</b>	<b>\$56,679,577</b>	<b>\$55,288,659</b>	<b>\$ 78,649,077</b>	<b>\$ 62,844,170</b>

Total Capital Assets for the City of Piqua for the year ended December 31, 2015 were \$135,328,654, an increase of \$17,195,825 over 2014. Additions in 2015 were \$8,237,844 more than in 2014 based on certain large water and electric projects in 2015. 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 F of the financial statements.

**Debt**

At December 31, 2015, the City of Piqua had \$11.0 million more in debt of bonds, notes, and loans at \$18.7 million compared to \$7.7 million in debt outstanding at December 31, 2014.

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

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
General Obligation Bonds	\$ 135,000	\$ 175,000	\$ 490,000	\$ 640,000
State Infrastructure Bank Note	415,502	573,233	-	-
OWDA Loans	-	-	17,696,918	6,342,747
<b>Total</b>	<b>\$ 550,502</b>	<b>\$ 748,233</b>	<b>\$ 18,186,918</b>	<b>\$ 6,982,747</b>

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

The General Obligation Bonds in Business-type Activities are comprised of a 2003 obligation in the City's Enterprise funds for Municipal Pool and Golf Course improvements. They are paid from the operating revenues generated in each enterprise.

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

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

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

**CITY OF PIQUA, OHIO**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2015*  
*(Unaudited)*

During 2014, \$45,668,626 of borrowing was approved by the Ohio Water Development Authority ("OWDA 2014") for construction of a new Water Treatment Plant and to repay the design loan. Construction will continue from 2015-2017.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$30,298,788 on December 31, 2015.

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

### **Economic Factors and Next Year's General Fund Budget**

The City's key objectives set for the 2016 budget were Economic development, job creation, safety, and long-term fiscal stability. With the uncertainty surrounding the economy, the City closely monitors and takes into consideration the impact on two primary revenue sources: income tax revenue and state shared revenue.

In the 2016 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 2016 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources.

General fund expenditure appropriations for 2016 have been approved by City Commission in the amount of \$14.6 million. This appropriation level is approximately \$2.1 million more than actual 2015 general fund budgetary basis expenditures (including transfers out). The appropriation level was set based on similar estimated revenues in the General Fund compared to 2015 levels.

### **Current Financial Related Activities**

The City anticipates the following significant events to take place in 2016:

- Continue development of the Great Miami River Corridor
- Continue redevelopment of the Historic East Piqua Corridor
- Continue Community Housing Improvement and Streetscaping programs
- Begin the Shawnee Storm Project Phase I
- Continue new Water Tower Engineering and Construction
- Continue new Water Treatment Plant construction
- Continue the design phase of the Wastewater Treatment Plant expansion
- Continue a curb-side recycling project
- Begin implementing an Automated Meter Infrastructure for City Utilities
- Continue Parks and City-wide beautification programs

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

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

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

# CITY OF PIQUA, OHIO

## STATEMENT OF NET POSITION DECEMBER 31, 2015

	Government Activities	Business Type Activities	Total Activities
<b>ASSETS:</b>			
Equity in pooled cash and cash equivalents	\$ 18,598,476	\$ 19,531,879	\$ 38,130,355
Equity in pooled investments	1,959,364	2,321,538	4,280,902
Accounts receivable	4,866,106	5,309,402	10,175,508
Allowance for Bad Debts	-	(573,074)	(573,074)
Interfund balances	(99,654)	99,654	-
Inventories	-	944,617	944,617
Prepaid items and other assets	11,230	154,742	165,972
Loans receivable, net of allowance	5,611	-	5,611
Recoverable purchased power	-	919,160	919,160
Capital assets not being depreciated	11,660,327	21,476,826	33,137,153
Capital assets being depreciated, net	45,019,250	57,172,251	102,191,501
Total assets	<u>82,020,710</u>	<u>107,356,995</u>	<u>189,377,705</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred by pensions	<u>1,926,181</u>	<u>891,813</u>	<u>2,817,994</u>
<b>LIABILITIES:</b>			
Accounts payable	231,780	5,969,620	6,201,400
Salary and benefits payable	467,484	168,943	636,427
Other accruals	51,831	2,102,153	2,153,984
Unearned revenue	-	1,602	1,602
Long-term liabilities:			
Due within one year	863,089	705,199	1,568,288
Due in more than one year:			
Net Pension Liability	14,193,010	4,894,367	19,087,377
Other Amounts Due in more than one year	1,589,775	19,581,305	21,171,080
Total liabilities	<u>17,396,969</u>	<u>33,423,189</u>	<u>50,820,158</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Property taxes	1,292,710	-	1,292,710
Reimbursements	138,501	-	138,501
Deferred by pension	40,212	88,300	128,512
Total deferred inflows of resources	<u>1,471,423</u>	<u>88,300</u>	<u>1,559,723</u>
<b>NET POSITION:</b>			
Net investment in capital assets	56,129,075	60,462,159	116,591,234
Restricted by: legislation	6,365	-	6,365
Restricted by: debt covenants	411,558	-	411,558
Unrestricted	8,531,501	14,275,160	22,806,661
Total net position	<u>\$ 65,078,499</u>	<u>\$ 74,737,319</u>	<u>\$ 139,815,818</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	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	\$ 1,941,956	\$ 347,523	\$ 9,924	\$ -	\$ (1,584,509)	\$ -	\$ (1,584,509)
Public safety	8,855,194	1,167,432	283,014	-	(7,404,748)	-	(7,404,748)
Streets and maintenance	4,696,334	111,846	655,927	1,581,327	(2,347,234)	-	(2,347,234)
Parks and recreation	546,674	18,350	6,370	3,845	(518,109)	-	(518,109)
Fort Piqua Plaza	488,175	363,758	-	-	(124,417)	-	(124,417)
Community development	552,143	40,711	299,413	-	(212,019)	-	(212,019)
Interest on long term debt	26,495	-	-	-	(26,495)	-	(26,495)
Total governmental activities	<u>17,106,971</u>	<u>2,049,620</u>	<u>1,254,648</u>	<u>1,585,172</u>	<u>(12,217,531)</u>	<u>-</u>	<u>(12,217,531)</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Electric	28,506,759	29,091,216	294,671	-	-	879,128	879,128
Wastewater	3,170,850	3,455,931	-	196,000	-	481,081	481,081
Refuse	1,924,274	1,793,541	-	-	-	(130,733)	(130,733)
Water	4,191,855	5,083,835	8,012	154,730	-	1,054,722	1,054,722
Storm Water	846,714	1,075,651	53,952	639,500	-	922,389	922,389
Golf	662,334	495,842	1,565	-	-	(164,927)	(164,927)
Municipal Pool	154,212	43,763	-	-	-	(110,449)	(110,449)
Total business-type activities	<u>39,456,998</u>	<u>41,039,779</u>	<u>358,200</u>	<u>990,230</u>	<u>-</u>	<u>2,931,211</u>	<u>2,931,211</u>
Total	<u>\$ 56,563,969</u>	<u>\$ 43,089,399</u>	<u>\$ 1,612,848</u>	<u>\$ 2,575,402</u>	<u>\$ (12,217,531)</u>	<u>\$ 2,931,211</u>	<u>(9,286,320)</u>
<b>GENERAL REVENUES:</b>							
Property taxes					1,182,995	-	1,182,995
Shared revenues unrestricted					1,918,725	-	1,918,725
Income tax					10,661,411	-	10,661,411
Locally levied taxes					1,205,357	-	1,205,357
Investment earnings					15,342	35,933	51,275
Miscellaneous					9,451	-	9,451
Total general revenues					<u>14,993,281</u>	<u>35,933</u>	<u>15,029,214</u>
Transfers, in (out)					<u>(450,524)</u>	<u>450,524</u>	<u>-</u>
Change in net position					2,325,226	3,417,668	5,742,894
Total net position:							
Beginning of year restated					<u>62,753,273</u>	<u>71,319,651</u>	<u>134,072,924</u>
End of year					<u>\$ 65,078,499</u>	<u>\$ 74,737,319</u>	<u>\$ 139,815,818</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

ASSETS	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
Equity in pooled cash and cash equivalents	\$ 10,153,134	\$ 3,701,358	\$ 2,122,015	\$ 411,558	\$ 278,002	\$ 16,666,067
Equity in pooled investments	400,000	250,000	-	-	-	650,000
Accounts receivable	3,360,235	815,830	340,781	44,137	88,288	4,649,271
Interfund receivable	56,551	-	-	-	943	57,494
Prepaid items and other assets	7,520	-	-	-	-	7,520
Loans Receivable, net of allowance	-	-	-	-	5,611	5,611
<b>Total Assets</b>	<b>\$ 13,977,440</b>	<b>\$ 4,767,188</b>	<b>\$ 2,462,796</b>	<b>\$ 455,695</b>	<b>\$ 372,844</b>	<b>\$ 22,035,963</b>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES:</b>						
Accounts payable	\$ 108,085	\$ 48,894	\$ 47,967	\$ -	\$ 17,599	\$ 222,545
Interfund payable	-	-	-	-	57,494	57,494
Salaries and benefits	428,480	24,235	-	-	6,156	458,871
Accruals	10,185	552	-	-	-	10,737
<b>Total Current Liabilities</b>	<b>546,750</b>	<b>73,681</b>	<b>47,967</b>	<b>-</b>	<b>81,249</b>	<b>749,647</b>
<b>LONG-TERM LIABILITIES:</b>						
Restricted deposits	20,657	-	-	-	-	20,657
<b>Total Long Term Liabilities</b>	<b>20,657</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,657</b>
<b>Total Liabilities</b>	<b>567,407</b>	<b>73,681</b>	<b>47,967</b>	<b>-</b>	<b>81,249</b>	<b>770,304</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	1,514,407	-	-	44,137	68,350	1,626,894
State shared taxes	227,934	389,401	-	-	3,507	620,842
Income taxes	353,682	67,368	60,150	-	-	481,200
Reimbursements	25,791	-	138,501	-	-	164,292
<b>Total deferred inflows of resources</b>	<b>2,121,814</b>	<b>456,769</b>	<b>198,651</b>	<b>44,137</b>	<b>71,857</b>	<b>2,893,228</b>
<b>FUND BALANCES</b>						
Nonspendable fund balance	7,520	-	-	-	5,611	13,131
Restricted fund balance	78,261	4,236,738	2,216,178	411,558	214,127	7,156,862
Assigned fund balance	3,413,891	-	-	-	-	3,413,891
Unassigned fund balance	7,788,547	-	-	-	-	7,788,547
<b>Total fund balances</b>	<b>11,288,219</b>	<b>4,236,738</b>	<b>2,216,178</b>	<b>411,558</b>	<b>219,738</b>	<b>18,372,431</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 13,977,440</b>	<b>\$ 4,767,188</b>	<b>\$ 2,462,796</b>	<b>\$ 455,695</b>	<b>\$ 372,844</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	56,679,577
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	1,462,017
The net unamortized portion of pension liability deferred inflows and outflows are	1,885,969
The following long-term liabilities are not due and payable in the current period and therefore are not reported as expenditures in the funds	
Bonds and notes payable	(550,502)
Sick leave benefits	(1,881,705)
Net Pension Liability	(14,193,010)
Accrued interest on bonds payable	(3,094)
Internal service funds are used to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position	3,306,816
Net position of governmental activities	<u>\$ 65,078,499</u>

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-- GOVERNMENTAL FUNDS  
FOR THE PERIOD ENDED DECEMBER 31, 2015**

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
<b>REVENUES:</b>						
Municipal income tax	\$ 7,740,034	\$ 1,501,752	\$ 1,340,925	\$ -	\$ -	\$ 10,582,711
Property taxes	1,082,085	-	-	42,114	58,796	1,182,995
State shared revenues	637,988	1,207,291	-	-	7,752	1,853,031
Locally levied taxes	1,205,357	-	-	-	-	1,205,357
Licenses and permits, fees	1,450,616	1,020	-	-	2,035	1,453,671
Grants: capital	-	-	1,581,327	-	-	1,581,327
Grants: operating	201,319	42,911	613,016	-	314,377	1,171,623
Investment income	2,140	4,522	242	217	4,135	11,256
Donations:						
Capital	3,845	-	-	-	-	3,845
Operating	83,025	-	-	-	-	83,025
Other fines, rents, and reimbursements	409,666	52,908	57,918	-	75,886	596,378
<b>Total revenues</b>	<b>12,816,075</b>	<b>2,810,404</b>	<b>3,593,428</b>	<b>42,331</b>	<b>462,981</b>	<b>19,725,219</b>
<b>EXPENDITURES:</b>						
General government administration	1,359,621	-	-	-	-	1,359,621
Public safety	8,710,369	-	-	-	-	8,710,369
Public health	430,480	-	-	-	26,305	456,785
Street repairs and maintenance	-	2,496,997	1,161,701	-	-	3,658,698
Parks and recreation	459,446	-	-	-	-	459,446
Fort Piqua Plaza	266,357	-	-	-	-	266,357
Community planning and development	73,640	-	-	-	359,282	432,922
Other	-	-	-	6,292	52,326	58,618
Debt principal payment	165,000	-	-	197,731	-	362,731
Debt interest payment	4,029	-	-	23,585	-	27,614
Capital costs	506,134	335,071	2,350,432	-	-	3,191,637
<b>Total expenditures</b>	<b>11,975,076</b>	<b>2,832,068</b>	<b>3,512,133</b>	<b>227,608</b>	<b>437,913</b>	<b>18,984,798</b>
Excess (deficiency) of revenues over expenditures	840,999	(21,664)	81,295	(185,277)	25,068	740,421
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt	165,000	-	-	-	-	165,000
Proceeds from sale of capital assets	18,800	-	-	-	-	18,800
Transfers, in	-	-	-	221,316	-	221,316
Transfers, out	(498,086)	-	(173,754)	-	-	(671,840)
<b>Total other financing sources (uses)</b>	<b>(314,286)</b>	<b>-</b>	<b>(173,754)</b>	<b>221,316</b>	<b>-</b>	<b>(266,724)</b>
Net change in fund balance	526,713	(21,664)	(92,459)	36,039	25,068	473,697
Fund balance-beginning of year	10,761,506	4,258,402	2,308,637	375,519	194,670	17,898,734
Fund balance-end of year	\$ 11,288,219	\$ 4,236,738	\$ 2,216,178	\$ 411,558	\$ 219,738	\$ 18,372,431

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, 2015**

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Total net change in fund balances Governmental funds	\$ 473,697
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures; however in the Statement of Activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays (\$3,191,637) exceed depreciation expense (\$1,710,953)	1,480,684
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: (State shared taxes \$65,694, Income taxes \$78,700, and Ems billings (\$429))	143,965
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	362,731
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	189,050
Interest payable	1,119
Proceeds from the issuance of bonds, capital lease or other debt instruments are not considered revenues on the Statement of Activities	(165,000)
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows(\$1,265,774). Except for these amount, changes in the net pension liability are reported as pension expense in the statement of activities(\$1,386,584).	(120,810)
The net book value of assets retired (the difference of original cost (\$384,681) and accumulated depreciation (\$375,332) is not recorded on the Governmental Fund Statements, but is recorded as an expense on the Statement of Activities	(9,349)
An Internal Service Fund is used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of the internal service fund related to governmental activities is reported with governmental activities	(30,861)
Change in the net position of governmental activities on the Statement of Activities	<u>\$ 2,325,226</u>

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2015**

**ASSETS AND DEFERRED**

**OUTFLOWS OF RESOURCES**

CURRENT ASSETS:

	Business-type Activities							Governmental Activities - Internal Service Funds	
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Municipal Pool	Total	
Equity in pooled cash and cash equivalents	\$ 8,219,088	\$ 2,826,351	\$ 780,192	\$ 6,637,220	\$ 896,199	\$ 126,673	\$ 46,156	\$ 19,531,879	\$ 1,932,409
Equity in pooled investments	1,450,000	559,272	312,266	-	-	-	-	2,321,538	1,309,364
Accounts receivable	3,780,957	483,046	242,584	730,495	67,864	4,456	-	5,309,402	216,835
Allowance for uncollectible accounts	(351,278)	(84,760)	(45,843)	(79,481)	(11,712)	-	-	(573,074)	-
Inventories	790,035	-	-	119,251	5,658	29,673	-	944,617	-
Prepaid items and other assets	5,999	5,291	76,500	62,952	4,000	-	-	154,742	3,710
Total Current Assets	13,894,801	3,789,200	1,365,699	7,470,437	962,009	160,802	46,156	27,689,104	3,462,318

NONCURRENT ASSETS:

Recoverable purchased power	919,160	-	-	-	-	-	-	919,160	-
Capital assets not being depreciated	971,460	1,684,527	17,949	17,301,404	1,131,142	370,344	-	21,476,826	49,200
Capital assets being depreciated	33,679,278	10,234,790	630,021	10,839,393	688,907	1,000,760	99,102	57,172,251	310,922
Total Noncurrent Assets	35,569,898	11,919,317	647,970	28,140,797	1,820,049	1,371,104	99,102	79,568,237	360,122

DEFERRED OUTFLOWS OF RESOURCES:

Deferred by pensions	372,458	173,904	78,768	190,476	46,629	22,002	7,576	891,813	36,352
Total Deferred Outflows of Resources	372,458	173,904	78,768	190,476	46,629	22,002	7,576	891,813	36,352

Total Assets and deferred outflows of resources	\$ 49,837,157	\$ 15,882,421	\$ 2,092,437	\$ 35,801,710	\$ 2,828,687	\$ 1,553,908	\$ 152,834	\$ 108,149,154	\$ 3,858,792
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See accompanying notes to the basic financial statements

Continued

CITY OF PIQUA, OHIO

BALANCE SHEET  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2015

Business-type Activities

LIABILITIES	Business-type Activities								Governmental Activities - Internal Service Funds
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Municipal Pool	Total	
<b>CURRENT LIABILITIES:</b>									
Accounts payable	\$ 3,366,351	\$ 258,442	\$ 55,997	\$ 2,246,197	\$ 37,456	\$ 4,062	\$ 1,115	\$ 5,969,620	\$ 9,235
Salaries and benefits	63,271	33,752	16,493	39,064	8,011	8,352	-	168,943	8,613
Accrued vacation, personal, and sick leave	150,155	75,129	38,671	73,868	14,971	9,625	-	362,419	77,068
Accruals and prepaid memberships	380,416	90	-	1,716,675	-	6,455	119	2,103,755	38,000
Current portion of long term debt	-	187,780	-	-	-	147,560	7,440	342,780	-
<b>Total Current Liabilities</b>	<b>3,960,193</b>	<b>555,193</b>	<b>111,161</b>	<b>4,075,804</b>	<b>60,438</b>	<b>176,054</b>	<b>8,674</b>	<b>8,947,517</b>	<b>132,916</b>
<b>LONG-TERM LIABILITIES:</b>									
Accrued vacation, personal, and sick leave	325,130	201,075	74,673	179,397	30,577	7,155	-	818,007	33,955
Net Pension Liability	2,069,095	919,201	401,998	1,060,075	251,393	141,142	51,463	4,894,367	227,733
Long term liabilities	919,160	4,245,340	-	13,263,798	-	318,920	16,080	18,763,298	-
<b>Total Long-Term Liabilities</b>	<b>3,313,385</b>	<b>5,365,616</b>	<b>476,671</b>	<b>14,503,270</b>	<b>281,970</b>	<b>467,217</b>	<b>67,543</b>	<b>24,475,672</b>	<b>261,688</b>
<b>Total Liabilities</b>	<b>7,273,578</b>	<b>5,920,809</b>	<b>587,832</b>	<b>18,579,074</b>	<b>342,408</b>	<b>643,271</b>	<b>76,217</b>	<b>33,423,189</b>	<b>394,604</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>									
Deferred by pensions	36,878	17,219	7,799	18,859	4,617	2,178	750	88,300	3,599
<b>Total deferred inflows of resources</b>	<b>36,878</b>	<b>17,219</b>	<b>7,799</b>	<b>18,859</b>	<b>4,617</b>	<b>2,178</b>	<b>750</b>	<b>88,300</b>	<b>3,599</b>
<b>NET POSITION</b>									
Net investment in capital assets	34,650,738	7,486,197	647,970	14,876,999	1,820,049	904,624	75,582	60,462,159	360,122
Unrestricted	7,875,963	2,458,196	848,836	2,326,778	661,613	3,835	285	14,175,506	3,100,467
<b>Total Net Position</b>	<b>42,526,701</b>	<b>9,944,393</b>	<b>1,496,806</b>	<b>17,203,777</b>	<b>2,481,662</b>	<b>908,459</b>	<b>75,867</b>	<b>74,637,665</b>	<b>3,460,589</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 49,837,157</b>	<b>\$ 15,882,421</b>	<b>\$ 2,092,437</b>	<b>\$ 35,801,710</b>	<b>\$ 2,828,687</b>	<b>\$ 1,553,908</b>	<b>\$ 152,834</b>		<b>\$ 3,858,792</b>
Adjustment to consolidate the internal service fund activities								99,654	
<b>Total net position per the government-wide Statement of Net Position</b>								<b>\$ 74,737,319</b>	

See accompanying notes to the basic financial statements

Concluded

CITY OF PIQUA, OHIO

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2015

	Business-type Activities							Total	Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Municipal Pool		
<b>OPERATING REVENUES:</b>									
Customer services	\$ 28,674,632	\$ 3,414,281	\$ 1,765,709	\$ 4,949,213	\$ 1,068,429	\$ 500,284	\$ 43,142	\$ 40,415,690	\$ 942,309
Penalty charges	201,392	38,208	22,199	54,941	6,479	-	-	323,219	-
Total operating revenues	28,876,024	3,452,489	1,787,908	5,004,154	1,074,908	500,284	43,142	40,738,909	942,309
<b>OPERATING EXPENSES:</b>									
Fossil fuels used for production	51,017	-	-	-	-	-	-	51,017	-
Purchased power	21,041,096	-	-	-	-	-	-	21,041,096	-
Salaries and employee benefits	2,114,274	1,190,571	537,864	1,253,742	302,045	165,351	51,727	5,615,574	566,334
Depreciation	1,911,394	711,806	61,413	434,638	43,000	113,472	35,238	3,310,961	118,417
Materials and supplies	313,754	293,337	392,750	1,029,185	233,106	165,211	20,712	2,448,055	38,107
Utilities	88,790	189,904	6,381	262,453	24,179	56,746	18,261	646,714	33,251
Outside services	2,164,471	334,390	784,912	505,301	175,479	69,487	10,351	4,044,391	141,863
Billing costs	456,619	250,260	113,347	279,674	34,876	-	-	1,134,776	-
Chemicals	-	16,069	-	244,656	-	33,845	10,744	305,314	-
Other	326,568	42,926	13,831	146,219	29,068	32,228	4,956	595,796	188,761
Total operating expenses	28,467,983	3,029,263	1,910,498	4,155,868	841,753	636,340	151,989	39,193,694	1,086,733
Operating income (loss)	408,041	423,226	(122,590)	848,286	233,155	(136,056)	(108,847)	1,545,215	(144,424)
<b>NON-OPERATING REVENUES (EXPENSES):</b>									
Interest on debt	-	(127,681)	-	(1,257)	-	(23,694)	(1,195)	(153,827)	-
Interest income	19,643	3,822	3,364	934	22	39	2	27,826	12,193
Other, net	215,192	3,442	5,633	79,681	743	(4,442)	621	300,870	-
Operating grants	294,671	-	-	8,012	53,952	1,565	-	358,200	-
Net non-operating revenues (expenses)	529,506	(120,417)	8,997	87,370	54,717	(26,532)	(572)	533,069	12,193
Capital grants	-	196,000	-	154,730	639,500	-	-	990,230	-
Transfers, in	-	-	-	-	-	335,000	115,524	450,524	-
Change in net position	937,547	498,809	(113,593)	1,090,386	927,372	172,412	6,105	3,519,038	(132,231)
Total net position-beginning of year restated	41,589,154	9,445,584	1,610,399	16,113,391	1,554,290	736,047	69,762		3,592,820
Total net position-end of year	\$ 42,526,701	\$ 9,944,393	\$ 1,496,806	\$ 17,203,777	\$ 2,481,662	\$ 908,459	\$ 75,867		\$ 3,460,589
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								(101,370)	
Change in net position of business-type activities								\$ 3,417,668	

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities								Governmental	
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Ft. Piqua Plaza	Municipal Pool	Total	Activities- Internal Service Funds
<b>OPERATING ACTIVITIES:</b>										
Cash received for services	\$ 29,771,045	\$ 3,683,893	\$ 1,800,493	\$ 5,243,181	\$ 1,767,096	\$ 507,767	\$ 23,539	\$ 61,989	\$ 42,859,003	\$ 837,467
Cash paid to suppliers for goods or services	(23,303,759)	(949,595)	(1,349,126)	(1,967,766)	(471,572)	(372,625)	(24,138)	(70,422)	(28,509,003)	(365,454)
Cash paid to employees for services	(2,166,669)	(1,143,562)	(532,704)	(1,264,625)	(293,924)	(163,789)	-	(51,727)	(5,617,000)	(568,762)
Net cash provided by (used in) operating activities	4,300,617	1,590,736	(81,337)	2,010,790	1,001,600	(28,647)	(599)	(60,160)	8,733,000	(96,749)
<b>NONCAPITAL FINANCING ACTIVITIES:</b>										
Transfers, in	-	-	-	-	-	335,000	-	115,524	450,524	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-	-	335,000	-	115,524	450,524	-
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>										
Recoverable purchased power contract	1,301,787	-	-	-	-	-	-	-	1,301,787	-
Proceeds from issuance of bonds and notes	-	640,439	-	10,967,401	-	-	-	-	11,607,840	-
Principal paid on bonds and notes	(1,301,787)	(181,341)	-	(72,328)	-	(142,800)	-	(7,200)	(1,705,456)	-
Interest paid on bonds and notes	-	(127,681)	-	(1,257)	-	(24,390)	-	(1,230)	(154,558)	-
Acquisition and construction of capital & AMP regulatory assets	(1,094,380)	(2,214,573)	(126,833)	(11,346,234)	(1,076,032)	(82,500)	-	(14,854)	(15,955,406)	(38,000)
Proceeds from the sale of capital assets	46,518	-	-	-	-	10,617	-	-	57,135	-
Net cash provided by (used in) capital & related financing activities	(1,047,862)	(1,883,156)	(126,833)	(452,418)	(1,076,032)	(239,073)	-	(23,284)	(4,848,658)	(38,000)
<b>INVESTING ACTIVITIES:</b>										
Purchases of investment securities	-	(459,272)	(112,266)	-	-	-	-	-	(571,538)	(959,364)
Proceeds from sale or maturity of investment securities	350,000	457,447	111,820	-	-	-	-	-	919,267	1,435,552
Interest received	19,924	3,814	3,369	934	22	39	-	2	28,104	13,178
Net cash provided by (used in) investing activities	369,924	1,989	2,923	934	22	39	-	2	375,833	489,366
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,622,679</b>	<b>(290,431)</b>	<b>(205,247)</b>	<b>1,559,306</b>	<b>(74,410)</b>	<b>67,319</b>	<b>(599)</b>	<b>32,082</b>	<b>4,710,699</b>	<b>354,617</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>4,596,409</b>	<b>3,116,782</b>	<b>985,439</b>	<b>5,077,914</b>	<b>970,609</b>	<b>59,354</b>	<b>599</b>	<b>14,074</b>	<b>14,821,180</b>	<b>1,577,792</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ 8,219,088</b>	<b>\$ 2,826,351</b>	<b>\$ 780,192</b>	<b>\$ 6,637,220</b>	<b>\$ 896,199</b>	<b>\$ 126,673</b>	<b>\$ -</b>	<b>\$ 46,156</b>	<b>\$ 19,531,879</b>	<b>1,932,409</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 408,041</b>	<b>\$ 423,226</b>	<b>\$ (122,590)</b>	<b>\$ 848,286</b>	<b>\$ 233,155</b>	<b>\$ (136,056)</b>	<b>\$ -</b>	<b>\$ (108,847)</b>	<b>\$ 1,545,215</b>	<b>(144,424)</b>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:										
Depreciation	1,911,394	711,806	61,413	434,638	43,000	113,472	-	35,238	3,310,961	118,417
(Increase)/Decrease in Accounts Receivable	311,691	31,962	6,952	(3,394)	(2,007)	-	23,539	18,227	386,970	(104,842)
(Increase)/Decrease in Inventory	(84,452)	-	-	4,676	1,642	(2,357)	-	-	(80,491)	-
(Increase)/Decrease in Prepaids	(111)	(90)	(8,500)	(1,174)	-	(4,456)	-	-	(14,331)	-
(Increase)/Decrease in Deferred Outflows of Resources-Pension	(116,328)	(60,244)	(29,101)	(59,245)	(15,530)	(4,479)	-	(1,180)	(289,107)	(8,092)
Increase/(Decrease) in Accounts Payable	1,331,855	199,778	(17,446)	514,010	28,875	2,013	(24,138)	(5,868)	2,029,079	36,729
Increase/(Decrease) in Accrued Wages and Benefits	(52,395)	47,009	5,160	(10,883)	8,121	1,562	-	-	(1,426)	(2,448)
Increase/(Decrease) in Deferred Revenues	-	-	-	-	-	(257)	-	-	(257)	-
Increase/(Decrease) in Net Pension Liability	44,181	20,628	9,343	22,594	5,531	2,610	-	899	105,786	4,312
Increase/(Decrease) in Deferred Inflows of Resources-Pension	36,878	17,219	7,799	18,859	4,617	2,178	-	750	88,300	3,599
Net (Increase)/Decrease in Other Operating Net Position	509,863	199,442	5,633	242,423	694,196	(2,877)	-	621	1,649,301	-
Net cash provided by (used in) operating activities	\$ 4,300,617	\$ 1,590,736	\$ (81,337)	\$ 2,010,790	\$ 1,001,600	\$ (28,647)	\$ (599)	\$ (60,160)	\$ 8,733,000	\$ (96,749)
<b>SUPPLEMENTAL INFORMATION:</b>										
Noncash activities:										
Donated Capital		\$ 196,000	\$ -	\$ 154,730	\$ 639,500	\$ -	\$ -	\$ -	\$ 990,230	\$ -
Recoverable purchased power contract	\$ (1,301,787)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,301,787)	\$ -

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2015**

<b>ASSETS:</b>	<u>Private Purpose Centennial Trust</u>	<u>Agency Funds</u>
Equity in pooled cash and cash equivalents	\$ 467	\$ 21,219
Total Assets	<u>\$ 467</u>	<u>\$ 21,219</u>
 <b>LIABILITIES:</b>		
Withholdings payable		\$ 5,404
Undistributed monies		<u>15,815</u>
Total Liabilities		<u>\$ 21,219</u>
 <b>NET POSITION</b>		
Held in trust for other purposes	<u>\$ 467</u>	

**STATEMENT OF CHANGES IN  
FIDUCIARY NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>ADDITIONS</b>	
Interest income	<u>\$ 1</u>
Total additions	<u>1</u>
Change in net position	1
Total net position-beginning of year	<u>466</u>
Total net position-end of year	<u>\$ 467</u>

See accompanying notes to the basic financial statements

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2015**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

***BASIS OF PRESENTATION***

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

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

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

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2015**

The City reports the following major governmental funds:

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

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

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

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

**Enterprise Funds (Business type funds)** are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports the following major enterprise funds: electric, water, wastewater, refuse, storm water, golf, 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 proprietary type fund financial statements measure and report all assets (both financial and capital), deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses using the economic resources measurements focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2015**

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

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

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

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

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

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

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

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

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

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

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

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2015**

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

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

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

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

Fund balance is reported as assigned when a revenue source is not previously restricted or committed but the Finance Director determines, in the Director’s professional opinion, that the assigning of the revenue is the desire of the City Commission and in the best interest of the City. This authority is given to the Finance Director through the City Charter.

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

**Use of Estimates**—The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Deferred Outflows/Inflows of Resources**— In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until that time. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges for pension and on the proprietary statements. The deferred outflows of resources related to pension are explained further in Note J.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. Deferred reimbursements represent governmental non-exchange transactions of mutually held debt by other

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2015**

governments. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund balance sheet. Unavailable revenue is reported on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes property and income taxes and intergovernmental reimbursements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position, the proprietary statements and are further explained in Note J.

**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.

**Pensions**—For purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**Compensated Absences**—City employees are granted vacation, personal and sick leave. These leave benefits are accrued as a liability using the vesting method. The liability is based on the leave accumulated at December 31 by those employees who are currently eligible to receive termination payments as well as leave accumulated by those employees expected to become eligible to receive termination benefits in the future. In the event of termination, an employee may be reimbursed for accumulated vacation, personal and sick leave at various rates based on years of service. Vested vacation, personal, and sick leave is recorded as an expense in the government-wide statements for the period in which the leave was earned. For governmental fund type employees, an expenditure is recorded in the governmental funds' statements for only the portion of vested vacation, personal and sick leave that is expected to be liquidated with expendable available resources.

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

## **B. POOLED CASH DEPOSITS AND INVESTMENTS**

**Deposits**—Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City. At December 31, 2015 the City had cash on hand in the amount of \$4,675.

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At December 31, 2015, the carrying amount of the City's deposits was \$42,005,868 while the balance as shown by the bank statements was \$41,544,144. As of December 31, 2015, \$36,513,243 of the City's bank balance was exposed to custodial risk as discussed above, while \$5,030,901 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, 2015.

**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, 2015, all investments were registered in the name of the City.

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

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

<u>Investment Type</u>	<u>Quality Rating</u>	<u>Fair Value</u>
STAR Ohio	AAAm	\$ 422,399

**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, 2015.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 422,399	100.00%

Except for investments in STAR Ohio, no more than 15% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

**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.

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<u>Investment Type</u>	<u>Investment Maturities (in years)</u>			<u>Total Fair Value</u>
	Less than 1	1 - 5	Greater than 5	
STAR Ohio	\$ 422,399	-	-	\$ 422,399

**C. PROPERTY TAXES**

Property tax revenues include amounts collected for all real, and public utility property located in the City. Property taxes are levied each January 1 on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor for real and public utility property at 35% of appraised market value. Property values are required to be updated every three years and revalued every six years. A revaluation was completed in 2010.

The property tax calendar is as follows:

Levy date	January 1, 2014
Lien date	January 1, 2015
Tax bill mailed	January 20, 2015
First installment payment due	February 20, 2015
Second installment payment due	July 20, 2015

The assessed values for the City at January 1, 2015 are as follows:

Real estate	\$ 289,330,550
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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, 2015, nor are they intended to finance 2015 operations. Therefore, the City has recorded property taxes receivable with a corresponding amount as deferred inflows of resources.

Ohio law prohibits taxation of property in excess of \$10 per \$1,000 (10.0 mills) of assessed value without a vote of the citizens. The City's share is currently \$3.70 (3.70 mills) of assessed value. In 2015, the City also received an additional 0.60 mills to fund safety pension costs.

House Bill 66 phases out the tax on tangible personal property. The tax is phased out by reducing the assessment rate on the property each year. In 2011 the Ohio Legislature cancelled the reimbursement in future years with exceptions for conservancy and safety levies. In 2015 the House Bill 66 reimbursement was cancelled, by the State, mid-year for conservancy and safety levies.

**D. INCOME TAXES**

The City levies a 2.00% income tax on all income earned within the City. Income tax in excess of 1% is voter approved. During 2014, the citizens of Piqua passed an additional .25% income tax levy effective January 1, 2015. 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.

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

**E. 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 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 \$703,940 with an estimated allowance for forgiveness of \$698,329.

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

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**F. CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Construction In Progress Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 4,726,277	\$ 264,600	\$ -	\$ -	\$ 4,990,877
Infrastructure land	2,115,523	-	-	-	2,115,523
Construction in progress	<u>2,927,558</u>	<u>2,388,433</u>	<u>-</u>	<u>(762,064)</u>	<u>4,553,927</u>
Assets not depreciated	<u>9,769,358</u>	<u>2,653,033</u>	<u>-</u>	<u>(762,064)</u>	<u>11,660,327</u>
Capital assets being depreciated:					
Buildings and improvements	21,726,764	5,381	-	-	21,732,145
Furniture, fixtures and equipment	12,084,270	571,224	(386,492)	35,225	12,304,227
Infrastructure	<u>35,445,894</u>	<u>-</u>	<u>-</u>	<u>726,839</u>	<u>36,172,733</u>
Depreciated capital assets	69,256,928	576,605	(386,492)	762,064	70,209,105
Accumulated depreciation:					
Buildings and improvements	(3,802,399)	(460,070)	-	-	(4,262,469)
Furniture, fixtures and equipment	(9,311,659)	(572,888)	377,142	-	(9,507,405)
Infrastructure	<u>(10,623,569)</u>	<u>(796,412)</u>	<u>-</u>	<u>-</u>	<u>(11,419,981)</u>
Total accumulated depreciation	<u>(23,737,627)</u>	<u>(1,829,370)</u>	<u>377,142</u>	<u>-</u>	<u>(25,189,855)</u>
Net capital assets being depreciated	<u>\$ 45,519,301</u>	<u>\$ (1,252,765)</u>	<u>\$ (9,350)</u>	<u>\$ 762,064</u>	<u>\$ 45,019,250</u>
Net capital assets	<u>\$ 55,288,659</u>	<u>\$ 1,400,268</u>	<u>\$ (9,350)</u>	<u>\$ -</u>	<u>\$ 56,679,577</u>

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

General governmental	\$ 206,311
Public safety	205,822
Street repairs and maintenance	994,626
Parks	82,376
Fort Piqua Plaza	<u>221,818</u>
Governmental functions depreciation expense	1,710,953
Information technology (internal service fund)	<u>118,417</u>
Total depreciation expense	<u>\$1,829,370</u>

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

	Beginning Balance	Increases	Decreases	Construction In Progress Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 1,321,992	\$ -	\$ -	\$ 282,626	\$ 1,604,618
Construction in progress	<u>4,808,784</u>	<u>18,300,915</u>	<u>(24,324)</u>	<u>(3,213,167)</u>	<u>19,872,208</u>
Assets not depreciated	<u>6,130,776</u>	<u>18,300,915</u>	<u>(24,324)</u>	<u>(2,930,541)</u>	<u>21,476,826</u>
Capital assets being depreciated:					
Land improvements	1,071,014	-	-	29,940	1,100,954
Buildings and improvements	30,585,419	76,102	(30,775)	528,072	31,158,818
Underground piping	25,250,214	106,000	-	1,380,438	26,736,652
Furniture, fixtures and equipment	76,869,391	714,308	(162,761)	992,091	78,413,029
Intangible assets	<u>2,642,000</u>	<u>-</u>	<u>(23,286)</u>	<u>-</u>	<u>2,618,714</u>
Depreciated capital assets	136,418,038	896,410	(216,822)	2,930,541	140,028,167
Accumulated depreciation:					
Land improvements	(441,615)	(14,292)	-	-	(455,907)
Buildings and improvements	(15,983,501)	(715,294)	20,168	-	(16,678,627)
Underground piping	(16,088,411)	(370,482)	-	-	(16,458,893)
Furniture, fixtures and equipment	(45,873,706)	(2,133,209)	128,616	-	(47,878,299)
Intangible assets	<u>(1,317,411)</u>	<u>(77,684)</u>	<u>10,905</u>	<u>-</u>	<u>(1,384,190)</u>
Total accumulated depreciation	<u>(79,704,644)</u>	<u>(3,310,961)</u>	<u>159,689</u>	<u>-</u>	<u>(82,855,916)</u>
Net capital assets being depreciated	<u>\$ 56,713,394</u>	<u>\$ (2,414,551)</u>	<u>\$ (57,133)</u>	<u>\$ 2,930,541</u>	<u>\$ 57,172,251</u>
Net capital assets	<u>\$ 62,844,170</u>	<u>\$ 15,886,364</u>	<u>\$ (81,457)</u>	<u>\$ -</u>	<u>\$ 78,649,077</u>

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

Electric	\$ 1,911,394
Water	434,638
Wastewater	711,806
Refuse	61,413
Storm Water	43,000
Golf	113,472
Municipal Pool	35,238
Total depreciation expense	<u>\$ 3,310,961</u>

Capitalized interest was recorded in the amount of \$155,668 for the fiscal year 2015.

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**G. 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, 2015 was as follows:

	Maturity Dates	Restated Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>						
Ohio Capital Asset Series 2009 3.53%	12/1/2018	\$ 175,000	\$ -	\$ 40,000	\$ 135,000	\$ 45,000
Building Acquisitions Bond Series 2015 3.00%	12/15/2015	-	165,000	165,000	-	-
Total governmental general obligation bonds		175,000	165,000	205,000	135,000	45,000
State Infrastructure Bank Note, 3%	4/29/2020	573,233	-	157,731	415,502	162,499
Compensated absences		2,072,642	105,268	296,205	1,881,705	655,590
Restricted deposits		25,864	6,209	11,416	20,657	-
Net Pension Liability						
OPERS		2,187,821	48,176	-	2,235,997	-
OP&F		11,241,259	715,754	-	11,957,013	-
Total Net Pension Liability		13,429,080	763,930	-	14,193,010	-
Total governmental long-term liabilities		<u>\$ 16,275,819</u>	<u>\$ 1,040,407</u>	<u>\$ 670,352</u>	<u>\$ 16,645,874</u>	<u>\$ 863,089</u>
<b>Business-Type Activities:</b>						
OWDA Loan-2009, 3.52%	1/1/2030	3,512,293	-	181,341	3,330,952	187,780
OWDA Loan-2012, 2.44%	1/1/2022	461,729	640,439	-	1,102,168	-
OWDA Loan-2005, 3.5%	7/1/2015	65,268	-	65,268	-	-
OWDA Loan-2006, 3.25%	7/1/2015	7,060	-	7,060	-	-
OWDA Loan-2014, 2.54%-3.54%	7/1/2047	2,296,397	10,967,401	-	13,263,798	-
Recreational facility bonds G.O., 2.0%-4.1%	11/15/2018	640,000	-	150,000	490,000	155,000
AMP-Ohio stranded cost payable		2,220,947	-	1,301,787	919,160	-
Compensated Absences		1,203,769	63,912	87,255	1,180,426	362,419
Net Pension Liability - OPERS		4,788,581	105,786	-	4,894,367	-
Total Business-type long-term liabilities		<u>\$ 15,196,044</u>	<u>\$ 11,777,538</u>	<u>\$ 1,792,711</u>	<u>\$ 25,180,871</u>	<u>\$ 705,199</u>

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

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

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Ohio Water Development Authority (“OWDA 2009”) Wastewater Sewer Project Notes are issued under a cooperative agreement for construction, maintenance and operation of a state sewer project. Payments to the OWDA will be made from the utility’s pledged future revenues. The total principal and interest payments remaining to be paid on the note is \$4,247,485. Principal and interest paid for the current year and total customer net revenues were \$303,392 and \$1,142,296, respectively.

Ohio Water Development Authority (“OWDA 2005” & “OWDA 2006”) drinking water assistance notes are issued under a cooperative agreement for construction maintenance and operation of the City’s Hydropillar Water Tower. Payments to the OWDA will be made from the utility’s pledged future revenues. The total principal and interest remaining to be paid on the notes is \$0.00. Principal and interest paid for the current year and total customer net revenues were \$73,586 and \$1,371,551, respectively.

Ohio Water Development Authority (OWDA 2014) Water Plant Construction note in the overall amount of \$45,668,626 was issued under a cooperative agreement to construct a 7 million gallon per day raw water treatment plant. Payments to the OWDA will be made from the utility’s pledged future revenues. Total outstanding principal and interest to be repaid is \$19,137,283. Construction on the new water plant began in February 2015 and will continue through 2017. Future payments of principal and interest have been deferred until January 2018. Net revenues available to make this payment were \$1,371,551.

Ohio Water Development Authority (OWDA 2012) Wastewater Engineering Design note was issued under a cooperative agreement to design an expansion of the existing wastewater treatment plant. Payments to the OWDA will be made from the utilities pledged future revenues. Total principal and interest remaining to be repaid is \$ 1,207,161. Payments of principal and interest have been deferred until July 2017. Net Revenues available for payment on this loan were \$1,142,296.

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 \$434,385. The city’s .25% income tax levy will pay two thirds of the principal and interest with the remaining one third from county highway use funds. The estimated annual principal and interest payments of \$173,754 represent 12.4% of the estimated net revenues from this tax levy.

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

**AMP Ohio Stranded Cost** – The City is a participant in both American Municipal Power (AMP) and the American Municipal Power Generating Station Project (AMPGS). This project intended to develop a pulverized coal power plant in Meigs County, Ohio. The AMPGS Project required participants to sign “take or pay” contracts with AMP. As such, the participants are obligated to pay any costs incurred for the project. The City’s share of the project was 20,000 kW of a total capacity of 771,281 kW, giving the City a 2.59 percent share of the project. In November 2009, the 81 member participants in the project voted to terminate the development of the plant due to projected escalating costs. These costs were therefore deemed impaired and the participants are obligated to reimburse AMP under the take or pay contract costs already incurred.

In prior years, the payment of these costs was not considered probable due to AMP’s pursuit of legal action to void them. As a result of a March 31, 2014 legal ruling, the AMP Board of Trustees on April 15, 2014 and the AMPGS participants on April 16, 2014 approved the collection of the impaired costs and provided the participants with an estimate of their liability. The City’s estimated share at March 31, 2014 of the impaired costs is \$3,446,911. The City received a credit of \$1,067,635 related to their participation in the AMP Fremont

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Energy Center (AFEC) Project, and another credit of \$904,497 related to the AMPGS costs deemed to have future benefit for the project participants, leaving a net impaired cost estimate of \$1,494,779. Because payment is now probable and reasonably estimable, the City is reporting a payable to AMP in its business-type activities and in its electric enterprise fund for these impaired costs. AMP financed these costs on its revolving line of credit. Any additional costs (including line-of-credit interest and legal fees) or amounts received related to the project will impact the City's liability. These amounts will be recorded as they become estimable. The City made payments in 2015 totaling \$1,360,742 paying in full. The remaining stranded cost is \$919,160. In making its determination as to how to proceed with the accounting treatment for the potential AMPGS Project liability, the City relied upon its City Law Director, information provided by AMP and its legal counsel with respect to the data, as well as the City's management. This incurred cost has been previously capitalized and reported as a regulated asset, as allowed by GASB Codification Re10.

The annual requirements to pay principal and interest on long-term obligations at December 31, 2015 are listed as follows:

Year Ending	General Obligation Bonds				Notes Payable			
	Governmental Activities		Business Type Activities		Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
December 31								
2016	45,000	5,963	155,000	19,770	162,499	11,255	187,780	115,611
2017	45,000	4,050	165,000	13,570	167,410	6,344	194,448	108,943
2018	45,000	2,025	170,000	6,970	85,593	1,285	724,492	458,243
2019	-	-	-	-	-	-	732,269	450,465
2020	-	-	-	-	-	-	752,169	430,566
2121-2025	-	-	-	-	-	-	3,351,135	1,838,234
2026-2030	-	-	-	-	-	-	3,037,714	1,365,402
2031-2035	-	-	-	-	-	-	2,179,228	1,010,319
2036-2040	-	-	-	-	-	-	2,479,763	709,785
2041-2045	-	-	-	-	-	-	2,822,610	366,937
2046-2050	-	-	-	-	-	-	1,235,309	40,507
	<u>\$ 135,000</u>	<u>\$ 12,038</u>	<u>\$ 490,000</u>	<u>\$ 40,310</u>	<u>\$ 415,502</u>	<u>\$ 18,884</u>	<u>\$ 17,696,917</u>	<u>\$ 6,895,012</u>

**H. 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, 2015 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 56,551	\$ -
Non-major Governmental Funds	<u>943</u>	<u>57,494</u>
	<u>\$ 57,494</u>	<u>\$ 57,494</u>

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Transfers are used to move revenues; from the fund that statute or budget requires to collect them, to the fund that the statute or budget requires to expend them; or moving unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; or to provide additional resources for current operations or debt service. Interfund transfers for the year ended December 31, 2015 consisted of the following:

<b>Governmental</b>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 498,086
Street Levy Construction	-	173,754
Debt Service	221,316	-
 <b>Proprietary</b>		
Golf	335,000	-
Municipal Pool	115,524	-
	<u>\$ 671,840</u>	<u>\$ 671,840</u>

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

**I. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 and 71 establishes standards for measuring and recognizing pension liability, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position of the City's governmental activities, business-type activities, and proprietary funds as reported December 31, 2014:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net Position at December 31, 2014 as previously reported	\$ 74,939,685	\$ 75,502,526
Adjustments:		
Net Pension Liability at December 31, 2014	(13,429,080)	(4,788,581)
Deferred Outflows - Payments Subsequent to Measurement Date	<u>1,242,668</u>	<u>605,706</u>
Net Position at December 31, 2014 as restated	<u>\$ 62,753,273</u>	<u>\$ 71,319,651</u>

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	<u>Electric Fund</u>	<u>Wastewater Fund</u>	<u>Refuse Fund</u>
Net Position at December 31, 2014 as previously reported	\$ 43,357,938	\$ 10,230,497	\$ 1,953,387
Adjustments:			
Net Pension Liability at December 31, 2014	(2,024,914)	(898,573)	(392,655)
Deferred Outflows - Payments Subsequent to Measurement Date	<u>256,130</u>	<u>113,660</u>	<u>49,667</u>
Net Position at December 31, 2014 as restated	<u>\$ 41,589,154</u>	<u>\$ 9,445,584</u>	<u>\$ 1,610,399</u>
	<u>Water Fund</u>	<u>Storm Water Fund</u>	<u>Golf Fund</u>
Net Position at December 31, 2014 as previously reported	\$ 17,019,641	\$ 1,769,053	\$ 857,056
Adjustments:			
Net Pension Liability at December 31, 2014	(1,037,481)	(245,862)	(138,532)
Deferred Outflows - Payments Subsequent to Measurement Date	<u>131,231</u>	<u>31,099</u>	<u>17,523</u>
Net Position at December 31, 2014 as restated	<u>\$ 16,113,391</u>	<u>\$ 1,554,290</u>	<u>\$ 736,047</u>
	<u>Municipal Pool Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Net Position at December 31, 2014 as previously reported	\$ 113,930	\$ 75,301,502	\$ 3,787,981
Adjustments:			
Net Pension Liability at December 31, 2014	(50,564)	(4,788,581)	(223,421)
Deferred Outflows - Payments Subsequent to Measurement Date	<u>6,396</u>	<u>605,706</u>	<u>28,260</u>
Net Position at December 31, 2014 as restated	<u>\$ 69,762</u>	<u>\$ 71,118,627</u>	<u>\$ 3,592,820</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

During 2014, the City acquired the Fort Piqua Plaza and the operation in 2015 became a governmental activity. In 2015, the Fort Piqua Plaza operations were changed from enterprise to governmental based on current and future use. The plaza, an anchor of the downtown district, houses the library, a conference/banquet center, restaurant and coffee shop.

**J. DEFINED BENEFIT PENSION PLANS**

**Net Pension Liability:** The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred—payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pensions plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s

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fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the matter in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in an intergovernmental payable on both the accrual and modified accrual bases of accounting.

**Ohio Public Employees Retirement System (OPERS)**—City Employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and services requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local Employees</b>		
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 years	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 years

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, and annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2015 Statutory Maximum Contribution Rates:</b>	
Employer	14.0%
Employee	10.0%
<b>2015 Actual Contribution Rates:</b>	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	2.0%
Total Employer	14.0%
Employee	10.0%

\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2% greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required pension contribution was \$916,345 for 2015 and \$35,841 is reported as an intergovernmental payable.

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**Ohio Police & Fire Pension Fund (OP&F)**—City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

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	<u>Police</u>	<u>Firefighters</u>
<b>2015 Statutory Maximum Contribution Rates:</b>		
Employer	19.50%	24.00%
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%
<b>2015 Actual Contribution Rates:</b>		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50%	0.50%
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,004,709 for 2015, and \$33,794 is reported as an intergovernmental payable.

The City of Piqua owed the Ohio Police and Firemen's Disability and Pension Fund a total of \$756,304 for the unpaid principal balance of the employer's accrued liability of which was payable in semi-annual installments of approximately \$41,482 (including interest) payable on the 15<sup>th</sup> day of May and November in each year through May 15, 2035. Pursuant to Section 717.07 of the Ohio Revised Code, an Ohio municipal was authorized to enter into an agreement with the Board of Trustees of the Ohio Police and Firemen's Disability and Pension Fund providing for a single payment, at a reduced amount, by the municipal corporation of its employer's accrued liability and to issue, pursuant to Section 3 of Article XVII, Ohio Constitution, or Chapter 133, Ohio Revised Code, obligations to provide funds to make such single payment. The City of Piqua did such by issuing pension refunding bonds and paid the reduced amount of \$533,966.49 on April 27, 2000. The Pension refunding bonds were paid-off in 2014.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*** The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014 to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 7,130,365	\$ 11,957,013	\$ 19,087,378
Proportion of the net pension liability	0.059202%	0.230812%	
Pension expense	\$ 783,311	\$ 1,166,350	\$ 1,949,661

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At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>OPERS</b>	<b>OP&amp;F</b>	<b>Total</b>
<u>Deferred Outflows of Resources:</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 381,605	\$ 515,336	\$ 896,941
City contributions subsequent to the measurement date	916,344	1,004,709	1,921,053
<b>Total</b>	<b>\$ 1,297,949</b>	<b>\$ 1,520,045</b>	<b>\$ 2,817,994</b>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 128,512	\$ -	\$ 128,512

City contributions subsequent to the measurement date of \$1,921,053 are reported as deferred outflows of resources related to pension and will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<b>OPERS</b>	<b>OP&amp;F</b>	<b>Total</b>
Fiscal Year Ending December 31:			
2016	\$ 37,156	\$ 128,834	\$ 165,990
2017	37,156	128,834	165,990
2018	85,353	128,834	214,187
2019	95,037	128,834	223,871
2020	(365)	-	(365)
After	(1,244)	-	(1,244)
	<b>\$ 253,093</b>	<b>\$ 515,336</b>	<b>\$ 768,429</b>

**Actuarial Assumptions – OPERS:** Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the type of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Wage inflation	3.75 percent
Future salary increases, including inflation	4.25% to 10.05% including wage inflation
COLA or Ad Hoc COLA	3.00%, simple
Investment rate of return	8.00%
Actuarial cost method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	23.00%	2.31%
Domestic Equities	19.90%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	19.10%	7.40%
Other Investments	<u>18.00%</u>	4.59%
Total	<u>100.00%</u>	

**Discount Rate:** The discount rate used to measure the total pension liability was 8 percent. The projections of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension

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plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:***  
The Following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 13,137,638	\$ 7,130,365	\$ 2,071,353

***Actuarial Assumptions – OP&F:*** OP&F's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25%
Projected Salary Increases	4.25% to 11.00%
Payroll Increases	3.75%
Inflation Assumptions	3.25%
Cost of Living Adjustments	2.60% and 3.00%

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline

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inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash & Cash Equivalents	0.00%	-0.25%
Domestic Equity	16.00%	4.47%
Non-US Equity	16.00%	4.47%
Core Fixed Income *	20.00%	1.62%
Global Inflation Protected *	20.00%	1.33%
High Yield	15.00%	3.39%
Real Estate	12.00%	3.93%
Private Markets	8.00%	6.98%
Timber	5.00%	4.92%
Master Limited Partnerships	<u>8.00%</u>	7.03%
Total	<u>120.00%</u>	

\* - levered 2x

OP&F's Board of Trustees has incorporated the "risk parity" concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate:** The total pension liability was calculated using the discount rate of 8.25 percent. The projections of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:** Net Pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	<u>1% Decrease (7.25%)</u>	<u>Current Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
City's proportionate share of the net pension liability	\$ 16,538,373	\$ 11,957,013	\$ 8,078,014

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

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

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

The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer health care coverage to all eligible employees and is administrated as an Internal Revenue Code 401(h) account within the defined benefit pension plan. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 0.5% of covered payroll for both 2015 and 2014. Beginning in 2001, active members do not make contributions to the OPEB, all retirees and survivors make monthly health care contributions.

The City's contributions that were used to pay post-employment benefits by Ohio Police and Fire for the years ended December 31, 2015, 2014 and 2013 were \$23,731, \$22,711 and \$157,168 respectively.

**Public Employees Retirement System OPEB**— OPERS provides post-retirement health care coverage to age and service retirees with 20 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. A portion of each employer's contribution to OPERS (See Note J) is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority for employer contributions and for requiring public employers to fund pension and post-retirement health care through their contributions to OPERS. The 2015 employer contribution rate for local government employer units was 14% of covered payroll, of which 2.0% was used to fund health care for the year ended 2015.

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

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

**Health Care:** OPERS post-employment health care plan was established under, and is administrated in accordance with internal revenue code 401(h). Each year, the OPERS Board of Trustee determines the portion of the employer contribution rate (14% in 2015) that will be set aside for funding of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan

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was 2.0% for the year ended December 31, 2015. The portion of employer contribution allocated to health care for members in the Combined Plan was 2.0% for year ended December 31, 2015. The OPERS board of trustee is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's contributions that were used to pay post-employment benefits by Ohio Public Employee Retirement System for the years ended December 31, 2015, 2014 and 2013 were \$153,959, \$148,692 and \$71,176 respectively.

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

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

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

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

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

**N. CONTINGENCIES**

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

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

**O. RISK MANAGEMENT**

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

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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 2015, MVRMA'S per-occurrence retention limit for property was \$500,000, with the exception of boiler and machinery for which there was a \$10,000 per occurrence retention limit.

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

General Liability (including law enforcement)	\$10,000,000 per occurrence/ excess \$500,000 sir
Automobile Liability	\$10,000,000 per occurrence/excess \$500,000 sir
Police Professional Liability	\$10,000,000 excess \$1,000,000 (\$10,000,000 aggregate per city)
Boiler and Machinery	\$100,000,000 per occurrence
Property	\$1,000,000,000 per occurrence
Flood and Earthquake	\$25,000,000 per occurrence and annual aggregate
Employment Practices Liability and Public Officials Liability	\$10,000,000 excess \$500,000 sir (\$10,000,000 annual combined aggregate per city)
Cyber Liability	\$1,000,000 annual aggregate; \$100,000 sir
Pollution Liability	\$1,000,000 annual aggregate; \$75,000 sir

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in coverage from the prior year.

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

The City employee's health plan is provided through a fully insured plan with Anthem. Other self-insured health benefits are accounted for through an internal service fund.

**P. PURCHASED POWER**

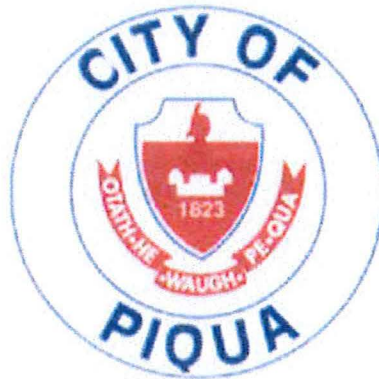
The City's electric distribution system during 2015 purchased wholesale electric power from American Municipal Power (AMP). AMP provides this power through a mixture of long term take or pay purchase contracts with the City. Included in these contracts with AMP are; the Prairie State Energy Campus Project (20 megawatts) generation started during 2012, Fremont Natural Gas Energy Center (13 megawatts) generation started in 2012, and the Ohio River Hydroelectric Project (8 megawatts) generation to start during Spring 2016. AMP provides the remaining power requirements with market based purchases from various sources including New York Power Authority, Blue Creek Wind Farm, and other pooled market sources.

**CITY OF PIQUA, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2015**

**Q. FUND BALANCE COMPONENTS**

Under the guidelines of GASB statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" the City has reported non-spendable fund balance of \$13,131. This is comprised of amounts in non-spendable form for non-current loans receivable for low income mortgage assistance loans of \$5,611, and prepaid items of \$7,520. The City reported restricted fund balance of \$7,156,862, which is comprised of debt restrictions of \$411,558, donor restrictions of \$513, grant restrictions of \$154,216, and legislative restrictions of \$6,590,575. The City reported assigned fund balance of \$3,413,891, which is comprised of encumbrances of \$51,638, and managerially assigned assets of \$3,362,253. The City reported unassigned fund balance of \$7,788,547.

# Required Supplemental Information



**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL & COMBINED PLANS  
 LAST TWO YEARS (1)**

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability		
Traditional Plan	0.059202%	0.059202%
Combined Plan	0.026123%	0.026123%
City's Proportionate Share of the Net Pension Liability	\$ 7,130,365	\$ 6,976,403
City's Covered-Employee Payroll	7,353,683	7,117,562
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	96.96%	98.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		
Traditional Plan	86.45%	86.36%
Combined Plan	114.83%	104.56%

(1) Information prior to 2013 is not available

Amounts presented as of the City's measurement date which is the prior fiscal year end.

# CITY OF PIQUA, OHIO

## REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE OF CITY CONTRIBUTIONS OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRADITIONAL & COMBINED PLANS LAST THREE YEARS (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 916,345	\$ 882,442	\$ 925,283
Contributions in Relation to the Contractually Required Contribution	<u>(916,345)</u>	<u>(882,442)</u>	<u>(925,283)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	7,636,208	7,353,683	7,117,562
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available

# CITY OF PIQUA, OHIO

## REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OHIO POLICE AND FIRE PENSION FUND LAST TWO YEARS (1)

	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability		
Firefighters	0.1283141%	0.1283141%
Police	0.1024977%	0.1024977%
City's Proportionate Share of the Net Pension Liability	\$ 11,957,013	\$ 11,241,259
City's Covered-Employee Payroll	4,524,201	4,342,890
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	264.29%	258.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available

Amounts presented as of the City's measurement date which is the prior fiscal year end.

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
OHIO POLICE AND FIRE PENSION FUND  
LAST TEN YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually Required Contribution	\$ 1,004,709	\$ 966,087	\$ 786,837	\$ 630,686	\$ 626,176	\$ 644,298	\$ 644,774	\$ 663,145	\$ 666,592	\$ 616,742
Contributions in Relation to the Contractually Required Contribution	<u>(1,004,709)</u>	<u>(966,087)</u>	<u>(786,837)</u>	<u>(630,686)</u>	<u>(626,176)</u>	<u>(644,298)</u>	<u>(644,774)</u>	<u>(663,145)</u>	<u>(666,592)</u>	<u>(616,742)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	4,746,216	4,524,201	4,342,890	4,224,150	4,203,860	4,337,280	4,335,760	4,444,050	4,481,400	4,436,020
Contributions as a Percentage of Covered-Employee Payroll	21.17%	21.35%	18.12%	14.93%	14.90%	14.85%	14.87%	14.92%	14.87%	13.90%

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Municipal income tax	\$ 6,178,570	\$6,791,842	\$ 7,740,034	\$ 948,192
Property taxes	1,075,135	1,081,895	1,082,085	190
State shared revenues	620,072	639,091	637,988	(1,103)
Locally levied taxes	1,179,210	1,179,210	1,205,357	26,147
Licenses and permits, fees	1,350,841	1,346,766	1,450,616	103,850
Grants-capital	82,000	46,000	-	(46,000)
Grants-operating	223,442	199,436	201,319	1,883
Interest income	42,794	1,641	2,140	499
Donations:				
Capital	-	-	3,845	3,845
Operating	-	-	83,025	83,025
Other fines, rents, and reimbursements	168,180	364,778	409,666	44,888
Total revenues	10,920,244	11,650,659	12,816,075	1,165,416
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT ADMINISTRATION:</b>				
City building:				
Operating expenditures	125,205	125,205	101,546	23,659
Total city building	125,205	125,205	101,546	23,659
City commission:				
Personal services/administrative support	35,218	35,218	35,390	(172)
Operating expenditures	54,886	61,521	48,535	12,986
Total city commission	90,104	96,739	83,925	12,814
Office of city manager:				
Personal services/administrative support	63,591	65,996	65,581	415
Operating expenditures	8,917	8,917	6,433	2,484
Total office of city manager	72,508	74,913	72,014	2,899
Purchasing department:				
Personal services/administrative support	1,760	1,760	1,721	39
Operating expenditures	103	103	101	2
Total purchasing department	1,863	1,863	1,822	41
Law department:				
Personal services/administrative support	92,696	92,696	86,610	6,086
Operating expenditures	8,649	8,649	5,898	2,751
Total law department	101,345	101,345	92,508	8,837
Finance department:				
Personal services/administrative support	172,302	172,302	167,910	4,392
Operating expenditures	9,178	9,178	9,051	127
Total finance department	181,480	181,480	176,961	4,519

See notes to required supplemental information

(Continued)

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
Human resources department:				
Personal services/administrative support	22,199	22,199	21,563	636
Operating expenditures	2,531	2,531	2,165	366
Total human resources department	<u>24,730</u>	<u>24,730</u>	<u>23,728</u>	<u>1,002</u>
Engineering department:				
Personal services/administrative support	54,912	54,974	53,392	1,582
Operating expenditures	5,158	5,175	4,838	337
Capital	19,513	19,513	19,453	60
Total engineering department	<u>79,583</u>	<u>79,662</u>	<u>77,683</u>	<u>1,979</u>
Income tax department:				
Personal services/administrative support	185,558	185,558	154,673	30,885
Operating expenditures	251,083	251,083	157,974	93,109
Total income tax department	<u>436,641</u>	<u>436,641</u>	<u>312,647</u>	<u>123,994</u>
Planning and zoning:				
Personal services/administrative support	193,007	193,007	177,793	15,214
Operating expenditures	171,595	196,345	74,278	122,067
Total planning and zoning	<u>364,602</u>	<u>389,352</u>	<u>252,071</u>	<u>137,281</u>
General government:				
Operating expenditures	317,403	284,093	161,772	122,321
Capital	235,000	264,600	264,600	-
Debt principal and interest payment		169,332	169,029	303
Total general government	<u>552,403</u>	<u>718,025</u>	<u>595,401</u>	<u>122,624</u>
Civil Service Commission:				
Operating expenditures	12,085	22,485	22,397	88
Total civil service commission	<u>12,085</u>	<u>22,485</u>	<u>22,397</u>	<u>88</u>
Pro Piqua:				
Operating expenditures	74,000	74,000	73,640	360
Total pro piqua	<u>74,000</u>	<u>74,000</u>	<u>73,640</u>	<u>360</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>2,116,549</u>	<u>2,326,440</u>	<u>1,886,343</u>	<u>440,097</u>
<b>PUBLIC SAFETY:</b>				
Fire department:				
Personal services/administrative support	3,642,937	3,902,937	3,816,472	86,465
Operating expenditures	511,682	528,899	497,122	31,777
Capital	60,000	-	-	-
Total fire department	<u>4,214,619</u>	<u>4,431,836</u>	<u>4,313,594</u>	<u>118,242</u>
Police department:				
Personal services/administrative support	4,211,047	4,211,047	3,850,665	360,382
Operating expenditures	628,266	628,266	546,110	82,156
Capital	149,686	149,686	101,341	48,345
Total police department	<u>4,988,999</u>	<u>4,988,999</u>	<u>4,498,116</u>	<u>490,883</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>9,203,618</u>	<u>9,420,835</u>	<u>8,811,710</u>	<u>609,125</u>

See notes to required supplemental information

(Continued)

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND  
FOR YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
<b>NEIGHBORHOOD IMPROVEMENT TEAM:</b>				
Personal services/administrative support	10,995	12,570	12,568	2
Operating expenditures	176,150	176,150	115,210	60,940
Total neighborhood improvement team	<u>187,145</u>	<u>188,720</u>	<u>127,778</u>	<u>60,942</u>
<b>HEALTH:</b>				
Personal services/administrative support	244,461	244,461	221,450	23,011
Operating expenditures	113,920	114,095	81,252	32,843
Total health department	<u>358,381</u>	<u>358,556</u>	<u>302,702</u>	<u>55,854</u>
<b>PARKS AND RECREATION:</b>				
Personal services/administrative support	278,189	288,189	269,371	18,818
Operating expenditures	190,781	209,481	190,075	19,406
Capital	135,754	117,054	115,359	1,695
Total parks and recreation	<u>604,724</u>	<u>614,724</u>	<u>574,805</u>	<u>39,919</u>
<b>FORT PIQUA PLAZA:</b>				
Operating expenditures	310,457	316,500	266,357	50,143
Capital	-	5,839	5,381	458
Total parks and recreation	<u>310,457</u>	<u>322,339</u>	<u>271,738</u>	<u>50,601</u>
Total expenditures	<u>12,780,874</u>	<u>13,231,614</u>	<u>11,975,076</u>	<u>1,256,538</u>
Excess of revenues over expenditures	<u>(1,860,630)</u>	<u>(1,580,955)</u>	<u>840,999</u>	<u>2,421,954</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	-	165,000	165,000
Disposal of fixed assets	-	-	18,800	18,800
Transfers out	(527,562)	(542,462)	(498,086)	44,376
Total other financing sources (uses)	<u>(527,562)</u>	<u>(542,462)</u>	<u>(314,286)</u>	<u>228,176</u>
Net change in fund balance	(2,388,192)	(2,123,417)	526,713	2,650,130
Fund balance- January 1, 2015	<u>10,761,506</u>	<u>10,761,506</u>	<u>10,761,506</u>	<u>-</u>
Fund balance December 31, 2015	<u>\$ 8,373,314</u>	<u>\$ 8,638,089</u>	<u>\$ 11,288,219</u>	<u>\$ 2,650,130</u>

See notes to required supplemental information

(Concluded)

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE  
STREET MAINTENANCE FUND  
FOR YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Municipal income tax	\$ 1,200,000	\$ 1,200,000	\$ 1,501,752	\$ 301,752
State shared revenues	1,102,000	1,102,000	1,207,291	105,291
Grants operating	76,905	76,905	42,911	(33,994)
Licenses and permits, fees	600	600	1,020	420
Interest income	4,650	4,650	4,522	(128)
Other fines, rents, and reimbursements	14,410	14,410	52,908	38,498
Total revenues	<u>2,398,565</u>	<u>2,398,565</u>	<u>2,810,404</u>	<u>411,839</u>
<b>EXPENDITURES:</b>				
Personal services/administrative support	1,012,316	1,012,316	947,612	64,704
Operating expenditures	2,409,937	2,409,937	1,549,385	860,552
Capital costs	331,500	364,313	335,071	29,242
Total expenditures	<u>3,753,753</u>	<u>3,786,566</u>	<u>2,832,068</u>	<u>954,498</u>
Excess (deficiency) of revenues over expenditures	(1,355,188)	(1,388,001)	(21,664)	1,366,337
Net change in fund balance	(1,355,188)	(1,388,001)	(21,664)	1,366,337
Fund balance- January 1, 2015	<u>4,258,402</u>	<u>4,258,402</u>	<u>4,258,402</u>	<u>-</u>
Fund balance December 31, 2015	<u>\$ 2,903,214</u>	<u>\$ 2,870,401</u>	<u>\$ 4,236,738</u>	<u>\$ 1,366,337</u>

See notes to required supplemental information

**CITY OF PIQUA, OHIO**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE  
STREET LEVY CONSTRUCTION FUND  
FOR YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Municipal income tax	\$ 1,071,429	\$ 1,071,429	\$ 1,340,925	\$ 269,496
Grants-capital	3,665,962	3,665,962	1,581,327	(2,084,635)
Grants-operating	451,000	451,000	613,016	162,016
Interest income	500	500	242	(258)
Other fines, rents , and reimbursements	57,918	57,918	57,918	-
Total revenues	<u>5,246,809</u>	<u>5,246,809</u>	<u>3,593,428</u>	<u>(1,653,381)</u>
<b>EXPENDITURES:</b>				
Operating expenditures	1,159,545	1,219,545	1,161,701	57,844
Capital costs	4,336,417	4,406,417	2,350,432	2,055,985
Total expenditures	<u>5,495,962</u>	<u>5,625,962</u>	<u>3,512,133</u>	<u>2,113,829</u>
Excess of revenues over expenditures	<u>(249,153)</u>	<u>(379,153)</u>	<u>81,295</u>	<u>460,448</u>
<b>OTHER FINANCING (USES):</b>				
Transfers out	<u>(173,754)</u>	<u>(173,754)</u>	<u>(173,754)</u>	<u>-</u>
Total other financing(uses)	<u>(173,754)</u>	<u>(173,754)</u>	<u>(173,754)</u>	<u>-</u>
Net change in fund balance	(422,907)	(552,907)	(92,459)	460,448
Fund balance January 1, 2015	<u>2,308,637</u>	<u>2,308,637</u>	<u>2,308,637</u>	<u>-</u>
Fund balance December 31, 2015	<u>\$ 1,885,730</u>	<u>\$ 1,755,730</u>	<u>\$ 2,216,178</u>	<u>\$ 460,448</u>

See notes to required supplemental information

**CITY OF PIQUA, OHIO**  
**Notes to the Required Supplemental Information**  
**December 31, 2015**

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

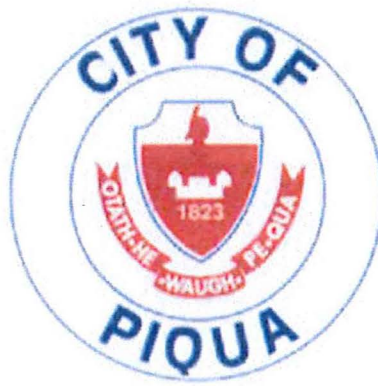
- The City must submit a budget of estimated revenues and expenditures for all governmental funds to the County Budget Commission by July 20 of each year for the following calendar year.
- The County Budget Commission certifies its actions by September 1, and issues a “Certificate of Resources” limiting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

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

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

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

# Supplemental Data



# CITY OF PIQUA, OHIO

## NON-MAJOR FUNDS

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

# CITY OF PIQUA, OHIO

## NON-MAJOR INTERNAL SERVICE/FIDUCIARY FUNDS

### Internal Service Funds

Workers Compensation	To account for the City's worker's compensation program under the State's retrospective rating plan by pooling resources from various funds to pay for workers compensation premiums
Liability Insurance	To account for assets to pay for liabilities that are below third party insurance deductibles or not covered under certain policies and pool resources from various funds to pay for liability insurance premiums
Health Insurance	To account for an internally financed and self-insured health benefits 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, 2015**

<b>ASSETS:</b>	Revolving Loan/Federal Program Income	Community Development	Trust
Equity in pooled cash and cash equivalents	\$ 153,927	\$ 25,731	\$ 49,232
Accounts receivable	286	12,385	-
Interfund receivable	-	943	-
Loans receivable, net of allowance	5,611	-	-
	<u>5,611</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 159,824</u>	<u>\$ 39,059</u>	<u>\$ 49,232</u>
 <b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	-	17,599	-
Interfund payable	-	14,791	-
Salaries and benefits	-	6,156	-
Total Current Liabilities	<u>-</u>	<u>38,546</u>	<u>-</u>
 Total Liabilities	 -	 38,546	 -
 <b>DEFERRED INFLOWS OF RESOURCES:</b>			
Property taxes	-	-	-
State shared taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
 <b>FUND BALANCES:</b>			
Nonspendable fund balance	5,611	-	-
Restricted fund balance	154,213	513	49,232
Total fund balances	<u>159,824</u>	<u>513</u>	<u>49,232</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 159,824</u>	 <u>\$ 39,059</u>	 <u>\$ 49,232</u>

(Continued)

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- NON MAJOR FUNDS  
DECEMBER 31, 2015**

<b>ASSETS:</b>	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
Equity in pooled cash and cash equivalents	\$ 10,166	\$ 38,946	\$ 278,002
Accounts receivable	71,857	3,760	88,288
Interfund receivable	-	-	943
Loans receivable, net of allowance	-	-	5,611
<b>Total Assets</b>	<u>82,023</u>	<u>42,706</u>	<u>372,844</u>
 <b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	-	-	17,599
Interfund payable	-	42,703	57,494
Salaries and benefits	-	-	6,156
<b>Total Current Liabilities</b>	<u>-</u>	<u>42,703</u>	<u>81,249</u>
<b>Total Liabilities</b>	-	42,703	81,249
 <b>DEFERRED INFLOWS OF RESOURCES:</b>			
Property taxes	68,350	-	68,350
State shared taxes	3,507	-	3,507
<b>Total deferred inflows of resources</b>	<u>71,857</u>	<u>-</u>	<u>71,857</u>
 <b>FUND BALANCES:</b>			
Nonspendable fund balance	-	-	5,611
Restricted fund balance	10,166	3	214,127
<b>Total fund balances</b>	<u>10,166</u>	<u>3</u>	<u>219,738</u>
 <b>Total liabilities, deferred inflows of resources, and fund balance</b>	 <u>\$ 82,023</u>	 <u>\$ 42,706</u>	 <u>\$ 372,844</u>

(Concluded)

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCE NON MAJOR FUNDS  
FOR YEAR ENDED DECEMBER 31, 2015**

	Revolving Loan/Federal Program Income	Community Development	Trust
<b>REVENUES:</b>			
Property taxes	\$ -	\$ 8,470	\$ -
State shared revenues	-	-	-
Licenses and permits, fees	2,035	-	-
Grants: operating	-	-	-
Investment income	4,135	-	-
Other fines, rents, and reimbursements	38,237	-	37,649
Total revenues	<u>44,407</u>	<u>8,470</u>	<u>37,649</u>
<b>EXPENDITURES:</b>			
Personal services/administrative support	1,722	-	-
Operation and maintenance	30,883	22,772	15,833
Total expenditures	<u>32,605</u>	<u>22,772</u>	<u>15,833</u>
Excess (deficiency) of revenues over expenditures	<u>11,802</u>	<u>(14,302)</u>	<u>21,816</u>
Net change in fund balance	11,802	(14,302)	21,816
Fund balance January 1, 2015	<u>148,022</u>	<u>14,815</u>	<u>27,416</u>
Fund balance December 31, 2015	<u>\$ 159,824</u>	<u>\$ 513</u>	<u>\$ 49,232</u>

(Continued)

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN  
FUND BALANCE NON MAJOR FUNDS  
FOR YEAR ENDED DECEMBER 31, 2015**

	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
<b>REVENUES:</b>			
Property taxes	\$ 50,326	\$ -	\$ 58,796
State shared revenues	7,752	-	7,752
Licenses and permits, fees	-	-	2,035
Grants; operating	-	314,377	314,377
Investment income	-	-	4,135
Other fines, rents, and reimbursements	-	-	75,886
Total revenues	<u>58,078</u>	<u>314,377</u>	<u>462,981</u>
<b>EXPENDITURES:</b>			
Personal services/administrative support	-	-	1,722
Operation and maintenance	<u>52,326</u>	<u>314,377</u>	<u>436,191</u>
Total expenditures	<u>52,326</u>	<u>314,377</u>	<u>437,913</u>
Excess (deficiency) of revenues over expenditures	<u>5,752</u>	<u>-</u>	<u>25,068</u>
Net change in fund balance	5,752	-	25,068
Fund balance January 1, 2015	<u>4,414</u>	<u>3</u>	<u>194,670</u>
Fund balance December 31, 2015	<u>\$ 10,166</u>	<u>\$ 3</u>	<u>\$ 219,738</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, 2015**

	Revolving Loan / Federal Program Income			Community Development		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 32,000	\$ 8,470	\$ (23,530)
State shared revenues	-	-	-	-	-	-
Licenses and permits, fees	1,440	2,035	595	-	-	-
Grants: operating	-	-	-	-	-	-
Investment Income	4,090	4,135	45	-	-	-
Other	26,245	38,237	11,992	-	-	-
Total revenues	<u>31,775</u>	<u>44,407</u>	<u>12,632</u>	<u>32,000</u>	<u>8,470</u>	<u>(23,530)</u>
<b>EXPENDITURES:</b>						
Personal services	1,850	1,722	128	-	-	-
Operation and maintenance	128,970	30,883	98,087	44,814	22,772	22,042
Total expenditures	<u>130,820</u>	<u>32,605</u>	<u>98,215</u>	<u>44,814</u>	<u>22,772</u>	<u>22,042</u>
Excess (deficiency) of revenues over expenditures	<u>(99,045)</u>	<u>11,802</u>	<u>110,847</u>	<u>(12,814)</u>	<u>(14,302)</u>	<u>(1,488)</u>
Net change in fund balance	(99,045)	11,802	110,847	(12,814)	(14,302)	(1,488)
Fund balance January 1, 2015	<u>148,022</u>	<u>148,022</u>	-	<u>14,815</u>	<u>14,815</u>	-
Fund balance December 31, 2015	<u>\$ 48,977</u>	<u>\$ 159,824</u>	<u>\$ 110,847</u>	<u>\$ 2,001</u>	<u>\$ 513</u>	<u>\$ (1,488)</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, 2015**

	Trust			Conservancy		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 50,326	\$ 50,326	\$ -
State shared revenues	-	-	-	7,752	7,752	-
Licenses and permits, fees	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Other	59,396	37,649	(21,747)	-	-	-
Total revenues	<u>59,396</u>	<u>37,649</u>	<u>(21,747)</u>	<u>58,078</u>	<u>58,078</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Personal services	-	-	-	-	-	-
Operation and maintenance	71,945	15,833	56,112	53,700	52,326	1,374
Total expenditures	<u>71,945</u>	<u>15,833</u>	<u>56,112</u>	<u>53,700</u>	<u>52,326</u>	<u>1,374</u>
Excess (deficiency) of revenues over expenditures	<u>(12,549)</u>	<u>21,816</u>	<u>34,365</u>	<u>4,378</u>	<u>5,752</u>	<u>1,374</u>
Net change in fund balance	(12,549)	21,816	34,365	4,378	5,752	1,374
Fund balance January 1, 2015	<u>27,416</u>	<u>27,416</u>	<u>-</u>	<u>4,414</u>	<u>4,414</u>	<u>-</u>
Fund balance December 31, 2015	<u>\$ 14,867</u>	<u>\$ 49,232</u>	<u>\$ 34,365</u>	<u>\$ 8,792</u>	<u>\$ 10,166</u>	<u>\$ 1,374</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, 2015**

	Federal Grants			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>REVENUES:</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 82,326	\$ 58,796	\$ (23,530)
State shared revenues	-	-	-	7,752	7,752	-
Licenses and permits, fees	-	-	-	1,440	2,035	595
Grants: operating	608,657	314,377	(294,280)	608,657	314,377	(294,280)
Investment Income	-	-	-	4,090	4,135	45
Other	-	-	-	85,641	75,886	(9,755)
Total revenues	<u>608,657</u>	<u>314,377</u>	<u>(294,280)</u>	<u>789,906</u>	<u>462,981</u>	<u>(326,925)</u>
<b>EXPENDITURES:</b>						
Personal services	20,000	-	20,000	21,850	1,722	20,128
Operation and maintenance	588,657	314,377	274,280	888,086	436,191	451,895
Total expenditures	<u>608,657</u>	<u>314,377</u>	<u>294,280</u>	<u>909,936</u>	<u>437,913</u>	<u>472,023</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(120,030)	25,068	145,098
Net change in fund balance	-	-	-	(120,030)	25,068	145,098
Fund balance January 1, 2015	<u>3</u>	<u>3</u>	-	<u>194,670</u>	<u>194,670</u>	-
Fund balance December 31, 2015	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 74,640</u>	<u>\$ 219,738</u>	<u>\$ 145,098</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, 2015**

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>			
Property taxes	\$ 45,246	\$ 42,114	\$ (3,132)
Investment income	6,075	217	(5,858)
Total revenues	<u>51,321</u>	<u>42,331</u>	<u>(8,990)</u>
<b>EXPENDITURES:</b>			
Operating expenditures	4,355	6,292	(1,937)
Debt principal payment	197,732	197,731	1
Debt interest payment	23,586	23,585	1
Total expenditures	<u>225,673</u>	<u>227,608</u>	<u>(1,935)</u>
Excess (deficiency) of revenues over expenditures	<u>(174,352)</u>	<u>(185,277)</u>	<u>(10,925)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	<u>221,317</u>	<u>221,316</u>	<u>(1)</u>
Total other financing sources	<u>221,317</u>	<u>221,316</u>	<u>(1)</u>
Net change in fund balance	46,965	36,039	(10,926)
Fund balance January 1, 2015	<u>375,519</u>	<u>375,519</u>	<u>-</u>
Fund balance December 31, 2015	<u>\$ 422,484</u>	<u>\$ 411,558</u>	<u>\$ (10,926)</u>

**CITY OF PIQUA, OHIO**

**COMBINING BALANCE SHEET- INTERNAL SERVICE FUNDS  
DECEMBER 31, 2015**

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>Workers Compensation</b>	<b>Liability Insurance</b>	<b>Health Insurance</b>	<b>Information Technology</b>	<b>Total</b>
Current assets:					
Equity in pooled cash and cash equivalents	\$ 768,939	\$ 321,616	\$ 422,571	\$ 419,283	\$ 1,932,409
Equity in pooled investments	505,151	-	804,213	-	1,309,364
Accounts receivable	397	214,615	1,823	-	216,835
Prepaid items and other assets	-	-	3,710	-	3,710
<b>Total Current Assets</b>	<b>1,274,487</b>	<b>536,231</b>	<b>1,232,317</b>	<b>419,283</b>	<b>3,462,318</b>
Noncurrent assets:					
Capital assets not being depreciated	-	-	-	49,200	49,200
Capital assets being depreciated	-	-	-	310,922	310,922
<b>Total Capital Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>360,122</b>	<b>360,122</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred by pensions	-	-	-	36,352	36,352
<b>Total Deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,352</b>	<b>36,352</b>
<b>Total Assets and Deferred outflows of resources</b>	<b>\$ 1,274,487</b>	<b>\$ 536,231</b>	<b>\$ 1,232,317</b>	<b>\$ 815,757</b>	<b>\$ 3,858,792</b>
<b>LIABILITIES:</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 9,235	\$ 9,235
Salaries and benefits	-	-	-	8,613	8,613
Accrued vacation, personal and sick leave	-	-	-	77,068	77,068
Accruals	-	-	-	38,000	38,000
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,916</b>	<b>132,916</b>
<b>NONCURRENT LIABILITIES:</b>					
Accrued vacation, personal and sick leave	-	-	-	33,955	33,955
Net Pension Liability	-	-	-	227,733	227,733
Long term liabilities	-	-	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261,688</b>	<b>261,688</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>394,604</b>	<b>394,604</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred by pensions	-	-	-	3,599	3,599
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,599</b>	<b>3,599</b>
<b>NET POSITION:</b>					
Net investment in capital assets				360,122	360,122
Unrestricted	1,274,487	536,231	1,232,317	57,432	3,100,467
<b>Total Net Position</b>	<b>1,274,487</b>	<b>536,231</b>	<b>1,232,317</b>	<b>417,554</b>	<b>3,460,589</b>
<b>Total Liabilities, Deferred inflows of resources, and Net Position</b>	<b>\$ 1,274,487</b>	<b>\$ 536,231</b>	<b>\$ 1,232,317</b>	<b>\$ 815,757</b>	<b>\$ 3,858,792</b>

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF REVENUES,  
EXPENSES, AND CHANGES IN NET POSITION- INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Total
<b>OPERATING REVENUES:</b>					
Customer services	\$ 149,783	\$ 262,526	\$ -	\$ 530,000	\$ 942,309
Total operating revenues	149,783	262,526	-	530,000	942,309
<b>OPERATING EXPENSES:</b>					
Salaries and Employee benefits	264,476	-	20	301,838	566,334
Depreciation	-	-	-	118,417	118,417
Materials and supplies	-	-	-	38,107	38,107
Utilities	-	-	-	33,251	33,251
Outside Services	-	-	-	141,863	141,863
Other	-	181,635	-	7,126	188,761
Total operating expenses	264,476	181,635	20	640,602	1,086,733
Operating income (loss)	(114,693)	80,891	(20)	(110,602)	(144,424)
<b>NON-OPERATING REVENUES(EXPENSES):</b>					
Interest income	4,408	1,503	6,150	132	12,193
Net non-operating revenues(expenses)	4,408	1,503	6,150	132	12,193
Change in net position	(110,285)	82,394	6,130	(110,470)	(132,231)
Total net position-beginning of year restated	1,384,772	453,837	1,226,187	528,024	3,592,820
Total net position-end of year	<u>\$ 1,274,487</u>	<u>\$ 536,231</u>	<u>\$ 1,232,317</u>	<u>\$ 417,554</u>	<u>\$ 3,460,589</u>

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF CASH FLOWS-INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Totals
<b>OPERATING ACTIVITIES:</b>					
Receipts from interfund services	\$ 149,783	\$ 150,305	\$ 7,379	\$ 530,000	\$ 837,467
Cash paid to suppliers for goods or services	-	(181,635)	(20)	(183,799)	(365,454)
Cash paid to employees for services	(264,476)	-	-	(304,286)	(568,762)
Net cash provided by (used in) operating activities	(114,693)	(31,330)	7,359	41,915	(96,749)
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital & AMP regulatory assets	-	-	-	(38,000)	(38,000)
Net cash provided by (used in) capital & related financing activities	-	-	-	(38,000)	(38,000)
<b>INVESTING ACTIVITIES:</b>					
Purchases of investment securities	(255,151)	-	(704,213)	-	(959,364)
Proceeds from sale or maturity of investment securities	504,137	-	931,415	-	1,435,552
Interest received	4,867	1,503	6,676	132	13,178
Net cash provided by (used in) investing activities	253,853	1,503	233,878	132	489,366
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	139,160	(29,827)	241,237	4,047	354,617
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	629,779	351,443	181,334	415,236	1,577,792
<b>CASH AND CASH EQUIVALENTS - End of year</b>	\$ 768,939	\$ 321,616	\$ 422,571	\$ 419,283	\$ 1,932,409
<b>OPERATING INCOME (LOSS)</b>	\$ (114,693)	\$ 80,891	\$ (20)	\$ (110,602)	\$ (144,424)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	118,417	118,417
(Increase)/Decrease in Accounts Receivable	-	(112,221)	7,379	-	(104,842)
(Increase)/Decrease in Deferred Outflows of Resources-Pension	-	-	-	(8,092)	(8,092)
Increase/(Decrease) in Accounts Payable	-	-	-	36,729	36,729
Increase/(Decrease) in Accrued Wages and Benefits	-	-	-	(2,448)	(2,448)
Increase/(Decrease) in Net Pension Liability	-	-	-	4,312	4,312
Increase/(Decrease) in Deferred Inflows of Resources-Pension	-	-	-	3,599	3,599
Net cash provided by (used in) operating activities	<u>\$ (114,693)</u>	<u>\$ (31,330)</u>	<u>\$ 7,359</u>	<u>\$ 41,915</u>	<u>\$ (96,749)</u>

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
DECEMBER 31, 2015**

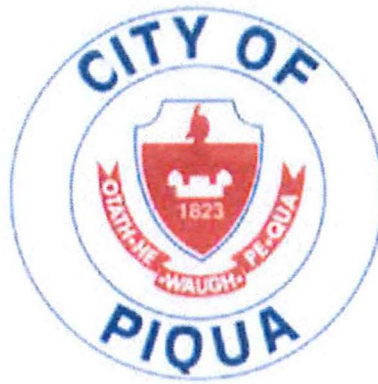
	<u>Unclaimed Funds</u>	<u>Employee Flexible Spending</u>	<u>Total</u>
<b>ASSETS:</b>			
Equity in pooled cash and cash equivalents	\$ 4,784	\$ 16,435	\$ 21,219
Total Assets	<u>\$ 4,784</u>	<u>\$ 16,435</u>	<u>\$ 21,219</u>
<b>LIABILITIES:</b>			
Withholdings payable	\$ -	\$ 5,404	\$ 5,404
Undistributed monies	<u>4,784</u>	<u>11,031</u>	<u>15,815</u>
Total Liabilities	<u>\$ 4,784</u>	<u>\$ 16,435</u>	<u>\$ 21,219</u>

**CITY OF PIQUA, OHIO**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR YEAR ENDED DECEMBER 31, 2015**

	Balance at January 1, 2015	Additions	Deductions	Balance at December 31, 2015
<b>Unclaimed Funds</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 3,906	\$ 878	\$ -	\$ 4,784
Total Assets	<u>\$ 3,906</u>	<u>\$ 878</u>	<u>\$ -</u>	<u>\$ 4,784</u>
<b>LIABILITIES</b>				
Undistributed monies	\$ 3,906	\$ 878	\$ -	4,784
Total Liabilities	<u>\$ 3,906</u>	<u>\$ 878</u>	<u>\$ -</u>	<u>\$ 4,784</u>
<b>Employee Flexible Spending</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 16,281	\$ 181,599	\$ 181,445	\$ 16,435
Total Assets	<u>\$ 16,281</u>	<u>\$ 181,599</u>	<u>\$ 181,445</u>	<u>\$ 16,435</u>
<b>LIABILITIES</b>				
Withholdings payable	\$ 4,449	\$ 181,515	\$ 180,560	\$ 5,404
Undistributed monies	11,832	84	885	11,031
Total Liabilities	<u>\$ 16,281</u>	<u>\$ 181,599</u>	<u>\$ 181,445</u>	<u>\$ 16,435</u>
<b>Total- All AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ 20,187	\$ 182,477	\$ 181,445	\$ 21,219
Total Assets	<u>\$ 20,187</u>	<u>\$ 182,477</u>	<u>\$ 181,445</u>	<u>\$ 21,219</u>
<b>LIABILITIES</b>				
Withholdings payable	\$ 4,449	\$ 181,515	\$ 180,560	\$ 5,404
Undistributed monies	15,738	962	885	15,815
Total Liabilities	<u>\$ 20,187</u>	<u>\$ 182,477</u>	<u>\$ 181,445</u>	<u>\$ 21,219</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>86-90</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>91-93</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>94-96</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>97-99</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>100-103</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

CITY OF PIQUA, OHIO

Table 1

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Government Activities</b>										
Net investment in capital assets	\$ 56,129,075	\$ 54,540,426	\$ 44,845,328	\$ 42,875,580	\$ 41,507,824	\$ 41,743,160	\$ 41,217,679	\$ 41,291,151	\$ 41,254,589	\$ 36,547,835
Restricted for other purposes	6,365	5,632	11,077	10,894	12,457	18,638	20,665	14,684	33,231	-
Restricted for debt service	411,558	375,519	439,460	430,978	369,253	385,122	387,228	394,408	394,825	418,841
Unrestricted	8,531,501	7,831,696	30,086,228	29,179,762	27,851,846	25,776,868	24,580,004	23,791,114	20,257,699	18,315,439
Total governmental activities net position	<u>65,078,499</u>	<u>62,753,273</u>	<u>75,382,093</u>	<u>72,497,214</u>	<u>69,741,380</u>	<u>67,923,788</u>	<u>66,205,576</u>	<u>65,491,357</u>	<u>61,940,344</u>	<u>55,282,115</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	60,462,159	55,861,423	57,929,193	55,839,322	49,929,517	48,473,160	49,657,889	50,518,920	50,298,375	49,706,237
Restricted for other purposes	-	-	-	-	-	-	-	-	727	-
Restricted for debt service	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	58,910
Unrestricted	14,275,160	15,458,228	18,147,111	18,818,340	20,506,796	20,726,170	17,278,974	14,078,814	12,979,243	13,427,481
Total business-type activities net position	<u>74,737,319</u>	<u>71,319,651</u>	<u>76,126,304</u>	<u>74,707,662</u>	<u>70,486,313</u>	<u>69,249,330</u>	<u>66,986,863</u>	<u>64,647,734</u>	<u>63,328,345</u>	<u>63,192,628</u>
<b>Primary government</b>										
Net investment in capital assets	116,591,234	110,401,849	102,774,521	98,714,902	91,437,341	90,216,320	90,875,568	91,810,071	91,552,964	86,254,072
Restricted for other purposes	6,365	5,632	11,077	10,894	12,457	18,638	20,665	14,684	33,958	-
Restricted for debt service	411,558	375,519	489,460	480,978	419,253	435,122	437,228	444,408	444,825	477,751
Unrestricted	22,806,661	23,289,924	48,233,339	47,998,102	48,358,642	46,503,038	41,858,978	37,869,928	33,236,942	31,742,920
Total primary government activities net position	<u>\$ 139,815,818</u>	<u>\$ 134,072,924</u>	<u>\$ 151,508,397</u>	<u>\$ 147,204,876</u>	<u>\$ 140,227,693</u>	<u>\$ 137,173,118</u>	<u>\$ 133,192,439</u>	<u>\$ 130,139,091</u>	<u>\$ 125,268,689</u>	<u>\$ 118,474,743</u>

Source: City of Piqua Finance Department  
2014 Unrestricted balances restated to reflect accounting changes of GASB 68

CITY OF PIQUA, OHIO

Table 2

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses</b>										
<b>Government activities</b>										
General government	\$ 1,941,956	\$ 1,895,842	\$ 1,931,289	\$ 1,878,876	\$ 1,804,464	\$ 1,893,928	\$ 2,099,961	\$ 2,960,257	\$ 2,891,558	\$ 2,252,448
Public safety	8,855,194	8,599,246	7,855,812	7,778,195	7,655,764	7,797,867	7,859,160	7,796,876	7,878,066	7,784,475
Streets and maintenance	4,696,334	5,238,564	3,340,057	3,081,248	3,166,350	3,250,497	3,574,236	5,143,056	3,168,720	2,855,826
Fort Piqua Plaza	546,674	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks and recreation	488,175	509,403	502,923	475,706	425,013	548,724	685,518	915,284	702,284	741,577
Community development	552,143	272,904	766,933	1,944,480	393,106	628,434	242,528	618,328	343,948	617,750
Interest on long term debt	26,495	49,855	61,006	68,013	190,218	250,261	271,155	289,387	197,747	184,603
Total governmental activities expenses	17,106,971	16,565,814	14,458,020	15,226,518	13,634,915	14,369,711	14,732,558	17,723,188	15,182,323	14,436,679
<b>Business-type Activities</b>										
Electric	28,506,759	28,187,077	24,897,844	22,146,622	23,673,009	22,492,488	22,301,713	23,945,553	22,469,419	15,836,216
Wastewater	3,170,850	3,479,419	3,253,677	3,369,098	3,307,060	2,986,688	2,855,462	2,843,279	2,829,263	2,996,458
Refuse	1,924,274	1,701,599	1,606,035	1,594,550	1,593,925	1,512,243	1,481,691	1,523,263	1,440,545	1,429,689
Water	4,191,855	3,444,314	3,116,383	3,051,979	3,300,788	2,920,323	2,793,284	2,850,285	2,754,437	2,564,675
Stormwater	846,714	814,109	707,322	398,234	419,626	414,092	n/a	n/a	n/a	n/a
Golf	662,334	589,459	678,050	683,046	702,282	609,278	654,306	685,305	726,395	707,818
Fort Piqua Plaza	N/A	294,781	301,409	277,319	280,600	229,821	185,207	42,372	n/a	n/a
Municipal Pool	154,212	174,256	188,413	203,742	177,970	170,387	190,003	199,122	191,007	171,005
Total business-type activities expenses	39,456,998	38,685,014	34,749,133	31,724,590	33,455,260	31,335,320	30,461,666	32,089,179	30,411,066	23,705,861
Total Primary Government activities expenses	\$ 56,563,969	\$ 55,250,828	\$ 49,207,153	\$ 46,951,108	\$ 47,090,175	\$ 45,705,031	\$ 45,194,224	\$ 49,812,367	\$ 45,593,389	\$ 38,142,540
<b>Program revenues</b>										
<b>Government activities</b>										
<b>Charges for Services:</b>										
General government	\$ 347,523	\$ 368,510	\$ 433,122	\$ 427,061	\$ 412,803	\$ 630,460	\$ 692,334	\$ 624,510	\$ 465,664	\$ 1,436,056
Public safety	1,167,432	984,214	1,103,529	1,042,684	1,083,295	800,027	876,722	772,244	909,784	566,672
Streets and maintenance	111,846	80,021	90,011	118,891	98,951	68,198	33,705	93,392	28,295	63,390
Parks and recreation	18,350	24,057	35,797	21,190	22,258	31,297	109,577	88,900	25,355	31,346
Fort Piqua Plaza	363,758	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community development	40,711	38,434	43,089	37,036	36,826	18,152	20,681	26,146	19,974	7,042
Operating grants and contributions	1,254,648	1,960,446	1,215,686	2,052,279	778,247	1,414,559	460,718	1,219,765	2,301,314	3,208,242
Capital grants and contributions	1,585,172	554,878	1,732,241	1,890,719	1,097,763	392,849	534,122	1,822,124	3,978,896	859,305
Total governmental activities program revenues	4,889,440	4,010,560	4,653,475	5,589,860	2,542,143	3,355,542	2,727,859	4,647,081	7,729,282	6,172,053
<b>Business-type Activities</b>										
<b>Charges for Services:</b>										
Electric	29,091,216	27,671,169	23,631,871	23,730,966	23,709,030	23,124,555	23,374,930	24,242,210	21,135,872	18,181,498
Wastewater	3,455,931	3,521,249	3,501,363	3,461,648	3,422,060	3,470,636	3,258,977	3,098,853	2,715,642	2,698,928
Refuse	1,793,541	1,783,288	1,794,018	1,770,367	1,762,814	1,757,375	1,767,803	1,659,648	1,530,335	1,408,455
Water	5,083,835	4,899,259	4,890,863	4,260,723	3,322,920	3,335,091	3,180,412	3,051,532	2,791,370	2,722,614
Stormwater	1,075,651	887,558	819,584	819,584	819,270	651,694	n/a	n/a	n/a	n/a
Golf	495,842	466,160	515,527	563,553	470,297	533,600	594,230	605,828	625,414	599,742
Fort Piqua Plaza	N/A	159,099	147,131	109,010	106,192	129,689	63,946	18,200	n/a	n/a
Municipal Pool	43,763	51,811	61,702	74,927	80,060	74,220	79,048	92,746	89,109	89,373
Operating grants and contributions	358,200	503,454	110,719	142,603	240,032	97,588	155	-	2,548	261
Capital grants and contributions	990,230	49,844	89,599	540,523	112,500	-	65,000	-	726,507	688,466
Total business-type activities program revenues	42,388,209	40,094,710	35,630,351	35,473,904	34,045,175	33,174,448	32,384,501	32,769,017	29,616,797	26,389,337
Total primary government program revenues	\$ 47,277,649	\$ 44,105,270	\$ 40,283,826	\$ 41,063,764	\$ 36,587,318	\$ 36,529,990	\$ 35,112,360	\$ 37,416,098	\$ 37,346,079	\$ 32,561,390
<b>Net revenue (expense)</b>										
Governmental activities	\$ (12,217,531)	\$ (12,555,254)	\$ (9,804,545)	\$ (9,636,658)	\$ (11,092,772)	\$ (11,014,169)	\$ (12,004,699)	\$ (13,076,107)	\$ (7,453,041)	\$ (8,264,626)
Business-type activities	\$2,931,211	1,409,696	881,218	3,749,314	589,915	1,839,128	1,922,835	679,838	(794,269)	2,683,476
Total primary government net revenue(expense)	\$ (9,286,320)	\$ (11,145,558)	\$ (8,923,327)	\$ (5,887,344)	\$ (10,502,857)	\$ (9,175,041)	\$ (10,081,864)	\$ (12,396,269)	\$ (8,247,310)	\$ (5,581,150)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General revenues and other changes in net position</b>										
Governmental activities										
Property taxes	\$ 1,182,995	\$ 1,169,263	\$ 1,211,844	\$ 1,271,907	\$ 1,289,519	\$ 1,402,952	\$ 1,349,521	\$ 1,452,709	\$ 1,466,214	\$ 1,505,317
State Shared taxes	1,918,725	1,856,432	1,752,553	2,187,917	2,597,120	2,992,428	3,404,050	3,443,434	2,522,305	2,953,529
Income tax	10,661,411	8,285,580	8,935,319	8,024,044	8,209,488	7,256,729	6,999,179	10,275,491	8,351,952	8,611,614
Locally levied taxes	1,205,357	1,212,000	1,188,578	1,185,433	1,180,220	1,173,438	1,123,045	1,259,107	1,291,091	1,309,110
Investment earnings	15,342	71,303	82,596	97,667	129,378	159,445	134,406	388,469	661,171	578,256
Miscellaneous	9,451	23,812	1,937	18,808	6,500	56,482	9,515	1,852	18,468	6,383
Transfers	(450,524)	(505,544)	(483,403)	(393,284)	(501,861)	(309,093)	(300,798)	(193,942)	(199,931)	(197,103)
Total governmental activities general revenues and other changes in net position	14,542,757	12,112,846	12,689,424	12,392,492	12,910,364	12,732,381	12,718,918	16,627,120	14,111,270	14,767,106
Business-type Activities										
Investment earnings	35,933	48,158	54,021	78,751	145,207	114,246	115,496	445,609	730,055	603,404
Special item	-	(2,587,176)	-	-	-	-	-	-	-	(432,106)
Transfers	450,524	505,544	483,403	393,284	501,861	309,093	300,798	193,942	199,931	197,103
Total business-type activities general revenues and other changes in net position	486,457	(2,033,474)	537,424	472,035	647,068	423,339	416,294	639,551	929,986	368,401
Total primary government general revenues and other changes in net position	15,029,214	10,079,372	13,226,848	12,864,527	13,557,432	13,155,720	13,135,212	17,266,671	15,041,256	15,135,507
<b>Change in net position</b>										
Governmental activities	2,325,226	(442,408)	2,884,879	2,755,834	1,817,592	1,718,212	714,219	3,551,013	6,658,229	6,502,480
Business-type activities	3,417,668	(623,778)	1,418,642	4,221,349	1,236,983	2,262,467	2,339,129	1,319,389	135,717	3,051,877
Total primary government activities	\$ 5,742,894	\$ (1,066,186)	\$ 4,303,521	\$ 6,977,183	\$ 3,054,575	\$ 3,980,679	\$ 3,053,348	\$ 4,870,402	\$ 6,793,946	\$ 9,554,357

Electric, Wastewater, Golf and Pool Expenses restated in years 2011 through 2006 to reflect accounting changes of GASB 65

Source: City of Piqua Finance Department

Fort Piqua Plaza enterprise began in October 2008 and reclassified to governmental fund for 2015

Storm Water enterprise began in April 2010

2014 Expenses restated to reflect accounting changes of GASB 68

CITY OF PIQUA, OHIO

Table 3

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

	2015	2014	2013	2012	2011 (1)	2010	2009	2008	2007	2006
<b>General Fund</b>										
Nonspendable	\$ 7,520	\$ 5,107	\$ 9,800,116	\$ 9,800,153	\$ 9,801,232	\$ 12,515,872	\$ 12,514,073	\$ -	\$ -	\$ -
Restricted	78,261	5,632	11,077	10,894	12,457	18,638	20,665	-	-	-
Assigned	3,413,891	3,348,931	4,101,987	4,129,242	3,343,766	2,638,668	2,138,600	-	-	-
Reserved	-	-	-	-	-	-	-	10,834,537	9,926,096	4,039,446
Unassigned	7,788,547	7,401,836	6,952,802	6,718,592	7,037,036	5,346,681	5,294,013	7,987,100	6,674,596	8,594,514
<b>Total General Fund</b>	<b>11,288,219</b>	<b>10,761,506</b>	<b>20,865,982</b>	<b>20,658,881</b>	<b>20,194,491</b>	<b>20,519,859</b>	<b>19,967,351</b>	<b>18,821,637</b>	<b>16,600,692</b>	<b>12,633,960</b>
<b>Street Maintenance Fund</b>										
Restricted	4,236,738	4,258,402	4,321,221	3,918,551	3,270,045	2,518,751	1,984,235	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	359,365	50,166	163,780
Unassigned	-	-	-	-	-	-	-	1,374,925	1,433,773	1,003,903
<b>Total Street Maintenance Fund</b>	<b>4,236,738</b>	<b>4,258,402</b>	<b>4,321,221</b>	<b>3,918,551</b>	<b>3,270,045</b>	<b>2,518,751</b>	<b>1,984,235</b>	<b>1,734,290</b>	<b>1,483,939</b>	<b>1,167,683</b>
<b>Street Levy Fund</b>										
Restricted	2,216,178	2,308,637	2,004,021	1,977,761	1,795,964	1,560,389	1,357,286	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	197,384	409,802	45,903
Unassigned	-	-	-	-	-	-	-	1,145,679	384,273	410,922
<b>Total Street Levy Fund</b>	<b>2,216,178</b>	<b>2,308,637</b>	<b>2,004,021</b>	<b>1,977,761</b>	<b>1,795,964</b>	<b>1,560,389</b>	<b>1,357,286</b>	<b>1,343,063</b>	<b>794,075</b>	<b>456,825</b>
<b>Other Governmental Funds</b>										
Nonspendable	5,611	7,149	7,149	7,150	7,150	7,150	7,150	-	-	-
Restricted	214,127	185,519	158,579	191,923	166,859	115,427	511,724	-	-	-
Assigned	-	3,450	-	4,389	3,039	3	65,522	-	-	-
Reserved	-	-	-	-	-	-	-	1,025,223	949,265	863,657
Unassigned reported in:										
Revolving Loan/Program Income	-	-	-	-	-	-	-	33,117	72,554	49,165
Community Development	-	(1,448)	1,001	-	-	-	(19,999)	(130,314)	11,504	17,092
Trust	-	-	-	-	-	-	-	3,172	22,417	27,974
Conservancy	-	-	-	-	-	-	-	42,144	40,625	41,127
Safety Pension	-	-	-	-	-	-	-	-	72,456	60,676
Federal Grants	-	-	-	-	-	-	(40,320)	4,109	(103,727)	(5,410)
<b>Total Other Governmental Funds</b>	<b>219,738</b>	<b>194,670</b>	<b>166,729</b>	<b>203,462</b>	<b>177,048</b>	<b>122,580</b>	<b>524,077</b>	<b>977,451</b>	<b>1,065,094</b>	<b>1,054,281</b>
<b>Governmental Funds</b>										
Nonspendable	13,131	12,256	9,807,265	9,807,303	9,808,382	12,523,022	12,521,223	-	-	-
Restricted	6,745,304	6,758,190	6,494,898	6,099,129	5,245,325	4,213,205	3,873,910	-	-	-
Assigned	3,413,891	3,352,381	4,101,987	4,133,631	3,346,805	2,638,671	2,204,122	-	-	-
Reserved	-	-	-	-	-	-	-	12,416,509	11,335,329	5,112,786
Unassigned	7,788,547	7,400,388	6,953,803	6,718,592	7,037,036	5,346,681	5,233,694	10,459,932	8,608,471	10,199,963
<b>Total Governmental Funds</b>	<b>\$ 17,960,873</b>	<b>\$ 17,523,215</b>	<b>\$ 27,357,953</b>	<b>\$ 26,758,655</b>	<b>\$ 25,437,548</b>	<b>\$ 24,721,579</b>	<b>\$ 23,832,949</b>	<b>\$ 22,876,441</b>	<b>\$ 19,943,800</b>	<b>\$ 15,312,749</b>

Source: City of Piqua Finance Department

(1) Fund balance categories were reclassified to be consistent with current year financial statement presentation

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUES</b>										
Municipal income tax	\$ 10,582,711	\$ 8,551,480	\$ 8,657,319	\$ 7,748,219	\$ 8,382,273	\$ 7,374,993	\$ 7,002,778	\$ 10,267,939	\$ 8,260,918	\$ 8,300,977
Property taxes	1,182,995	1,169,263	1,211,844	1,271,907	1,289,519	1,402,952	1,349,521	1,452,709	1,466,214	1,505,317
State shared revenues	1,853,031	1,858,968	1,866,329	2,253,099	2,585,245	2,764,569	3,781,537	3,199,733	2,530,167	3,192,533
Locally levied taxes	1,205,357	1,212,000	1,188,578	1,185,433	1,180,220	1,173,438	1,123,045	1,259,107	1,291,091	1,309,110
Licenses and permits, fees	1,453,671	1,301,751	1,334,105	1,330,355	1,333,529	1,054,458	1,020,519	949,578	1,073,084	574,837
Grants: capital	1,581,327	506,853	1,717,264	1,482,076	109,763	392,849	512,522	1,766,624	3,975,696	208,958
Grants: operating	1,171,623	1,934,290	1,172,917	2,023,736	683,653	863,231	372,788	765,164	1,954,777	600,798
Investment income	11,256	64,231	77,179	115,681	141,194	157,392	109,066	253,369	492,617	420,761
Increase (decrease) in fair market value of investments	-	(828)	(4,518)	(32,643)	(34,239)	(22,878)	(11,293)	55,323	12,071	18,769
Donations: capital	3,845	48,025	14,977	408,643	-	-	21,600	55,500	3,200	650,347
Donations: operating	83,025	26,156	42,769	28,543	94,594	551,328	180,976	361,555	346,537	2,607,444
Other fines, rents, and reimbursements	596,378	241,036	297,672	321,165	322,528	524,995	716,342	657,330	325,783	1,518,010
<b>Total revenues</b>	<b>19,725,219</b>	<b>16,913,225</b>	<b>17,576,435</b>	<b>18,136,214</b>	<b>16,088,279</b>	<b>16,237,327</b>	<b>16,179,401</b>	<b>21,043,931</b>	<b>21,732,155</b>	<b>20,907,861</b>
<b>EXPENDITURES</b>										
General government administration	1,359,621	1,283,002	1,300,112	1,310,975	1,210,761	1,278,817	1,287,163	1,501,156	1,694,424	1,356,040
Public safety	8,710,369	8,011,087	7,571,496	7,375,404	7,192,718	7,464,385	7,506,391	7,775,613	7,676,395	7,567,735
Public health	456,785	416,363	492,373	312,330	329,242	360,499	435,469	496,914	521,419	393,863
Street repairs and maintenance	3,658,698	4,181,086	2,270,611	1,934,451	2,060,615	2,192,766	2,639,293	4,137,209	2,221,531	1,936,590
Parks and recreation	459,446	451,705	472,183	418,280	361,895	461,977	609,908	828,421	633,438	661,920
Fort Piqua Plaza	266,357	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community planning and development	432,922	324,512	671,117	1,973,099	378,885	610,155	321,094	942,424	544,972	749,395
Other	58,618	74,565	46,393	58,726	63,174	55,043	55,521	112,288	78,846	106,092
Capital costs	3,191,637	1,276,685	3,370,293	2,704,350	1,132,280	1,240,777	2,123,231	1,581,034	5,093,251	1,991,144
Debt service:										
Principal	362,731	504,209	239,313	221,476	2,010,985	871,353	802,604	737,596	683,457	524,404
Interest	27,614	51,524	61,293	69,815	201,592	248,969	273,818	293,522	192,915	184,195
<b>Total expenditures</b>	<b>18,984,798</b>	<b>16,574,738</b>	<b>16,495,184</b>	<b>16,378,906</b>	<b>14,942,147</b>	<b>14,784,741</b>	<b>16,054,492</b>	<b>18,406,177</b>	<b>19,340,648</b>	<b>15,471,378</b>
Excess (deficiency) of revenues over expenditures	740,421	338,487	1,081,251	1,757,308	1,146,132	1,452,586	124,909	2,637,754	2,391,507	5,436,483
<b>OTHER FINANCING SOURCES (USES):</b>										
Issuance of debt	165,000	-	-	-	49,329	73,777	1,122,882	486,977	2,421,007	-
Disposal of capital assets	18,800	61,575	9,932	18,808	6,500	56,482	9,515	1,852	18,468	6,383
Transfers in	221,316	458,288	279,730	277,793	2,157,880	1,057,569	1,024,720	1,051,982	689,718	657,677
Transfers out	(671,840)	(963,832)	(763,133)	(671,077)	(2,659,741)	(1,366,662)	(1,325,518)	(1,245,924)	(889,649)	(854,780)
<b>Total other financing sources (uses)</b>	<b>(266,724)</b>	<b>(443,969)</b>	<b>(473,471)</b>	<b>(374,476)</b>	<b>(446,032)</b>	<b>(178,834)</b>	<b>831,599</b>	<b>294,887</b>	<b>2,239,544</b>	<b>(190,720)</b>
Special Item	-	(9,793,197)	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 473,697</b>	<b>\$ (9,898,679)</b>	<b>\$ 607,780</b>	<b>\$ 1,382,832</b>	<b>\$ 700,100</b>	<b>\$ 1,273,752</b>	<b>\$ 956,508</b>	<b>\$ 2,932,641</b>	<b>\$ 4,631,051</b>	<b>\$ 5,245,763</b>
Debt service as a percentage of Noncapital expenditures	2.5%	3.6%	2.3%	2.1%	16.0%	8.3%	7.7%	6.1%	6.2%	5.3%

Source: City of Piqua Finance Department

The Special Item listed in 2014 is the acquisition of the historic Fort Piqua Plaza as satisfaction of an economic development loan. This is a non-cash capital item.

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**CITY OF PIQUA, OHIO**

**Table 5**

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2015	2.00%	\$ 10,320,670	\$ 8,153,149	79%	\$ 1,447,122	14%	\$ 720,399	7%
2014	1.75%	\$ 8,520,480	\$ 6,933,846	81%	\$ 945,168	11%	\$ 641,466	8%
2013	1.75%	\$ 8,440,440	\$ 6,606,944	78%	\$ 1,200,848	14%	\$ 632,648	8%
2012	1.75%	\$ 8,147,450	\$ 6,628,606	82%	\$ 845,855	10%	\$ 672,989	8%
2011	1.75%	\$ 8,184,808	\$ 6,258,548	77%	\$ 1,276,083	16%	\$ 650,177	7%
2010	1.75%	\$ 7,531,133	\$ 5,910,484	79%	\$ 1,004,631	13%	\$ 616,018	8%
2009	1.75%	\$ 8,772,129	\$ 6,659,669	76%	\$ 533,486	6%	\$ 1,578,974	18%
2008	1.75%	\$ 9,299,939	\$ 6,635,823	71%	\$ 1,070,972	12%	\$ 1,593,144	17%
2007	1.75%	\$ 8,278,497	\$ 6,441,487	78%	\$ 1,279,369	15%	\$ 557,641	7%
2006	1.75%	\$ 8,304,428	\$ 6,300,579	76%	\$ 1,458,825	18%	\$ 545,024	6%

Source: City of Piqua Income Tax Department

INCOME TAX COLLECTIONS BY INCOME RANGE  
LAST EIGHT YEARS

Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2014	0-20,000	3,713	42.43%	27,116,761	7.20%
2014	20,001-40,000	2,204	25.19%	65,531,899	17.41%
2014	40,001-60,000	1,190	13.60%	58,494,028	15.54%
2014	60,001-80,000	657	7.51%	45,547,724	12.10%
2014	80,001-100,000	425	4.86%	37,886,355	10.06%
2014	over 100,000	561	6.41%	141,856,356	37.68%
	Total	8,750		376,433,123	
2013	0-20,000	3,702	41.32%	29,751,925	8.25%
2013	20,001-40,000	2,341	26.13%	68,295,209	18.94%
2013	40,001-60,000	1,253	13.98%	61,323,105	17.00%
2013	60,001-80,000	713	7.96%	49,400,683	13.70%
2013	80,001-100,000	386	4.31%	34,520,615	9.57%
2013	over 100,000	565	6.31%	117,375,142	32.54%
	Total	8,960		360,666,679	
2012	0-20,000	3,839	43.01%	30,861,197	8.59%
2012	20,001-40,000	2,279	25.54%	66,407,419	18.48%
2012	40,001-60,000	1,221	13.68%	59,809,374	16.64%
2012	60,001-80,000	707	7.92%	49,059,853	13.65%
2012	80,001-100,000	338	3.79%	30,185,894	8.40%
2012	over 100,000	541	6.06%	123,014,948	34.23%
	Total	8,925		359,338,685	
2011	0-20,000	3,998	44.29%	32,814,422	8.91%
2011	20,001-40,000	2,275	25.20%	66,231,325	17.98%
2011	40,001-60,000	1,190	13.18%	58,199,985	15.80%
2011	60,001-80,000	691	7.65%	47,666,537	12.94%
2011	80,001-100,000	357	3.95%	31,736,996	8.62%
2011	over 100,000	516	5.72%	131,675,207	35.75%
	Total	9,027		368,324,472	
2010	0-20,000	3,686	43.45%	30,140,775	8.54%
2010	20,001-40,000	2,165	25.52%	62,966,356	17.84%
2010	40,001-60,000	1,153	13.59%	56,532,271	16.01%
2010	60,001-80,000	668	7.87%	46,150,475	13.07%
2010	80,001-100,000	354	4.17%	31,501,041	8.92%
2010	over 100,000	458	5.40%	125,718,520	35.61%
	Total	8,484		353,009,438	
2009	0-20,000	3,853	44.03%	31,893,835	9.70%
2009	20,001-40,000	2,222	25.39%	64,796,876	19.71%
2009	40,001-60,000	1,201	13.72%	58,741,763	17.87%
2009	60,001-80,000	673	7.69%	46,361,870	14.10%
2009	80,001-100,000	350	4.00%	30,959,276	9.42%
2009	over 100,000	452	5.17%	95,978,422	29.20%
	Total	8,751		328,732,042	
2008	0-20,000	3,239	40.83%	26,422,402	6.00%
2008	20,001-40,000	2,039	25.71%	59,730,456	13.57%
2008	40,001-60,000	1,154	14.55%	56,625,342	12.86%
2008	60,001-80,000	688	8.67%	47,651,794	10.82%
2008	80,001-100,000	347	4.37%	30,879,337	7.01%
2008	over 100,000	465	5.86%	218,983,220	49.74%
	Total	7,932		440,292,551	
2007	0-20,000	2,861	42.94%	22,686,532	7.99%
2007	20,001-40,000	1,629	24.45%	47,858,984	16.85%
2007	40,001-60,000	1,001	15.02%	48,988,779	17.25%
2007	60,001-80,000	545	8.18%	37,537,791	13.22%
2007	80,001-100,000	270	4.05%	23,909,330	8.42%
2007	over 100,000	357	5.36%	102,965,400	36.26%
	Total	6,663		283,946,816	

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

CITY OF PIQUA, OHIO

Table 7

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

Levy/ Collection Year	City Millage	Total Levy	Current Year Collection	Current Year Collection as Percent of Levy	Delinquent Collections	Total Collections	Total Collection as Percent of Total Levy	Total Assessed Value	Esitimated Total Property Value of City
2014/2015	4.49	\$ 1,317,904	\$ 1,271,879	96.51	\$ 52,815	\$ 1,324,694	100.52	\$ 289,330,550	\$ 826,658,714
2013/2014	4.47	1,307,640	1,263,375	96.61	48,720	1,312,095	100.34	285,104,680	814,584,800
2012/2013	4.42	1,367,090	1,317,913	96.40	32,172	1,350,085	98.76	286,575,960	818,788,457
2011/2012	4.42	1,397,181	1,355,224	97.00	39,929	1,395,153	99.85	313,373,330	890,941,193
2010/2011	4.42	1,406,037	1,363,450	96.97	48,104	1,411,554	100.39	311,472,170	886,119,675
2009/2010	4.42	1,488,065	1,442,184	96.92	56,950	1,499,134	100.74	334,159,430	950,582,640
2008/2009	4.42	1,483,596	1,431,473	96.49	63,272	1,494,745	100.75	344,645,420	951,073,747
2007/2008	4.42	1,558,181	1,510,445	96.94	74,870	1,585,315	101.74	361,883,510	968,702,431
2006/2007	4.42	1,545,521	1,485,097	96.09	44,588	1,529,685	98.98	354,618,720	862,984,047
2005/2006	4.42	1,550,670	1,512,109	97.51	63,082	1,575,191	101.58	296,243,040	847,043,961

Source: Miami County Auditor's Office

1) Amounts do not include delinquent collections

2) Delinquent collections refer to year collected not levied based on information provided by Miami County Auditor's Office  
Miami County does not have available delinquent collections by tax year they will schedule a revision to correct in the future.

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Governmental activities</b>										
General obligation bonds	\$ 135,000	\$ 175,000	\$ 215,000	\$ 255,000	\$ 290,000	\$ 325,000	\$ 875,000	\$ 1,000,000	\$ 1,455,000	\$ 1,898,347
Special assessment bonds	-	-	86,105	111,806	129,028	95,664	62,602	91,397	124,250	136,089
Pension refunding bonds	-	-	225,000	250,000	275,000	295,000	315,000	335,000	355,000	375,000
Taxable revenue bonds	-	-	-	-	-	1,800,000	2,010,000	2,210,000	2,400,000	-
Promissory Notes	415,502	573,233	726,337	874,949	1,019,201	1,159,221	1,209,859	486,977	-	149,000
Capital Leases	-	-	-	-	-	-	-	28,809	68,551	106,815
<b>Total gross governmental activities indebtedness</b>	<b>550,502</b>	<b>748,233</b>	<b>1,252,442</b>	<b>1,491,755</b>	<b>1,713,229</b>	<b>3,674,885</b>	<b>4,472,461</b>	<b>4,152,183</b>	<b>4,402,801</b>	<b>2,665,251</b>
<b>Business type activities</b>										
General obligation bonds	490,000	640,000	785,000	925,000	1,022,126	1,529,281	2,021,437	2,498,590	2,960,745	3,634,555
Promissory Notes	17,696,918	6,342,747	6,096,119	5,164,083	5,906,473	6,619,079	6,893,177	3,482,775	3,971,061	4,401,095
<b>Total gross business-type activities indebtedness</b>	<b>18,186,918</b>	<b>6,982,747</b>	<b>6,881,119</b>	<b>6,089,083</b>	<b>6,928,599</b>	<b>8,148,360</b>	<b>8,914,614</b>	<b>5,981,365</b>	<b>6,931,806</b>	<b>8,035,650</b>
<b>Total gross primary government indebtedness</b>	<b>18,737,420</b>	<b>7,730,980</b>	<b>8,133,561</b>	<b>7,580,838</b>	<b>8,641,828</b>	<b>11,823,245</b>	<b>13,387,075</b>	<b>10,133,548</b>	<b>11,334,607</b>	<b>10,700,901</b>
Percent of personal income	4.64%	1.94%	1.97%	1.88%	2.07%	2.80%	2.80%	2.09%	2.36%	2.24%
Per capita	\$ 912	\$ 376	\$ 396	\$ 369	\$ 420	\$ 575	\$ 646	\$ 489	\$ 547	\$ 516
<b>Less debt outside limitations:</b>										
Less debt service fund balance	54,080	54,023	53,943	53,887	3,983	4,100	52,509	71,080	82,573	77,135
Exempt self-supporting obligation debt:	490,000	640,000	785,000	925,000	1,022,126	1,529,281	2,021,437	2,498,590	2,960,745	3,634,555
Pension refunding bonds	-	-	225,000	250,000	275,000	295,000	315,000	335,000	355,000	375,000
Exempt self-supporting tax revenue bonds	-	-	-	-	-	1,800,000	2,010,000	2,210,000	2,400,000	-
Special assessment bonds	-	-	86,105	111,806	129,028	95,664	62,602	91,397	124,250	136,089
Exempt self-supporting notes	18,112,420	6,915,980	6,822,456	6,039,032	6,925,674	7,778,300	8,103,036	3,969,752	3,971,061	4,550,095
Net debt within limitation for both Voted and Unvoted debt	80,920	120,977	161,057	201,113	286,017	320,900	822,491	957,729	1,440,978	1,928,027
Percent of estimated actual property value	0.03%	0.04%	0.06%	0.06%	0.09%	0.10%	0.24%	0.26%	0.41%	0.54%
Per capita	\$ 4	\$ 6	\$ 8	\$ 10	\$ 14	\$ 16	\$ 40	\$ 46	\$ 69	\$ 93
<b>Debt limitation for both voted and unvoted debt</b> 10.5% of assessed valuation	<b>30,379,708</b>	<b>29,935,991</b>	<b>30,090,476</b>	<b>32,904,200</b>	<b>32,704,578</b>	<b>35,086,740</b>	<b>36,187,769</b>	<b>37,997,769</b>	<b>37,234,966</b>	<b>37,775,909</b>
<b>Legal debt margin for voted and unvoted debt</b>	<b>30,298,788</b>	<b>29,815,014</b>	<b>29,929,419</b>	<b>32,703,087</b>	<b>32,418,561</b>	<b>34,765,840</b>	<b>35,365,278</b>	<b>37,040,040</b>	<b>35,793,988</b>	<b>35,847,882</b>
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	0.27%	0.40%	0.54%	0.61%	0.87%	0.91%	2.27%	2.52%	3.87%	5.10%
Net debt within limitation for both voted and unvoted limitation	80,920	120,977	161,057	201,113	286,017	320,900	822,491	957,729	1,440,978	1,928,027
Less voted debt	-	-	-	-	-	-	-	-	-	-
Net debt with limitation for unvoted debt	80,920	120,977	161,057	201,113	286,017	320,900	822,491	957,729	1,440,978	1,928,027
Debt limitation for Unvoted debt 5.5% of assessed valuation	15,913,180	15,680,757	15,761,678	17,235,533	17,130,969	18,378,769	18,955,498	19,903,593	19,504,030	19,787,381
<b>Legal debt margin for unvoted debt</b>	<b>15,832,260</b>	<b>15,559,780</b>	<b>15,600,621</b>	<b>17,034,420</b>	<b>16,844,952</b>	<b>18,057,869</b>	<b>18,133,007</b>	<b>18,945,864</b>	<b>18,063,052</b>	<b>17,859,354</b>
Net debt within limitation for unvoted debt as a percentage of debt limit	0.51%	0.77%	1.02%	1.17%	1.67%	1.75%	4.34%	4.81%	7.39%	9.74%

Source: City of Piqua Finance Department

**CITY OF PIQUA, OHIO**

**Table 9**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
DECEMBER 31, 2015**

	<u>Total Debt Outstanding</u>	<u>Percent Applicable to City (1)</u>	<u>Amount Applicable To City of Piqua</u>
<b>Direct*</b>			
City of Piqua			
Ohio Capital Asset Series	\$ 135,000	100.00%	\$ 135,000
State Infrastructure Bank Note	415,502	100.00	415,502
<b>Total Direct Debt</b>	<u>550,502</u>		<u>550,502</u>
<b>Overlapping**</b>			
Piqua School District	32,414,113	77.00	24,958,867
Upper Valley Joint Vocational School	2,008,542	12.20	245,042
Miami County	22,476,670	13.45	3,023,112
<b>Total Overlapping Debt</b>	<u>56,899,325</u>		<u>28,227,021</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 57,449,827</u>		<u>\$ 28,777,523</u>

**Source:**

Direct\* City of Piqua Finance Department  
 Overlapping\*\* Piqua School District Treasurer  
                   Upper Valley JVS Treasurer  
                   Miami County Auditor

(1) Percentages were determined by dividing each overlapping government located within the boundaries of the City by the total assessed valuation of the government. The valuations used were for the 2015 collection year.

CITY OF PIQUA, OHIO

Table 10

DEBT COVERAGE  
BUSINESS TYPE ACTIVITIES  
LAST TEN YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Power</b>										
Gross revenues	\$ 28,895,667	\$ 27,517,575	\$ 23,863,393	\$ 23,631,663	\$ 23,577,274	\$ 24,367,582	\$ 23,275,187	\$ 24,078,303	\$ 21,488,905	\$ 18,725,494
Direct operating expenses	26,046,726	25,651,134	23,347,871	20,110,185	21,555,462	20,803,628	20,383,460	21,765,513	20,643,787	14,259,799
Net revenue available for debt service	2,848,941	1,866,441	515,522	3,521,478	2,021,812	3,563,954	2,891,727	2,312,790	845,118	4,465,695
General obligation debt service requirements	-	-	-	-	408,430	405,590	406,690	410,259	408,495	410,539
Revenue obligation debt service requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service coverage					495	879	711	564	207	1,088
<b>Wastewater</b>										
Gross revenues	\$ 3,456,311	\$ 3,523,315	\$ 3,502,967	\$ 3,469,580	\$ 3,421,874	\$ 3,484,594	\$ 3,261,068	\$ 3,112,707	\$ 2,756,313	\$ 2,730,291
Direct operating expenses	2,314,015	2,368,548	2,128,150	2,153,425	2,128,589	1,832,970	1,864,562	1,767,872	1,678,005	1,832,516
Net revenue available for debt service	1,142,296	1,154,767	1,374,817	1,316,155	1,293,285	1,651,624	1,396,506	1,344,835	1,078,308	897,775
General obligation debt service requirements	-	-	-	-	-	-	-	-	176,963	188,925
Revenue obligation debt service requirements	\$ 303,392	\$ 816,705	\$ 809,928	\$ 809,929	\$ 809,929	\$ 781,841	\$ 506,537	\$ 506,537	\$ 506,537	\$ 506,537
Debt service coverage	377	141	170	163	160	211	276	265	158	129
<b>Water</b>										
Gross revenues	\$ 5,005,088	\$ 4,816,137	\$ 4,593,671	\$ 3,555,235	\$ 3,157,271	\$ 3,339,333	\$ 3,125,486	\$ 3,004,270	\$ 2,751,678	\$ 2,673,640
Direct operating expenses	3,633,537	2,960,630	2,407,410	1,938,472	2,734,125	2,515,982	2,316,503	2,321,310	2,246,806	2,109,256
Net revenue available for debt service	1,371,551	1,855,507	2,186,261	1,616,763	423,146	823,351	808,983	682,960	504,872	564,384
General obligation debt service requirements	-	55,000	-	-	-	-	-	-	50,947	52,910
Revenue obligation debt service requirements	\$ 73,586	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 135,122	\$ 223,753
Debt service coverage	1,864	918	1,486	1,099	288	559	550	464	271	204
<b>Golf</b>										
Gross revenues	\$ 500,323	\$ 461,682	\$ 512,752	\$ 557,254	\$ 471,609	\$ 536,337	\$ 596,423	\$ 608,369	\$ 623,722	\$ 600,967
Direct operating expenses	525,745	461,547	535,208	518,896	440,196	467,903	502,379	525,446	568,058	550,122
Net revenue available for debt service	(25,422)	135	(22,456)	38,358	31,413	68,434	94,044	82,923	55,664	50,845
General obligation debt service requirements	\$ 166,494	\$ 179,039	\$ 179,249	\$ 167,714	\$ 167,285	\$ 171,308	\$ 170,118	\$ 168,385	\$ 180,231	\$ 177,532
Debt service coverage	(15)	-	(13)	23	19	40	55	49	31	29
<b>Pool</b>										
Gross revenues	\$ 43,144	\$ 51,661	\$ 61,565	\$ 73,874	\$ 79,027	\$ 74,967	\$ 80,052	\$ 93,172	\$ 89,708	\$ 90,075
Direct operating expenses	116,130	124,512	151,975	161,421	136,185	131,471	148,190	155,035	150,393	130,650
Net revenue available for debt service	(72,986)	(72,851)	(90,410)	(87,547)	(57,158)	(56,504)	(68,138)	(61,863)	(60,685)	(40,575)
General obligation debt service requirements	\$ 8,395	\$ 9,028	\$ 9,037	\$ 8,456	\$ 8,435	\$ 8,637	\$ 8,577	\$ 8,490	\$ 8,622	\$ 8,493
Debt service coverage	(869)	(807)	(1,000)	(1,035)	(678)	(654)	(794)	(729)	(704)	(478)

Gross revenues include operating revenue, interest income, and non operating income

Direct operating expenses exclude depreciation

Annual debt service requirement includes principal and interest

Source: City of Piqua Finance Department

**CITY OF PIQUA, OHIO**

**Table 11**

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2015**

<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	470	4.5%
Walmart Stores Inc.	Retail store	345	3.3%
Piqua City Schools	Public school district	324	3.1%
Nitto Denko Automotive Ohio	Manufacturer of automotive gaskets	300	2.9%
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	285	2.7%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	280	2.7%
Tailwind Technologies Inc.	Manufacturer of aircraft propellers	268	2.6%
City of Piqua	Municipal government	239	2.3%
Westcon Industries	General Contractor	225	2.2%
Upper Valley JVS	Regional joint vocational school	197	1.9%
Total available employment		10,432	

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2006**

<u>NAME OF EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL EMPLOYMENT</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Walmart Stores Inc.	Retail store	345	3.3%
Piqua City Schools	Public school district	332	3.2%
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	315	3.1%
Jackson Tube Service Inc.	Manufacturer of steel tubing	310	3.0%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	300	2.9%
Charter Corporation	Manufacturer of aircraft propellers	293	2.9%
Industry Products	Manufacturer of die cutting equipment	283	2.8%
City of Piqua	Municipal government	248	2.4%
Upper Valley JVS	Regional joint vocational school	245	2.4%
Piqua Technologies Inc.	Manufacturer of automotive gaskets	200	1.9%
Total available employment		10,259	

Source: City of Piqua Income Tax Office

CITY OF PIQUA, OHIO

Table 12

PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2015  
LAST EIGHT YEARS

Name of Taxpayer	Nature of Business	2015 Assessed Valuation	Percent of Total Assessed Valuation	2014 Assessed Valuation	2013 Assessed Valuation	2012 Assessed Valuation	2011 Assessed Valuation	2010 Assessed Valuation	2009 Assessed Valuation	2008 Assessed Valuation
Midamco	Shopping mall	\$ 3,677,260	1.27%	\$ 4,442,650	\$ 4,442,650	\$ 4,667,270	\$ 4,825,900	\$ 6,473,830	\$ 9,302,280	\$ 8,964,070
Harvey Co LLC	Shopping mall	\$ 3,516,520	1.22%	\$ 3,516,520	\$ 3,516,520	\$ 3,724,630	\$ 4,057,130	\$ 4,057,130	\$ 4,284,110	\$ 4,284,110
Spalding & Evenflo Co., Inc.	Manufacturer of juvenile furniture	\$ 3,396,650	1.17%	\$ 3,396,650	\$ 3,396,650	\$ 2,161,150	\$ 2,177,460	\$ 2,177,460	\$ 2,161,150	\$ 3,325,430
Walmart Stores Inc.	Retailer of consumer goods	\$ 3,021,200	1.04%	\$ 3,021,200	\$ 3,021,200	\$ 3,180,870	\$ 3,180,870	\$ 3,180,870	\$ 3,180,870	\$ 3,644,050
HCF Inc.	Nursing home	\$ 2,662,740	0.92%	\$ 2,662,740	\$ 2,662,740	\$ 2,847,210	\$ 2,822,910	\$ 2,822,910	\$ 2,822,910	\$ 2,863,080
Vectren Energy Delivery	Utility of natural gas	\$ 2,125,150	0.73%	\$ 1,819,320	n/a	n/a	n/a	n/a	n/a	n/a
Jideli Properties LLC	Land Holding Company	\$ 1,816,260	0.63%	\$ 1,816,260	\$ 2,344,060	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000
Jackson Tube Service Inc.	Manufacturer of steel tubing	\$ 1,800,160	0.62%	\$ 1,800,160	\$ 1,800,160	\$ 1,960,010	\$ 2,087,550	\$ 2,087,550	\$ 3,045,220	\$ 4,144,950
Home Depot Inc.	Hardware retailer	\$ 1,794,150	0.62%	\$ 1,782,240	\$ 1,794,150	\$ 2,078,140	\$ 2,096,970	\$ 2,096,970	\$ 2,084,010	\$ 2,408,880
Miami Valley Steel	Manufacturer of split rolled steel	\$ 1,644,870	0.57%	\$ 2,440,590	\$ 2,440,590	\$ 2,324,010	\$ 2,324,010	\$ 2,324,010	\$ 2,324,010	\$ 2,951,210
TOTAL		<u>\$ 25,454,960</u>	<u>8.79%</u>	<u>\$ 26,698,330</u>	<u>\$ 25,418,720</u>	<u>\$ 25,193,290</u>	<u>\$ 25,822,800</u>	<u>\$ 27,470,730</u>	<u>\$ 31,454,560</u>	<u>\$ 34,835,780</u>
TOTAL ASSESSED VALUATION		<u>\$ 289,330,550</u>		<u>\$ 285,104,680</u>	<u>\$ 286,575,960</u>	<u>\$ 313,373,330</u>	<u>\$ 311,472,170</u>	<u>\$ 334,159,430</u>	<u>\$ 344,645,420</u>	<u>\$ 361,883,510</u>

Source: Miami County Auditor's Office

**CITY OF PIQUA, OHIO**

**Table 13**

**DEMOGRAPHIC AND  
ECONOMIC STATISTICS  
LAST TEN YEARS**

<u>Year</u>	<u>Population</u> <sup>1</sup>	<u>Estimated Total Personal Income of City</u> <sup>2</sup>	<u>Per capita Personal Income</u> <sup>2</sup>	<u>Miami County Unemployment rate</u> <sup>3</sup>	<u>Household Median Income</u> <sup>2</sup>	<u>Avg Sale Price for a Single Family Home</u> <sup>4</sup>
2015	20,552	\$ 403,805,696	\$ 19,648	4.2%	\$ 37,699	\$ 102,260
2014	20,552	\$ 399,099,288	\$ 19,419	4.2%	\$ 36,260	\$ 101,841
2013	20,552	\$ 413,506,240	\$ 20,120	6.7%	\$ 36,150	\$ 96,622
2012	20,552	\$ 402,634,232	\$ 19,591	6.3%	\$ 38,064	\$ 93,591
2011	20,552	\$ 416,732,904	\$ 20,277	7.4%	\$ 39,493	\$ 89,235
2010	20,552	\$ 421,768,144	\$ 20,522	9.6%	\$ 42,226	\$ 91,387
2009	20,738	\$ 478,499,000	\$ 23,074	12.2%	\$ 44,347	\$ 101,200
2008	20,738	\$ 484,937,000	\$ 23,384	8.1%	\$ 44,566	
2007	20,738	\$ 481,080,000	\$ 23,198	6.3%	\$ 44,212	
2006	20,738	\$ 477,264,000	\$ 23,014	5.4%	\$ 43,861	

Source:

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

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

<u>PROGRAM</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>GOVERNMENTAL ACTIVITIES</b>										
General Government:										
City Building	-	-	-	-	-	0.50	1.00	1.00	1.00	1.00
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.25	3.25
Law Department	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75	1.25
Planning and Zoning	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Prosecutor	-	-	-	-	-	-	-	-	-	1.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
Finance	20.00	20.00	20.00	20.00	20.00	21.00	21.00	20.00	20.00	20.00
Purchasing	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Engineering	4.00	4.00	4.00	4.50	4.50	4.50	4.50	3.50	4.50	4.50
Hotel Project Manager	-	-	-	-	-	-	-	1.00	1.00	1.00
Health	3.50	3.50	3.60	3.50	4.00	3.50	4.50	6.00	6.00	6.00
Public Safety:										
Police	39.00	33.00	34.00	35.00	35.00	40.00	40.00	38.00	40.00	40.00
Fire	34.00	33.00	32.00	28.00	28.00	30.00	30.00	30.00	30.00	30.00
Streets:	16.00	15.00	15.00	15.00	15.00	16.00	15.00	17.00	17.00	17.00
Parks:	7.00	6.50	6.00	7.50	7.50	8.00	7.50	11.00	11.00	11.00
Community Development:	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.75	2.75
Total governmental activities	134.50	126.00	125.60	124.50	125.00	134.50	134.50	139.50	143.25	143.50
<b>BUSINESS-TYPE ACTIVITIES</b>										
Power:	25.00	26.50	26.50	25.50	25.50	26.50	26.50	26.50	33.50	33.50
Wastewater:	17.20	15.20	14.20	14.20	14.00	14.70	14.50	14.50	14.00	14.00
Water:	20.20	16.70	16.60	15.70	15.50	17.70	18.50	18.50	18.50	18.50
Stormwater	4.60	4.10	3.60	1.60	1.50	1.00	-	-	-	-
Refuse:	7.00	7.40	7.50	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Golf:	9.50	10.00	10.00	10.00	10.00	9.00	8.00	7.00	13.00	14.00
Pool:	18.00	18.00	16.00	16.00	16.00	16.00	16.00	14.00	15.00	14.00
Total business-type activities	101.50	97.90	94.40	91.00	90.50	92.90	91.50	88.50	102.00	102.00
Internal Service:										
Information Technology	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Totals	239.00	226.90	223.00	218.50	218.50	230.40	229.00	231.00	248.25	248.50

Source: City of Piqua 2015-2006 annual budgets

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

CITY OF PIQUA , OHIO

Table 15

OPERATING INDICATORS  
BY FUNCTION/PROGRAM  
LAST TEN YEARS

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Health Department</b>										
Restaurant inspections	465	439	335	357	439	750	965	536	672	702
Swimming pool inspections	38	37	44	44	42	45	64	52	70	60
Nuisance consultations	390	815	737	1,121	924	1,526	1,931	2,285	2,551	3,447
Housing/Property maintenance enforcements	148	203	143	119	198	618	1,888	2,016	2,910	2,501
<b>Public Works</b>										
Right of way opening permits	43	51	37	41	121	110	90	110	100	77
Subdivision construction plan approvals	0	0	0	0	0	0	0	0	2	2
Area of City (in square miles)	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.4	11.4	11.4
<b>Street Maintenance</b>										
Miles of streets	104	103	103	103	103	103	103	103	103	100.4
Miles of streets repaved	2.1	5.5	3.2	1.5	8.3	3.9	1.8	3.4	5.8	2.5
Cubic yards of leaves disposed of	876	822	1198	1267	2070	2057	1209	907	804	1555
Tons of salt used	1,500	2,000	2,600	1,250	2,250	2,500	1,500	2,750	3,000	450
<b>Parks District</b>										
Number of parks	19	19	19	19	19	19	19	19	19	19
Acreage in parks	441.8	441.8	441.8	441.8	441.8	441.8	441.8	441.8	441.8	441.8
Building rentals Mote Park	184	149	122	98	189	196	266	252	260	340
Building rentals all other parks	142	137	149	167	157	270	228	198	189	200
<b>Fort Piqua Plaza</b>										
Large room rentals	72	73	72	68	78	56	42	n/a	n/a	n/a
Small room rentals	110	74	67	28	51	71	43	n/a	n/a	n/a
<b>Fire Department</b>										
Fire calls	569	547	449	447	482	474	439	540	514	500
Ems Response calls	3,945	3,775	3,595	3,515	3,536	3,176	3,153	3,230	3,083	3,120
Number of Sworn officers	31	32	32	26	27	28	29	29	29	29
Number of Fire houses	1	1	1	1	1	1	1	1	1	1
Number of ambulances and fire response vehicles	16	16	16	15	13	13	13	13	13	13
<b>Police Department</b>										
Calls for service	16,386	15,210	14,858	17,029	20,628	20,628	23,053	23,195	22,618	24,627
Traffic citations	980	1,309	797	1,082	1,299	1,299	1,666	763	1,240	2,182
Number of sworn officers	35	31	28	29	31	31	33	33	34	34
Number of police response vehicles	33	31	25	25	25	25	25	26	26	26
<b>Planning &amp; Zoning Department</b>										
Zoning Permit applications	142	152	159	182	179	167	99	142	152	
Commercial construction permits	78	84	93	109	115	82	37	40	47	62
Commercial construction value in (,000)	\$ 6,440	\$ 37,040	\$ 37,342	\$ 9,990	\$ 2,667	\$ 4,635	\$ 2,497	\$ 3,957	\$ 12,124	\$ 7,244
Residential construction permits	64	68	66	73	64	85	62	98	103	107
Residential construction value in (,000)	\$ 3,224	\$ 3,135	\$ 1,046	\$ 1,333	\$ 1,322	\$ 1,649	\$ 1,417	\$ 2,790	\$ 2,836	\$ 4,807

**CITY OF PIQUA , OHIO**

**OPERATING INDICATORS  
BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>Function/Program</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Power utility</b>										
Residential KWH billed (,000)	86,239	89,289	88,325	88,836	91,442	92,475	87,344	91,290	94,310	91,042
Residential billed revenue (,000)	\$ 9,702	\$ 9,182	\$ 8,256	\$ 8,230	\$ 8,512	\$ 8,590	\$ 8,242	\$ 7,805	\$ 6,825	\$ 5,675
Commercial KWH billed (,000)	96,455	94,594	95,667	104,435	103,290	107,057	109,155	113,026	114,998	119,563
Commercial billed revenue (,000)	\$ 8,990	\$ 8,323	\$ 7,402	\$ 7,609	\$ 7,896	\$ 8,132	\$ 8,521	\$ 8,339	\$ 7,219	\$ 6,670
Industrial KWH billed (,000)	129,607	128,828	121,672	119,612	112,516	103,184	91,855	110,693	110,690	105,373
Industrial billed revenue (,000)	\$ 10,060	\$ 9,461	\$ 7,724	\$ 7,340	\$ 7,217	\$ 6,664	\$ 6,310	\$ 7,087	\$ 6,180	\$ 5,141
Customer base	10,752	10,729	10,680	10,700	10,935	10,962	10,941	11,086	11,047	11,081
Construction line vehicles	28	28	26	25	25	25	25	25	25	25
<b>Water utility</b>										
Residential gallons billed (,000)	344,105	357,623	369,493	383,528	378,982	393,495	409,533	417,479	441,838	437,129
Residential billed revenue (,000)	\$ 3,490	\$ 3,376	\$ 3,248	\$ 2,490	\$ 2,285	\$ 2,354	\$ 2,264	\$ 2,149	\$ 1,937	\$ 1,871
Commercial gallons billed (,000)	117,098	114,766	116,398	128,138	131,499	132,298	129,742	139,917	160,127	156,082
Commercial billed revenue (,000)	\$ 1,007	\$ 948	\$ 895	\$ 658	\$ 652	\$ 635	\$ 622	\$ 563	\$ 533	\$ 517
Industrial gallons billed (,000)	66,735	63,584	59,290	46,472	41,973	43,209	44,350	56,398	48,475	41,575
Industrial gallons revenue (,000)	\$ 370	\$ 336	\$ 298	\$ 186	\$ 164	\$ 169	\$ 161	\$ 179	\$ 139	\$ 120
Customer base	8,777	8,751	8,751	8,615	8,789	8,721	8,726	8,715	8,776	8,892
Vehicles in repair fleet	15	15	14	10	10	10	10	10	10	10
<b>Wastewater utility</b>										
Residential gallons billed (,000)	334,474	348,629	356,151	379,528	378,651	379,749	396,510	404,465	427,048	427,332
Residential billed revenue (,000)	\$ 2,588	\$ 2,636	\$ 2,623	\$ 2,637	\$ 2,595	\$ 2,602	\$ 2,451	\$ 2,287	\$ 2,002	\$ 1,960
Commercial gallons billed (,000)	144,337	142,512	130,161	115,047	113,783	115,551	124,461	127,089	129,902	134,651
Commercial billed revenue (,000)	\$ 560	\$ 567	\$ 546	\$ 540	\$ 555	\$ 554	\$ 544	\$ 500	\$ 436	\$ 438
Industrial gallons billed (,000)	58,723	57,344	62,841	47,297	47,955	47,559	49,626	63,343	60,383	57,949
Industrial billed revenue (,000)	\$ 271	\$ 267	\$ 275	\$ 233	\$ 234	\$ 235	\$ 225	\$ 247	\$ 196	\$ 183
Customer base	8,553	8,552	8,530	8,386	8,400	8,387	8,400	8,507	8,471	8,491
Vehicles in repair fleet	11	11	13	9	9	9	9	9	9	9
<b>Refuse utility</b>										
Residential customers billed	7,913	7,898	7,882	7,763	7,718	7,659	7,648	7,593	7,600	7,652
Commercial customers billed	120	111	110	95	98	103	99	96	97	74
Residential and commercial revenue billed (,000)	\$ 1,766	\$ 1,757	\$ 1,754	\$ 1,741	\$ 1,732	\$ 1,723	\$ 1,727	\$ 1,615	\$ 1,489	\$ 1,332
Tons of refuse collected	7735	7684	7576	7535	7751	7608	7782	8484	8745	9375
Tons of recycled refuse collected	1403	1328	1342	1496	1448	1104	1189	1246	1171	1192
Vehicles in service	7	7	7	7	7	7	7	7	7	7
<b>Stormwater utility</b>										
Residential ERUS billed	7462	7424	7424	7435	7447	7430	n/a	n/a	n/a	n/a
Commercial ERUS billed	4599	5528	5537	5654	5696	5699	n/a	n/a	n/a	n/a
Industrial ERUS billed	1419	1423	1422	1355	1288	1288	n/a	n/a	n/a	n/a
Revenue billed (,000)	1068	983	881	814	814	647	n/a	n/a	n/a	n/a
Vehicles in service	4	4	4	3	n/a	n/a	n/a	n/a	n/a	n/a

**CITY OF PIQUA , OHIO**

**OPERATING INDICATORS  
BY FUNCTION/PROGRAM  
LAST TEN YEARS**

<b>Function/Program</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b><u>Golf Course</u></b>										
Annual memberships	245	242	235	237	159	161	145	162	151	153
Rounds of golf played	18,057	15,866	18,121	10,597	15,205	12,800	19,018	22,969	22,750	22,965
Revenue collected (,000)	\$ 500	\$ 461	\$ 513	\$ 557	\$ 472	\$ 534	\$ 596	\$ 605	\$ 618	\$ 597
<b><u>Municipal swimming pool</u></b>										
Annual memberships	213	406	365	269	567	408	328	316	373	n/a
Annual attendenance	7,644	7,541	7,377	15,787	9,921	15,697	13,930	19,273	18,119	20,435
Revenue collected (,000)	\$ 43	\$ 52	\$ 62	\$ 74	\$ 79	\$ 75	\$ 80	\$ 93	\$ 89	89
<b><u>General government information</u></b>										
Number of street lights	2,947	2,926	2,911	2,902	2,884	2,884	2,884	2,884	2,884	2,884
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Volumes of books in public libraries	132,787	151,457	151,986	146,478	139,927	134,615	132,048	123,333	140,181	136,023
High school enrollment	3,526	3,572	3,705	3,708	3,638	3,692	3,737	3,737	3,766	3,792

Source: City of Piqua