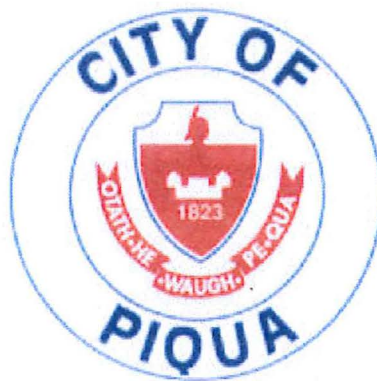


Comprehensive Annual Financial Report
for the year ended December 31, 2016



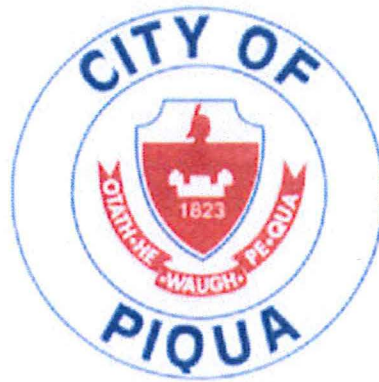
CITY OF PIQUA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2016

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

Financial Section



**CITY OF PIQUA, OHIO
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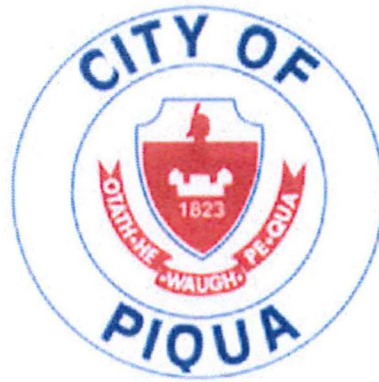
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Introductory Section





CITY OF PIQUA, OHIO

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

June 28, 2017

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, 2016. 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 4,835 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.

Piqua's growth in multiple industry sectors continued in 2016. New-to-market retailers, including Family Farm & Home, Pet Valu, Best One Tire Service, F-45 Fitness and Planet Fitness entered Piqua, investing over \$5 million into their facilities. Several businesses completed renovation, including a \$2 million upgrade at the Comfort Inn and \$1 million rebuild of the McDonald's east location. Industrial activity remained steady. Scott Steel announced the purchase of a 100,000 square foot building for expansion. Crayex completed a \$400,000 manufacturing space expansion and Hartzell Industries added a \$750,000 warehouse. Orr Felt Company did cease operations in 2016, costing approximately 35 jobs. Residential construction continued steady increases from \$3.3 million in 2015 to over \$4.4 million in 2016

Major Initiatives

Current Year Projects: During 2016 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 2016:

- The redevelopment of the City's downtown and surrounding areas. The redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights
- New Water Plant construction continued
- 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
- Began the implementation of a Parks Master Plan
- Successfully hosted the first annual Piqua 4th Fest
- Completed the Historic East Piqua Master Plan
- Completed design of new Central Water Tower and began construction
- Completed the Historic East Piqua Community Campus Plan
- Completed Phase 2 of the Lift Station Preliminary Design for Wastewater

Future Projects: The city anticipates the following significant events to take place in 2017:

- 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)
- Complete the construction on new Water Plant and begin operating
- Apply for Downtown redevelopment grant to continue façade improvements to downtown structures
- Continue the Community Campus Initiative in Historic East Piqua
- Continue the Riverfront Redevelopment efforts
- Continue monitoring long range financial plan
- Begin implementation of new Utility Automated Meter Infrastructure System
- Complete construction on Central Water Tower
- Encourage tourism and recreational trail events
- Continue efforts to develop a Regional Public Safety Training facility
- Complete the GIS Database for Utilities
- Begin the Wastewater Treatment Plant Upgrade
- Complete the Garbry/Looney Road Roundabout

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 2016.

General Government

General Governmental Revenues: The 2016 municipal income tax revenue of \$11,264,335 increased 5.7%. Kilowatt hour tax revenues increased slightly. Interest revenue increased and is expected to be similar in 2017. Municipal income tax revenue is down slightly through May 2017 but is expected to be similar to 2016 levels. Grants were lower in 2016 based on one time projects in 2015 and are expected to continue at the 2016 level in 2017.

General Governmental Expenditures: The 2016 General Governmental expenditures and other financing uses increased 7.4% compared with 2015. In 2016, more capital, community development, and public safety projects were completed.

General Fund Balances: Current year activity contributed to a \$353,174 increase in the unassigned fund balance from 2015.

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 \$30.4 million with usage comparable to 2015 levels. Revenues remained stable based on increased residential use. No operating and capital grants were received in 2016. With operating costs slightly higher, expenses exceeded revenues in 2016 by \$1,004,796.

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 2016 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 \$5.4 million were higher than 2015 levels due to a rate increase while usage increased 1.2%. Capital grants and contributions of \$191,400 were received in 2016. Operating expenses of \$3.8 million were down slightly increasing the net revenue from operations to \$1,778,989. More than 8,700 accounts are serviced by Piqua's municipal water system.

Wastewater System: Customer revenues were \$3.5 million with usage down 0.1%. No capital grants or contributions were received in 2016. Operating expenses of \$3.4 million increased slightly. Net revenue from operations was \$77,820 in 2016.

Refuse System: System revenues of \$1.8 million were similar to 2015 levels. Operating expenses of \$1.5 million were down slightly. Revenues exceeded expenses by \$291,939. Refuse service is provided to more than 8,000 customers.

Stormwater System: Customer revenues of \$1.2 million and were up slightly due to a rate increase. No operating and capital grants were received in 2016. Operating expenses of \$662,925 were down slightly. Net revenue from operations was \$489,650 in 2016. 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 2016 financial statements. The 2015 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-sixth 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, 2015. 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-six consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

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

Respectfully submitted,



Gary A. Huff
City Manager



Cynthia A. Holtzapple,
Director of Finance

Department of Finance Staff: Lisa R. Cavender-Asst. Finance Director, Michael J. Fischbach-Accountant, Stacy L. McClain-Financial Analyst, Candace L. Etter, Beverly M. Yount, Kelley F. McGlinch and Benjamin A. Goodin

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

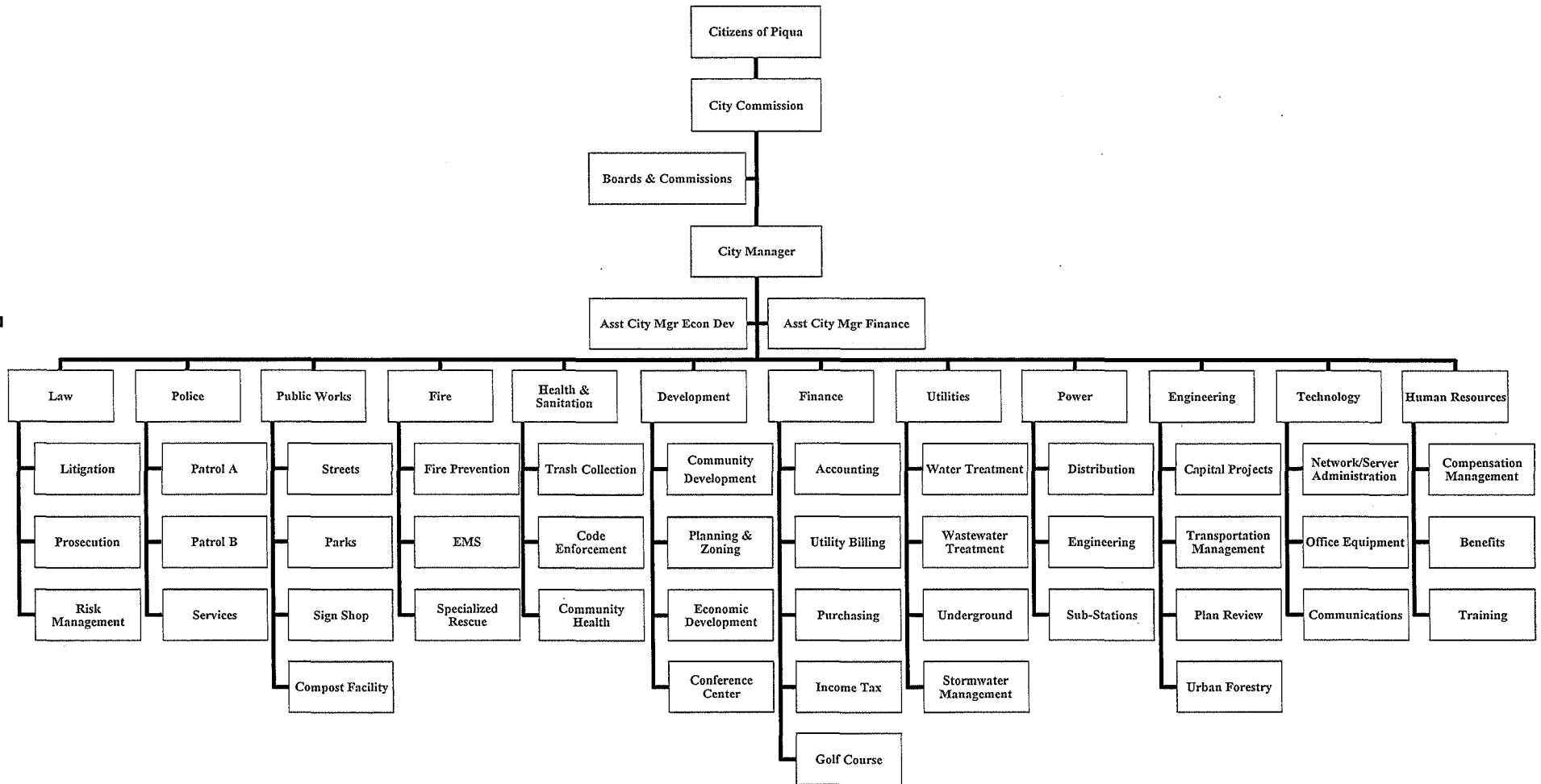
CITY MANAGER

Gary A. Huff

INDEPENDENT AUDITORS

Ohio Auditor of State

City of Piqua 2016 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, 2015

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, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, *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 28, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

June 28, 2017

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2016
(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, 2016. 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, 2016 by \$140.8 million (net position). Of this amount, \$17.8 million is considered unrestricted. The unrestricted net position of the City's governmental activities is \$1.5 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 \$16.3 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 \$1 million or .7 percent in 2016. Net position of the governmental activities decreased \$.7 million, which represents a 1.1 percent decrease from 2015. Net position of the business type activities increased \$1.7 million which represents a 2.3 percent increase from 2015.
- The total cost of the City's programs increased \$3.7 million or 6.5 percent. The cost of governmental activities increased \$1.4 million or 7.9 percent, while the cost of business-type activities increased \$2.3 million or 5.8 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$20.1 million. The combined governmental funds fund balance increased \$1.7 million from the prior year's ending fund balance. Approximately \$8.1 million of the \$20.1 million fund balance is considered unassigned at December 31, 2016.
- The general fund reported a fund balance of \$12.1 million at the end of the current fiscal year. The unassigned fund balance for the general fund was \$8.1 million or 67 percent of total general fund expenditures (including transfers out). There was a \$0.79 million increase in the total general fund balance for the year ended December 31, 2016.
- The City had \$29.9 million more in debt of bonds and notes outstanding at December 31, 2016 than at December 31, 2015.
- Total costs of governmental services increased by \$1.4 million, while net costs of services for governmental activities increased by \$3.6 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, 2016
(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 2016?" 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

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2016
(Unaudited)

functions. The City of Piqua uses an internal service fund to account for its information technology and insurance activities. As these activities predominantly benefit governmental rather than business-type functions, they are shown within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, wastewater, refuse, and stormwater systems as well as golf 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 57 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 58 through 67 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 82 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 2016 and 2015.

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(Unaudited)

Table 1
Net Position

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$ 27,106,711	\$ 25,341,133	\$ 32,259,646	\$ 28,707,918	\$ 59,366,357	\$ 54,049,051
Capital assets	55,504,269	56,679,577	108,576,161	78,649,077	164,080,430	135,328,654
<i>Total Assets</i>	<u>82,610,980</u>	<u>82,020,710</u>	<u>140,835,807</u>	<u>107,356,995</u>	<u>223,446,787</u>	<u>189,377,705</u>
Deferred outflows of resources						
Pension	4,863,220	1,926,181	2,741,720	891,813	7,604,940	2,817,994
Liabilities						
Long-term liabilities	20,824,572	16,645,874	57,489,469	25,180,871	78,314,041	41,826,745
Other liabilities	792,227	751,095	9,480,852	8,242,318	10,273,079	8,993,413
<i>Total Liabilities</i>	<u>21,616,799</u>	<u>17,396,969</u>	<u>66,970,321</u>	<u>33,423,189</u>	<u>88,587,120</u>	<u>50,820,158</u>
Deferred Inflows of Resources						
Property Taxes	1,330,976	1,292,710	-	-	1,330,976	1,292,710
Deferred Revenue	84,335	138,501	-	-	84,335	138,501
Pension	107,278	40,212	140,058	88,300	247,336	128,512
<i>Total Deferred Inflows of Resources</i>	<u>1,522,589</u>	<u>1,471,423</u>	<u>140,058</u>	<u>88,300</u>	<u>1,662,647</u>	<u>1,559,723</u>
Net position:						
Net investment in capital assets	55,161,266	56,129,075	60,204,879	60,462,159	115,366,145	116,591,234
Restricted for other purposes	7,194,708	5,771,392	-	-	7,194,708	5,771,392
Restricted for debt service	426,756	411,558	-	-	426,756	411,558
Unrestricted	1,552,082	2,766,474	16,262,269	14,275,160	17,814,351	17,041,634
<i>Total Net Position</i>	<u>\$ 64,334,812</u>	<u>\$ 65,078,499</u>	<u>\$ 76,467,148</u>	<u>\$ 74,737,319</u>	<u>\$ 140,801,960</u>	<u>\$ 139,815,818</u>

During 2015, the City adopted GASB Statement, 68 “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” which significantly revised 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 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.

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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 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 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.

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 \$140.8 million compared to \$139.8 million in 2015, an increase of \$1.0 million. Net Position for governmental activities decreased \$0.7 million, while business-type activities increased \$1.7 million.

Of that amount, in 2016 approximately \$115.4 million (81.9%) was invested in capital assets, net of debt related to those assets. At year-end 2015 that amount was approximately \$116.6 million (83.4%). The largest portion of the City's net position (81.9%) 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 2016 another \$7.6 million (5.4%) was subject to legislative and external restrictions upon its use. The remaining \$17.8 million (12.6%) in 2016 was unrestricted and available for future use. For 2015 \$6.2 million (4.40%) was subject to external restrictions and \$17.0 million (12.2%) 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 decreased \$0.7 million during the current year; \$0.9 million due to a decrease in net investment in capital assets and \$1.2 million due to a decrease in unrestricted net position. Restricted net position increased by \$1.4 million.

Total net position of the City's business-type activities increased \$1.7 million during the current year; \$0.3 million due to a decrease in net investment in capital assets and \$2.0 million due to an increase 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	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for Services	\$ 1,936,632	\$ 2,049,620	\$42,851,902	\$41,039,779	\$ 44,788,534	\$ 43,089,399
Operating Grants/Contributions	684,174	1,254,648	5,509	358,200	689,683	1,612,848
Capital Grants/Contributions	9,400	1,585,172	191,400	990,230	200,800	2,575,402
General revenues:						
Property Taxes	1,162,485	1,182,995			1,162,485	1,182,995
Income Taxes	11,264,355	10,661,411			11,264,355	10,661,411
Other Taxes	3,010,288	3,124,082			3,010,288	3,124,082
Investment Earnings & Misc.	48,613	24,793	48,022	35,933	96,635	60,726
Total Revenues	18,115,947	19,882,721	43,096,833	42,424,142	61,212,780	62,306,863
Program Expenses						
General Government	2,509,760	1,941,956			2,509,760	1,941,956
Public Safety	9,983,842	8,855,194			9,983,842	8,855,194
Street and Maintenance	4,131,246	4,696,334			4,131,246	4,696,334
Parks and Recreation	676,708	546,674			676,708	546,674
Fort Piqua Plaza	519,590	488,175			519,590	488,175
Community Development	626,789	552,143			626,789	552,143
Interest on long-term debt	16,043	26,495			16,043	26,495
Electric			31,427,181	28,506,759	31,427,181	28,506,759
Wastewater			3,386,384	3,170,850	3,386,384	3,170,850
Water			3,841,168	4,191,855	3,841,168	4,191,855
Refuse			1,512,589	1,924,274	1,512,589	1,924,274
Stormwater			662,925	846,714	662,925	846,714
Golf			735,870	662,334	735,870	662,334
Pool			196,543	154,212	196,543	154,212
Total Expenses	18,463,978	17,106,971	41,762,660	39,456,998	60,226,638	56,563,969
Increase (Decrease) in Net Position						
before Transfers & Proceeds	(348,031)	2,775,750	1,334,173	2,967,144	986,142	5,742,894
Transfers	(395,656)	(450,524)	395,656	450,524	-	-
Increase(Decrease) in Net Position	\$ (743,687)	\$ 2,325,226	\$ 1,729,829	\$ 3,417,668	\$ 986,142	\$ 5,742,894
Net Position Beginning	65,078,499	62,753,273	74,737,319	71,319,651	139,815,818	134,072,924
Net Position Ending	\$ 64,334,812	\$ 65,078,499	\$ 76,467,148	\$ 74,737,319	\$ 140,801,960	\$ 139,815,818

Governmental Activities

Governmental activities decreased the City's net position by \$743,687 in 2016. Total revenues decreased by \$1,766,774 mostly due to decreased capital grants by \$1,575,772 and operating grants by \$570,474 while income taxes increased \$602,944. Our program expenses increased by \$1,357,007 due to increased general administration and safety staffing.

Several types of revenues fund our governmental activities with city income tax being the largest contributor. The income tax revenue for 2016 was up significantly at \$11,264,355 compared to \$10,661,411 in 2015, an increase of

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5.66 percent. The City's income tax rate was 2.0 percent for 2016, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 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 2016, we received \$113,794 less than in 2015, a 3.6% decrease mostly due to lower intergovernmental shared revenue collections. Program revenues saw a decrease of \$112,988 in charges for services while operating and capital grants decreased \$2,146,246 overall as projects were completed. Overall decreases in program revenues totaled \$2,259,234 or 46.21%. With the combination of program revenues, property tax, income tax, intergovernmental funding, investment earnings and existing net position, all expenses in the governmental activities are funded. The City monitors its source of revenues very closely for fluctuations.

The largest program function for the City relates to Public Safety, which accounts for 54.1 percent of total program expenses, a 2.3 percent increase from 2015. Street Maintenance accounts for 22.4 percent of total program expenses, while General Government accounts for 13.6 percent. Street and Maintenance cost of services decreased as significant street projects were completed. Community Development increased due to grant activity and in General Government Planning and Zoning Department increased staffing, adding a Code Compliance Officer. Public safety increased staffing in both police and fire.

The Statement of Activities reports the expenses of each of the governmental activities programs and the related program revenue that offsets the cost of each program. The amount by which the cost of a particular program exceeds its program revenue represents the extent to which that program must be subsidized by general revenues. The following table summarizes the net cost of each program:

Table 3
Government Activities

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2016	2015	2016	2015	2016	2015
General Government	\$ 2,509,760	\$ 1,941,956	\$ 398,238	\$ 357,447	\$ 2,111,522	\$ 1,584,509
Public Safety	9,983,842	8,855,194	1,145,445	1,450,446	8,838,397	7,404,748
Street and Maintenance	4,131,246	4,696,334	220,828	2,349,100	3,910,418	2,347,234
Parks and Recreation	676,708	546,674	31,026	28,565	645,682	518,109
Fort Piqua Plaza	519,590	488,175	278,601	363,758	240,989	124,417
Community Development	626,789	552,143	556,068	340,124	70,721	212,019
Interest on long-term debt	16,043	26,495	-	-	16,043	26,495
Total	\$ 18,463,978	\$ 17,106,971	\$ 2,630,206	\$ 4,889,440	\$ 15,833,772	\$ 12,217,531

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 \$1,729,829 in 2016.

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Table 4
Business-type Activities

	Total Cost of Services		Program Revenues		Net Revenue (Expense) from Operations	
	2016	2015	2016	2015	2016	2015
Electric	\$ 31,427,181	\$ 28,506,759	\$ 30,422,385	\$ 29,385,887	\$(1,004,796)	\$ 879,128
Wastewater	3,386,384	3,170,850	3,464,204	3,651,931	77,820	481,081
Water	3,841,168	4,191,855	5,620,157	5,246,577	1,778,989	1,054,722
Refuse	1,512,589	1,924,274	1,804,528	1,793,541	291,939	(130,733)
Stormwater	662,925	846,714	1,152,575	1,769,103	489,650	922,389
Golf	735,870	662,334	516,551	497,407	(219,319)	(164,927)
Pool	196,543	154,212	68,411	43,763	(128,132)	(110,449)
Total	\$41,762,660	\$39,456,998	\$43,048,811	\$42,388,209	\$ 1,286,151	\$ 2,931,211

For 2016 the Wastewater, Water, Refuse, and Stormwater utilities all had program revenues in excess of expenses. For the most part, increases in expenses closely parallel inflation and growth in the demand for services. Electric utilities saw expenses in excess of revenues of \$1,004,796 due to increased power costs and upgrades to the combustion turbines. Golf and Pool activity funds also had expenses in excess of program revenues of \$347,451 in 2016 as compared to \$275,376 in 2015. There was increased use of the Golf Course and the Pool based on a better local economy and dryer and warmer weather during the season.

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 2016 of \$18.0 million compared to \$19.7 million in 2015. All governmental funds had expenditures in 2016 of \$15.9 million compared to \$19.0 million in 2015. The most significant fund is our general fund, which had an unassigned fund balance at year-end of \$8.1 million in 2016 compared to \$7.8 million in 2015. 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 \$1,222,480 in 2016 as compared to \$840,999 in 2015. The funds are monitored consistently with adjustments made to the budgets to accommodate yearly revenues.

Within the Street Maintenance Fund, revenues exceeded expenditures by \$145,936 in 2016 as compared to expenditures exceeded revenue by \$21,664 in 2015. Several street projects were started and completed during 2016. Fund balance at year-end in 2016 was \$4,388,455 as compared to \$4,236,738 in 2015, a slight increase.

Within the Street Levy Construction Fund, revenues exceeded expenditures by \$920,759 in 2016 compared to \$81,295 in 2015. Fund balance at year-end in 2016 was \$2,963,183 as compared to \$2,216,178 in 2015. The City was able to maintain a level of fund balance in anticipation of street maintenance needs in 2017.

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 \$42.1 million in 2016 and \$40.7 million in 2015. Operating expenses were \$41.4 million in 2016 and \$39.2 million in 2015.

The enterprise fund balances increased \$1,928,183 with the Electric fund decreasing \$0.9 million, Wastewater increasing \$0.1 million, Water increasing \$1.8 million from a rate increase and Refuse increasing \$0.3 million based on one-time operating costs incurred in 2015. Stormwater increased its 2016 fund net position by \$0.5 million. The Pool fund decreased its 2016 fund net position due to increased staffing. The Golf fund net position was up \$0.1 million compared to 2015. The City is consistent with reviews of these funds, and the necessary adjustments are made to ensure strength in our enterprise funds.

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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 2016, 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 2016 general fund, original budgeted revenues were \$12.0 million. The final budgeted revenue amount was \$12.0 million. Actual revenues were \$13.0 million. Actual revenues were higher due to increased income tax and licenses and permits revenues. For the 2015 general fund, original budgeted revenues were \$10.9 million. The final budgeted revenue amount was \$11.7 million. Actual revenues collected were \$12.8 million.

For 2016, original general fund appropriations were budgeted at \$13.9 million. Final budgeted appropriations were \$14.3 million. Actual expenditures were \$11.7 million. This decrease was achieved through continued lower personnel costs and general government operating expenditures. 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 due to lower than expected personnel and general government operating expenditures.

Capital Asset and Debt Administration

Table 5
Capital Assets, Net of Depreciation at December 31

	Governmental Activities		Business-Type Activities	
	2016	2015	2016	2015
Land and Land Improvements	\$ 4,990,877	\$ 4,990,877	\$ 2,234,491	\$ 2,249,665
Infrastructure Land	2,156,725	2,115,523	-	-
Construction in Progress	3,158,685	4,553,927	50,960,634	19,872,208
Buildings and Improvements	16,993,250	17,469,676	13,782,059	14,480,191
Furniture, Fixtures and Equipment	2,806,304	2,796,822	30,269,478	30,534,730
Infrastructure	25,398,428	24,752,752	-	-
Underground Piping	-	-	10,183,656	10,277,759
Intangible Assets	-	-	1,145,843	1,234,524
Total Capital Assets	\$55,504,269	\$56,679,577	\$ 108,576,161	\$ 78,649,077

Total Capital Assets for the City of Piqua for the year ended December 31, 2016 were \$164,080,430, an increase of \$28,751,776 over 2015. Additions in 2016 were \$11,555,949 more than in 2015 based on certain large water and electric projects in 2016. 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.

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Debt

At December 31, 2016, the City of Piqua had \$30 million more in debt of bonds, notes, and loans at \$48.7 million compared to \$18.7 million in debt outstanding at December 31, 2015.

Table 6
Outstanding Debt at December 31

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
General Obligation Bonds	\$ 90,000	\$ 135,000	\$ 335,000	\$ 490,000
State Infrastructure Bank Note	253,003	415,502	-	-
OWDA Loans	-	-	48,036,282	17,696,918
Total	\$ 343,003	\$ 550,502	\$ 48,371,282	\$ 18,186,918

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 hypodillar 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.

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.

During 2016, \$3,363,398 of borrowing was approved by the Ohio Water Development Authority ("OWDA 2016") for construction of a new 1-million-gallon water tower, water main, and demolition of an old water tower. Construction began in 2016 and will be completed in 2017. The water tower notes will be paid with water utility revenue.

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 \$30,435,774 on December 31, 2016.

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

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Economic Factors and Next Year's General Fund Budget

The City's key objectives set for the 2017 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 2017 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 2017 budget, the City recognized the need to continue its pattern of cost containment while pursuing new revenue sources.

General fund expenditure appropriations for 2017 have been approved by City Commission in the amount of \$16.8 million. This appropriation level is approximately \$5.0 million more than actual 2016 general fund budgetary basis expenditures (including transfers out). The appropriation level was set based on similar estimated revenues in the General Fund compared to 2016 levels.

Current Financial Related Activities

The City anticipates the following significant events to take place in 2017:

- 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
- Complete the new Water Treatment Plant construction
- Complete the design phase of the Wastewater Treatment Plant expansion and begin construction
- Continue a curb-side recycling project
- Begin implementing an Automated Meter Infrastructure for City Electric, Water, and Wastewater Utilities
- Continue Parks and City-wide beautification programs
- Begin design and building of new Refuse facilities

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-six 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, 2016**

	Government Activities	Business Type Activities	Total Activities
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 20,942,986	\$ 23,461,224	\$ 44,404,210
Equity in pooled investments	1,313,191	1,973,818	3,287,009
Accounts receivable	4,730,774	5,640,730	10,371,504
Allowance for Bad Debts	-	(666,210)	(666,210)
Internal balances	98,700	(98,700)	-
Inventories	-	874,074	874,074
Prepaid items and other assets	13,911	155,904	169,815
Loans receivable, net of allowance	7,149	-	7,149
Recoverable purchased power	-	918,806	918,806
Capital assets not being depreciated	10,306,287	52,565,862	62,872,149
Capital assets being depreciated, net	45,197,982	56,010,299	101,208,281
Total assets	<u>82,610,980</u>	<u>140,835,807</u>	<u>223,446,787</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred by pensions	4,863,220	2,741,720	7,604,940
Total deferred outflow of resources	<u>4,863,220</u>	<u>2,741,720</u>	<u>7,604,940</u>
LIABILITIES:			
Accounts payable	241,794	6,646,150	6,887,944
Salary and benefits payable	539,867	200,063	739,930
Other accruals	10,566	2,634,639	2,645,205
Long-term liabilities:			
Due within one year	944,045	824,008	1,768,053
Due in more than one year:			
Net Pension Liability	18,363,284	7,066,630	25,429,914
Other Amounts Due in more than one year	1,517,243	49,598,831	51,116,074
Total liabilities	<u>21,616,799</u>	<u>66,970,321</u>	<u>88,587,120</u>
DEFERRED INFLOWS OF RESOURCES:			
Property taxes	1,330,976	-	1,330,976
Deferred Revenue	84,335	-	84,335
Deferred by pension	107,278	140,058	247,336
Total deferred inflows of resources	<u>1,522,589</u>	<u>140,058</u>	<u>1,662,647</u>
NET POSITION:			
Net investment in capital assets	55,161,266	60,204,879	115,366,145
Restricted by: legislation	7,194,708	-	7,194,708
Restricted by: debt covenants	426,756	-	426,756
Unrestricted	1,552,082	16,262,269	17,814,351
Total net position	<u>\$ 64,334,812</u>	<u>\$ 76,467,148</u>	<u>\$ 140,801,960</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	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	
GOVERNMENTAL ACTIVITIES:							
General government	\$ 2,509,760	\$ 359,571	\$ 38,667	\$ -	\$ (2,111,522)	\$ -	\$ (2,111,522)
Public safety	9,983,842	1,119,504	25,941	-	(8,838,397)	-	(8,838,397)
Streets and maintenance	4,131,246	90,606	130,222	-	(3,910,418)	-	(3,910,418)
Parks and recreation	676,708	17,939	3,687	9,400	(645,682)	-	(645,682)
Fort Piqua Plaza	519,590	278,601	-	-	(240,989)	-	(240,989)
Community development	626,789	70,411	485,657	-	(70,721)	-	(70,721)
Interest on long term debt	16,043	-	-	-	(16,043)	-	(16,043)
Total governmental activities	<u>18,463,978</u>	<u>1,936,632</u>	<u>684,174</u>	<u>9,400</u>	<u>(15,833,772)</u>	<u>-</u>	<u>(15,833,772)</u>
BUSINESS-TYPE ACTIVITIES:							
Electric	31,427,181	30,422,385	-	-	-	(1,004,796)	(1,004,796)
Wastewater	3,386,384	3,464,204	-	-	-	77,820	77,820
Refuse	1,512,589	1,804,528	-	-	-	291,939	291,939
Water	3,841,168	5,428,757	-	191,400	-	1,778,989	1,778,989
Storm Water	662,925	1,152,575	-	-	-	489,650	489,650
Golf	735,870	511,042	5,509	-	-	(219,319)	(219,319)
Municipal Pool	196,543	68,411	-	-	-	(128,132)	(128,132)
Total business-type activities	<u>41,762,660</u>	<u>42,851,902</u>	<u>5,509</u>	<u>191,400</u>	<u>-</u>	<u>1,286,151</u>	<u>1,286,151</u>
Total	<u>\$ 60,226,638</u>	<u>\$ 44,788,534</u>	<u>\$ 689,683</u>	<u>\$ 200,800</u>	<u>\$ (15,833,772)</u>	<u>\$ 1,286,151</u>	<u>(14,547,621)</u>
GENERAL REVENUES:							
Property taxes					1,162,485	-	1,162,485
Shared revenues unrestricted					1,804,731	-	1,804,731
Income tax					11,264,355	-	11,264,355
Locally levied taxes					1,205,557	-	1,205,557
Investment earnings					41,225	48,022	89,247
Miscellaneous					7,388	-	7,388
Total general revenues					<u>15,485,741</u>	<u>48,022</u>	<u>15,533,763</u>
Transfers, in (out)					<u>(395,656)</u>	<u>395,656</u>	<u>-</u>
Change in net position					<u>(743,687)</u>	<u>1,729,829</u>	<u>986,142</u>
Total net position:							
Beginning of year					<u>65,078,499</u>	<u>74,737,319</u>	<u>139,815,818</u>
End of year					<u>\$ 64,334,812</u>	<u>\$ 76,467,148</u>	<u>\$ 140,801,960</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

ASSETS	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
Equity in pooled cash and cash equivalents	\$ 11,477,346	\$ 3,909,827	\$ 2,866,713	\$ 426,756	\$ 300,563	\$ 18,981,205
Equity in pooled investments	-	250,000	-	-	-	250,000
Accounts receivable	3,362,774	797,833	273,448	29,903	126,651	4,590,609
Interfund receivable	80,707	-	-	-	2,125	82,832
Prepaid items and other assets	10,201	-	-	-	-	10,201
Loans Receivable, net of allowance	-	-	-	-	7,149	7,149
Total Assets	\$ 14,931,028	\$ 4,957,660	\$ 3,140,161	\$ 456,659	\$ 436,488	\$ 23,921,996
LIABILITIES						
CURRENT LIABILITIES:						
Accounts payable	\$ 105,575	\$ 79,358	\$ 30,930	\$ -	\$ 487	\$ 216,350
Interfund payable	-	-	-	-	82,832	82,832
Salaries and benefits	494,435	27,880	-	-	7,333	529,648
Accruals	6,147	2,500	-	-	-	8,647
Total Current Liabilities	606,157	109,738	30,930	-	90,652	837,477
LONG-TERM LIABILITIES:						
Restricted deposits	22,252	-	-	-	-	22,252
Total Long Term Liabilities	22,252	-	-	-	-	22,252
Total Liabilities	628,409	109,738	30,930	-	90,652	859,729
DEFERRED INFLOWS OF RESOURCES						
Property taxes	1,575,793	-	-	29,903	77,843	1,683,539
State shared taxes	202,123	390,349	-	-	3,457	595,929
Income taxes	362,869	69,118	61,713	-	-	493,700
Deferred Revenue	82,987	-	84,335	-	-	167,322
Total deferred inflows of resources	2,223,772	459,467	146,048	29,903	81,300	2,940,490
FUND BALANCES						
Nonspendable fund balance	10,201	-	-	-	7,149	17,350
Restricted fund balance	30,064	4,388,455	2,963,183	426,756	257,387	8,065,845
Assigned fund balance	3,896,861	-	-	-	-	3,896,861
Unassigned fund balance	8,141,721	-	-	-	-	8,141,721
Total fund balances	12,078,847	4,388,455	2,963,183	426,756	264,536	20,121,777
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,931,028	\$ 4,957,660	\$ 3,140,161	\$ 456,659	\$ 436,488	

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	55,504,269
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	1,525,179
The net unamortized portion of pension liability deferred inflows and outflows are	4,755,942
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	(343,003)
Compensated Absences	(2,096,033)
Net Pension Liability	(18,363,284)
Accrued interest on bonds payable	(1,919)
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	3,231,884
Net position of governmental activities	<u>\$ 64,334,812</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, 2016**

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
REVENUES:						
Municipal income tax	\$ 8,263,578	\$ 1,578,657	\$ 1,409,620	\$ -	\$ -	\$ 11,251,855
Property taxes	1,097,822	-	-	14,742	49,921	1,162,485
State shared revenues	596,076	1,208,237	-	-	6,952	1,811,265
Locally levied taxes	1,205,557	-	-	-	-	1,205,557
Licenses and permits, fees	1,372,033	625	-	-	1,110	1,373,768
Grants: operating	26,782	-	130,222	-	505,538	662,542
Investment income	14,606	10,080	5,197	1,337	4,177	35,397
Donations:						
Capital	9,400	-	-	-	-	9,400
Operating	21,632	-	-	-	-	21,632
Other fines, rents, and reimbursements	346,333	29,982	59,999	-	69,354	505,668
Total revenues	<u>12,953,819</u>	<u>2,827,581</u>	<u>1,605,038</u>	<u>16,079</u>	<u>637,052</u>	<u>18,039,569</u>
EXPENDITURES:						
General government administration	1,739,069	-	-	-	-	1,739,069
Public safety	8,427,986	-	-	-	-	8,427,986
Public health	335,386	-	-	-	13,012	348,398
Street repairs and maintenance	-	2,431,568	504,141	-	-	2,935,709
Parks and recreation	548,060	-	-	-	-	548,060
Fort Piqua Plaza	279,131	-	-	-	-	279,131
Community planning and development	88,129	-	-	-	526,810	614,939
Other	-	-	-	881	52,432	53,313
Debt principal payment	-	-	-	207,499	-	207,499
Debt interest payment	-	-	-	17,218	-	17,218
Capital costs	313,578	250,077	180,138	-	-	743,793
Total expenditures	<u>11,731,339</u>	<u>2,681,645</u>	<u>684,279</u>	<u>225,598</u>	<u>592,254</u>	<u>15,915,115</u>
Excess (deficiency) of revenues over expenditures	<u>1,222,480</u>	<u>145,936</u>	<u>920,759</u>	<u>(209,519)</u>	<u>44,798</u>	<u>2,124,454</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of capital assets	14,767	5,781	-	-	-	20,548
Transfers, in	-	-	-	224,717	-	224,717
Transfers, out	(446,619)	-	(173,754)	-	-	(620,373)
Total other financing sources (uses)	<u>(431,852)</u>	<u>5,781</u>	<u>(173,754)</u>	<u>224,717</u>	<u>-</u>	<u>(375,108)</u>
Net change in fund balance	790,628	151,717	747,005	15,198	44,798	1,749,346
Fund balance-beginning of year	<u>11,288,219</u>	<u>4,236,738</u>	<u>2,216,178</u>	<u>411,558</u>	<u>219,738</u>	<u>18,372,431</u>
Fund balance-end of year	<u>\$ 12,078,847</u>	<u>\$ 4,388,455</u>	<u>\$ 2,963,183</u>	<u>\$ 426,756</u>	<u>\$ 264,536</u>	<u>\$ 20,121,777</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Total net change in fund balances Governmental funds	\$ 1,749,346
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 (\$743,793) exceed depreciation expense (\$1,819,243)	(1,075,450)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: (State shared taxes (\$6,534), Income taxes \$12,500, and Ems billings \$57,196)	63,162
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	207,499
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	(206,373)
Interest payable	1,175
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows(\$2,858,732). Except for these amounts, changes in the net pension liability are reported as pension expense in the statement of activities(\$4,143,196).	(1,284,464)
The net book value of assets retired (the difference of original cost (\$246,082) and accumulated depreciation (\$232,924) is not recorded on the Governmental Fund Statements, but is recorded as an expense on the Statement of Activities	(13,158)
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	(185,424)
Change in the net position of governmental activities on the Statement of Activities	<u>\$ (743,687)</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2016**

**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	\$ 7,257,786	\$ 3,994,769	\$ 1,255,869	\$ 9,647,835	\$ 1,084,335	\$ 187,088	\$ 33,542	\$ 23,461,224	\$ 1,961,781
Equity in pooled investments	1,300,000	561,104	112,714	-	-	-	-	1,973,818	1,063,191
Accounts receivable	4,022,300	503,812	250,336	785,599	78,683	-	-	5,640,730	140,165
Allowance for uncollectible accounts	(409,744)	(97,977)	(53,122)	(91,907)	(13,460)	-	-	(666,210)	-
Inventories	712,486	-	-	131,400	5,453	24,735	-	874,074	-
Prepaid items and other assets	5,805	7,184	78,000	60,915	4,000	-	-	155,904	3,710
Total Current Assets	12,888,633	4,968,892	1,643,797	10,533,842	1,159,011	211,823	33,542	31,439,540	3,168,847

NONCURRENT ASSETS:

Recoverable purchased power	918,806	-	-	-	-	-	-	918,806	-
Capital assets not being depreciated	879,434	4,034,305	17,949	46,388,191	875,639	370,344	-	52,565,862	19,044
Capital assets being depreciated	32,840,268	9,683,338	684,970	10,598,332	1,223,951	915,574	63,866	56,010,299	254,379
Total Noncurrent Assets	34,638,508	13,717,643	702,919	56,986,523	2,099,590	1,285,918	63,866	109,494,967	273,423

DEFERRED OUTFLOWS OF RESOURCES:

Deferred by pensions	1,147,109	539,981	222,043	597,793	135,441	71,020	28,333	2,741,720	114,659
Total Deferred Outflows of Resources	1,147,109	539,981	222,043	597,793	135,441	71,020	28,333	2,741,720	114,659

Total Assets and deferred outflows of resources	\$ 48,674,250	\$ 19,226,516	\$ 2,568,759	\$ 68,118,158	\$ 3,394,042	\$ 1,568,761	\$ 125,741	\$ 143,676,227	\$ 3,556,929
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See accompanying notes to the basic financial statements

Continued

CITY OF PIQUA, OHIO

**BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2016**

Business-type Activities

LIABILITIES	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Municipal Pool	Total	Governmental Activities - Internal Service Funds
	CURRENT LIABILITIES:								
Accounts payable	\$ 2,147,585	\$ 296,981	\$ 50,664	\$ 4,139,451	\$ 3,696	\$ 6,756	\$ 1,017	\$ 6,646,150	\$ 25,444
Salaries and benefits	71,698	43,438	18,125	47,752	10,747	8,303	-	200,063	10,219
Accrued vacation, personal, and sick leave	186,977	81,129	73,900	89,534	22,347	10,673	-	464,560	83,016
Accruals and prepaid memberships	396,436	3,259	-	2,230,809	1,580	2,474	81	2,634,639	-
Current portion of long term debt	-	194,448	-	-	-	157,080	7,920	359,448	-
Total Current Liabilities	2,802,696	619,255	142,689	6,507,546	38,370	185,286	9,018	10,304,860	118,679
LONG-TERM LIABILITIES:									
Accrued vacation, personal, and sick leave	268,744	202,337	32,055	141,012	16,524	7,519	-	668,191	35,962
Net Pension Liability	2,978,733	1,349,068	570,240	1,538,369	355,682	198,701	75,837	7,066,630	319,686
Long term liabilities	918,806	6,978,309	-	40,863,525	-	161,840	8,160	48,930,640	-
Total Long-Term Liabilities	4,166,283	8,529,714	602,295	42,542,906	372,206	368,060	83,997	56,665,461	355,648
Total Liabilities	6,968,979	9,148,969	744,984	49,050,452	410,576	553,346	93,015	66,970,321	474,327
DEFERRED INFLOWS OF RESOURCES:									
Deferred by pensions	58,552	27,461	11,808	30,255	7,102	3,549	1,331	140,058	5,790
Total deferred inflows of resources	58,552	27,461	11,808	30,255	7,102	3,549	1,331	140,058	5,790
NET POSITION									
Net investment in capital assets	33,719,702	6,544,886	702,919	16,122,998	2,099,590	966,998	47,786	60,204,879	273,423
Unrestricted	7,927,017	3,505,200	1,109,048	2,914,453	876,774	44,868	(16,391)	16,360,969	2,803,389
Total Net Position	41,646,719	10,050,086	1,811,967	19,037,451	2,976,364	1,011,866	31,395	76,565,848	3,076,812
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 48,674,250	\$ 19,226,516	\$ 2,568,759	\$ 68,118,158	\$ 3,394,042	\$ 1,568,761	\$ 125,741		\$ 3,556,929
Adjustment to consolidate the internal service fund activities								(98,700)	
Total net position per the government-wide Statement of Net Position								\$ 76,467,148	

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, 2016

	Business-type Activities							Total	Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Municipal Pool		
OPERATING REVENUES:									
Customer services	\$ 29,604,086	\$ 3,423,624	\$ 1,775,710	\$ 5,305,746	\$ 1,145,542	\$ 510,056	\$ 67,427	\$ 41,832,191	\$ 897,976
Penalty charges	178,310	36,123	22,271	57,477	6,658	-	-	300,839	-
Total operating revenues	29,782,396	3,459,747	1,797,981	5,363,223	1,152,200	510,056	67,427	42,133,030	897,976
OPERATING EXPENSES:									
Fossil fuels used for production	113,980	-	-	-	-	-	-	113,980	-
Purchased power	21,547,499	-	-	-	-	-	-	21,547,499	-
Salaries and employee benefits	2,311,121	1,286,536	523,187	1,357,989	301,497	186,471	74,228	6,041,029	669,292
Depreciation	1,912,630	721,370	69,096	467,767	85,742	115,399	35,237	3,407,241	121,737
Materials and supplies	305,625	362,911	76,280	515,722	78,119	190,260	37,924	1,566,841	24,026
Utilities	39,952	192,300	6,890	281,456	20,189	67,818	23,168	631,773	34,276
Outside services	4,298,115	393,377	696,712	505,708	116,515	72,015	5,161	6,087,603	137,664
Billing costs	449,159	240,729	106,729	279,238	32,840	-	-	1,108,695	-
Chemicals	-	16,846	-	254,010	-	50,901	11,681	333,438	-
Other	344,591	62,133	14,632	132,231	23,739	28,135	4,586	610,047	308,117
Total operating expenses	31,322,672	3,276,202	1,493,526	3,794,121	658,641	710,999	191,985	41,448,146	1,295,112
Operating income (loss)	(1,540,276)	183,545	304,455	1,569,102	493,559	(200,943)	(124,558)	684,884	(397,136)
NON-OPERATING REVENUES (EXPENSES):									
Interest on debt	-	(89,634)	-	-	-	(18,083)	(912)	(108,629)	-
Interest income	20,305	7,325	4,159	7,638	768	282	14	40,491	13,359
Other, net	639,989	4,457	6,547	65,534	375	986	984	718,872	-
Operating grants	-	-	-	-	-	5,509	-	5,509	-
Net non-operating revenues (expenses)	660,294	(77,852)	10,706	73,172	1,143	(11,306)	86	656,243	13,359
Capital grants	-	-	-	191,400	-	-	-	191,400	-
Transfers, in	-	-	-	-	-	315,656	80,000	395,656	-
Change in net position	(879,982)	105,693	315,161	1,833,674	494,702	103,407	(44,472)	1,928,183	(383,777)
Total net position-beginning of year	42,526,701	9,944,393	1,496,806	17,203,777	2,481,662	908,459	75,867	64,627,665	3,460,589
Total net position-end of year	\$ 41,646,719	\$ 10,050,086	\$ 1,811,967	\$ 19,037,451	\$ 2,976,364	\$ 1,011,866	\$ 31,395	\$ 68,554,848	\$ 3,076,812
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								(198,354)	
Change in net position of business-type activities								\$ 1,729,829	

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities							Total	Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Storm Water	Golf	Municipal Pool		
OPERATING ACTIVITIES:									
Cash received for services	\$ 30,303,038	\$ 3,456,809	\$ 1,803,499	\$ 5,577,679	\$ 1,143,502	\$ 520,265	\$ 68,411	\$ 42,873,203	\$ 986,274
Cash paid to suppliers for goods or services	(28,287,830)	(1,154,449)	(879,100)	511,084	(285,415)	(394,086)	(78,421)	(30,568,217)	(535,365)
Cash paid to employees for services	(2,165,596)	(1,269,588)	(528,943)	(1,372,020)	(305,438)	(185,108)	(74,228)	(5,900,921)	(645,794)
Net cash provided by (used in) operating activities	(150,388)	1,032,772	395,456	4,716,743	552,649	(58,929)	(84,238)	6,404,065	(194,885)
NONCAPITAL FINANCING ACTIVITIES:									
Transfers, in	-	-	-	-	-	315,656	80,000	395,656	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-	-	315,656	80,000	395,656	-
CAPITAL AND RELATED FINANCING ACTIVITIES:									
Recoverable purchased power contract	354	-	-	-	-	-	-	354	-
Proceeds from issuance of bonds and notes	-	2,927,418	-	27,599,727	-	-	-	30,527,145	-
Principal paid on bonds and notes	(354)	(187,781)	-	-	-	(147,560)	(7,440)	(343,135)	-
Interest paid on bonds and notes	-	(89,634)	-	-	-	(18,821)	(950)	(109,405)	-
Acquisition and construction of capital & AMP regulatory assets	(1,045,503)	(2,519,697)	(124,044)	(29,313,493)	(365,282)	(30,213)	-	(33,398,232)	(35,038)
Proceeds from the sale of capital assets	63,909	-	-	-	-	-	-	63,909	-
Net cash provided by (used in) capital & related financing activities	(981,594)	130,306	(124,044)	(1,713,766)	(365,282)	(196,594)	(8,390)	(3,259,364)	(35,038)
INVESTING ACTIVITIES:									
Purchases of investment securities	-	(461,103)	(112,714)	-	-	-	-	(573,817)	(963,191)
Proceeds from sale or maturity of investment securities	150,000	459,271	312,266	-	-	-	-	921,537	1,209,364
Interest received	20,680	7,172	4,713	7,638	769	282	14	41,268	13,122
Net cash provided by (used in) investing activities	170,680	5,340	204,265	7,638	769	282	14	388,988	259,295
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(961,302)	1,168,418	475,677	3,010,615	188,136	60,415	(12,614)	3,929,345	29,372
CASH AND CASH EQUIVALENTS - Beginning of year	8,219,088	2,826,351	780,192	6,637,220	896,199	126,673	46,156	19,531,879	1,932,409
CASH AND CASH EQUIVALENTS - End of year	\$ 7,257,786	\$ 3,994,769	\$ 1,255,869	\$ 9,647,835	\$ 1,084,335	\$ 187,088	\$ 33,542	\$ 23,461,224	1,961,781
OPERATING INCOME (LOSS)	\$ (1,540,276)	\$ 183,545	\$ 304,455	\$ 1,569,102	\$ 493,559	\$ (200,943)	\$ (124,558)	\$ 684,884	(397,136)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:									
Depreciation	1,912,630	721,370	69,096	467,767	85,742	115,399	35,237	3,407,241	121,737
(Increase)/Decrease in Accounts Receivable	(183,255)	(7,394)	(1,028)	(42,478)	(9,073)	4,456	-	(238,772)	76,907
(Increase)/Decrease in Inventory	77,550	-	-	(12,149)	205	4,938	-	70,544	-
(Increase)/Decrease in Prepaids	194	(1,893)	(1,500)	1,837	-	-	-	(1,362)	-
(Increase)/Decrease in Deferred Outflows of Resources-Pension	(774,651)	(366,077)	(143,275)	(407,317)	(88,812)	(49,018)	(20,757)	(1,849,907)	(78,307)
Increase/(Decrease) in Accounts Payable	(1,202,746)	41,709	(5,333)	2,407,388	(32,180)	194	(98)	1,208,934	(21,791)
Increase/(Decrease) in Accrued Wages and Benefits	(11,136)	16,948	(5,756)	(14,031)	(3,941)	1,363	-	(16,553)	9,559
Increase/(Decrease) in Deferred Revenues	-	-	-	-	-	(744)	-	(744)	-
Increase/(Decrease) in Net Pension Liability	909,639	429,867	168,242	478,294	104,289	57,559	24,374	2,172,264	91,953
Increase/(Decrease) in Deferred Inflows of Resources-Pension	21,674	10,241	4,009	11,396	2,485	1,371	580	51,756	2,193
Net (Increase)/Decrease in Other Operating Net Position	639,989	4,456	6,546	256,934	375	6,496	984	915,780	-
Net cash provided by (used in) operating activities	\$ (150,388)	\$ 1,032,772	\$ 395,456	\$ 4,716,743	\$ 552,649	\$ (58,929)	\$ (84,238)	\$ 6,404,065	\$ (194,885)
SUPPLEMENTAL INFORMATION:									
Noncash activities:									
Donated Capital	\$ -	\$ -	\$ -	\$ 191,400	\$ -	\$ -	\$ -	\$ 191,400	\$ -
Recoverable purchased power contract	\$ (354)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (354)	\$ -

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016**

ASSETS:	<u>Private Purpose Centennial Trust</u>	<u>Agency Funds</u>
Equity in pooled cash and cash equivalents	\$ 469	\$ 21,842
Total Assets	<u>\$ 469</u>	<u>\$ 21,842</u>
 LIABILITIES:		
Withholdings payable		\$ 5,902
Undistributed monies		<u>15,940</u>
Total Liabilities		<u>\$ 21,842</u>
 NET POSITION		
Held in trust for other purposes	<u>\$ 469</u>	

**STATEMENT OF CHANGES IN
FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016**

ADDITIONS	
Interest income	<u>\$ 2</u>
Total additions	<u>2</u>
Change in net position	2
Total net position-beginning of year	<u>467</u>
Total net position-end of year	<u>\$ 469</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

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, 2016

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 Fund is 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, 2016

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 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, 2016

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, 2016, but which were levied to finance 2017 operations. Deferred revenue represents governmental non-exchange transactions of mutually held debt by other

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

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, 2016 the City had cash on hand in the amount of \$4,675.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

At December 31, 2016, the carrying amount of the City's deposits was \$42,013,479 while the balance as shown by the bank statements was \$40,151,471. As of December 31, 2016, \$36,107,042 of the City's bank balance was exposed to custodial risk as discussed above, while \$4,044,429 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.

Investments with an original maturity of three months or less at the time of purchase, and investments of the cash management pool are reported as cash equivalents on the financial statements. Investments are reported at fair value. The City's investments in STAROhio and open-end mutual funds are determined by the share price. There are no limitations or restrictions on withdrawals from these investments due to redemption notice periods, liquidity fees, or redemption gates. STAROhio does require notice to be given 24 hours in advance for all deposits or withdrawals exceeding \$25 million. STAROhio reserves the right to limit the transactions to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the STAROhio Investors will be combined for these purposes.

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, 2016, 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	\$ 5,695,376

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, 2016.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 5,695,376	100.00%

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

<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	\$ 5,695,376	-	-	\$ 5,695,376

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, 2015
Lien date	January 1, 2016
Tax bill mailed	January 20, 2016
First installment payment due	February 20, 2016
Second installment payment due	July 20, 2016

The assessed values for the City at January 1, 2016 are as follows:

Real estate	\$ 290,202,680
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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, 2016, nor are they intended to finance 2016 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 and 0.26 mills for costs of the Miami Conservancy District.

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.

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

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 \$815,979 with an estimated allowance for forgiveness of \$808,830.

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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

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	\$ 4,990,877	\$ -	\$ -	\$ -	\$ 4,990,877
Infrastructure land	2,115,523	-	-	41,202	2,156,725
Construction in progress	<u>4,553,927</u>	<u>325,059</u>	<u>-</u>	<u>(1,720,301)</u>	<u>3,158,685</u>
Assets not depreciated	<u>11,660,327</u>	<u>325,059</u>	<u>-</u>	<u>(1,679,099)</u>	<u>10,306,287</u>
Capital assets being depreciated:					
Buildings and improvements	21,732,145	-	-	-	21,732,145
Furniture, fixtures and equipment	12,304,227	453,771	(246,082)	205,700	12,717,616
Infrastructure	<u>36,172,733</u>	<u>-</u>	<u>-</u>	<u>1,473,399</u>	<u>37,646,132</u>
Depreciated capital assets	70,209,105	453,771	(246,082)	1,679,099	72,095,893
Accumulated depreciation:					
Buildings and improvements	(4,262,469)	(476,426)	-	-	(4,738,895)
Furniture, fixtures and equipment	(9,507,405)	(636,831)	232,924	-	(9,911,312)
Infrastructure	<u>(11,419,981)</u>	<u>(827,723)</u>	<u>-</u>	<u>-</u>	<u>(12,247,704)</u>
Total accumulated depreciation	<u>(25,189,855)</u>	<u>(1,940,980)</u>	<u>232,924</u>	<u>-</u>	<u>(26,897,911)</u>
Net capital assets being depreciated	<u>\$ 45,019,250</u>	<u>\$ (1,487,209)</u>	<u>\$ (13,158)</u>	<u>\$ 1,679,099</u>	<u>\$ 45,197,982</u>
Net capital assets	<u>\$ 56,679,577</u>	<u>\$ (1,162,150)</u>	<u>\$ (13,158)</u>	<u>\$ -</u>	<u>\$ 55,504,269</u>

* Depreciation expense was charged to governmental functions as follows:

General governmental	\$ 208,356
Public safety	213,744
Street repairs and maintenance	1,062,985
Parks	93,699
Fort Piqua Plaza	<u>240,459</u>
Governmental functions depreciation expense	1,819,243
Information technology (internal service fund)	<u>121,737</u>
Total depreciation expense	<u>\$1,940,980</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	\$ 1,604,618	\$ -	\$ -	\$ 610	\$ 1,605,228
Construction in progress	<u>19,872,208</u>	<u>32,447,590</u>	<u>-</u>	<u>(1,359,164)</u>	<u>50,960,634</u>
Assets not depreciated	<u>21,476,826</u>	<u>32,447,590</u>	<u>-</u>	<u>(1,358,554)</u>	<u>52,565,862</u>
Capital assets being depreciated:					
Land improvements	1,100,954	-	-	-	1,100,954
Buildings and improvements	31,158,818	-	-	25,163	31,183,981
Underground piping	26,736,652	-	-	300,115	27,036,767
Furniture, fixtures and equipment	78,413,029	950,643	(243,529)	1,033,276	80,153,419
Intangible assets	<u>2,618,714</u>	<u>-</u>	<u>(23,281)</u>	<u>-</u>	<u>2,595,433</u>
Depreciated capital assets	140,028,167	950,643	(266,810)	1,358,554	142,070,554
Accumulated depreciation:					
Land improvements	(455,907)	(15,784)	-	-	(471,691)
Buildings and improvements	(16,678,627)	(723,295)	-	-	(17,401,922)
Underground piping	(16,458,893)	(394,218)	-	-	(16,853,111)
Furniture, fixtures and equipment	(47,878,299)	(2,196,956)	191,314	-	(49,883,941)
Intangible assets	<u>(1,384,190)</u>	<u>(76,988)</u>	<u>11,588</u>	<u>-</u>	<u>(1,449,590)</u>
Total accumulated depreciation	<u>(82,855,916)</u>	<u>(3,407,241)</u>	<u>202,902</u>	<u>-</u>	<u>(86,060,255)</u>
Net capital assets being depreciated	<u>\$ 57,172,251</u>	<u>\$ (2,456,598)</u>	<u>\$ (63,908)</u>	<u>\$ 1,358,554</u>	<u>\$ 56,010,299</u>
Net capital assets	<u>\$ 78,649,077</u>	<u>\$ 29,990,992</u>	<u>\$ (63,908)</u>	<u>\$ -</u>	<u>\$ 108,576,161</u>

* Depreciation expense was charged to enterprise functions as follows:

Electric	\$ 1,912,630
Water	467,767
Wastewater	721,370
Refuse	69,096
Storm Water	85,742
Golf	115,399
Municipal Pool	<u>35,237</u>
Total depreciation expense	<u>\$ 3,407,241</u>

Capitalized interest was recorded in the amount of \$715,432 for the fiscal year 2016.

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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, 2016 was as follows:

	Maturity Dates	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:						
Ohio Capital Asset Series 2009 3.53%	12/1/2018	\$ 135,000	\$ -	\$ 45,000	\$ 90,000	\$ 45,000
Total governmental general obligation bonds		135,000	-	45,000	90,000	45,000
State Infrastructure Bank Note, 3%	4/29/2020	415,502	-	162,499	253,003	167,410
Compensated absences		1,881,705	300,856	86,528	2,096,033	731,635
Restricted deposits		20,657	2,575	980	22,252	-
Net Pension Liability						
OPERS		2,235,997	1,036,281	-	3,272,278	-
OP&F		11,957,013	3,133,993	-	15,091,006	-
Total Net Pension Liability		14,193,010	4,170,274	-	18,363,284	-
Total governmental long-term liabilities		<u>\$ 16,645,874</u>	<u>\$ 4,473,705</u>	<u>\$ 295,007</u>	<u>\$ 20,824,572</u>	<u>\$ 944,045</u>
Business-Type Activities:						
OWDA Loan-2009, 3.52%	1/1/2030	3,330,952	-	187,781	3,143,171	194,448
OWDA Loan-2012, 2.44%	1/1/2022	1,102,168	2,927,418	-	4,029,586	-
OWDA Loan-2014, 2.54%-3.54%	7/1/2047	13,263,798	27,058,703	-	40,322,501	-
OWDA Loan-2016, 0.76%	7/1/2038	-	541,024	-	541,024	-
Recreational facility bonds G.O., 2.0%-4.1%	11/15/2018	490,000	-	155,000	335,000	165,000
AMP-Ohio stranded cost payable		919,160	-	354	918,806	-
Compensated Absences		1,180,426	114,123	161,798	1,132,751	464,560
Net Pension Liability - OPERS		4,894,367	2,172,263	-	7,066,630	-
Total Business-type long-term liabilities		<u>\$ 25,180,871</u>	<u>\$ 32,813,531</u>	<u>\$ 504,933</u>	<u>\$ 57,489,469</u>	<u>\$ 824,008</u>

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

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

Ohio Water Development Authority ("OWDA 2009") Wastewater Sewer Project Notes are issued under a cooperative agreement for construction, maintenance and operation of a state sewer project. Payments to the

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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 \$3,944,094. Principal and interest paid for the current year and total customer net revenues were \$277,414 and \$916,697 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 \$61,311,367. 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 \$2,110,041.

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 \$4,306,777. Payments of principal and interest have been deferred until July 2017. Net Revenues available for payment on this loan were \$916,697.

Ohio Water Development Authority (OWDA 2016) New Central Water Tower note in the overall amount of \$3,363,398 was issued under a cooperative agreement to construct a 1 million gallon elevated storage tank with approximately 5,300 linear feet. Of 12-inch water main and demolition of two – 250,000 gallon, legged storage tanks constructed in the 1950's. Payments to the OWDA will be made from the utilities pledged future revenues. Total principal and interest remaining to be repaid is \$3,631,863. Construction on the New Central Water Tower began in 2016 and will continue through 2018. Payments of principal and interest have been deferred until January 2019. Net Revenues available for payment on this loan were \$2,110,041.

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 \$260,631. 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 \$3,466,911. 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 2016 totaling \$354. The remaining stranded cost is \$918,806. 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, 2016 are listed as follows:

Year Ending December 31	General Obligation Bonds				Notes Payable			
	Governmental Activities		Business Type Activities		Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	1,390,540	810,840
2019	-	-	-	-	-	-	1,880,608	1,357,402
2020	-	-	-	-	-	-	1,933,432	1,304,579
2021	-	-	-	-	-	-	2,830,290	1,269,078
2122-2026	-	-	-	-	-	-	2,315,529	1,392,898
2027-2031	-	-	-	-	-	-	6,132,876	5,143,619
2032-2036	-	-	-	-	-	-	6,100,887	4,265,431
2037-2041	-	-	-	-	-	-	6,950,448	3,312,437
2042-2046	-	-	-	-	-	-	8,010,823	2,207,740
2047-2051	-	-	-	-	-	-	10,296,402	944,016
	<u>\$ 90,000</u>	<u>\$ 6,075</u>	<u>\$ 335,000</u>	<u>\$ 20,540</u>	<u>\$ 253,003</u>	<u>\$ 7,629</u>	<u>\$ 48,036,283</u>	<u>\$ 22,116,983</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, 2016 are as follows:

	Due From <u>Other Funds</u>	Due To <u>Other Funds</u>
General Fund	\$ 80,707	\$ -
Non-major Governmental Funds	<u>2,125</u>	<u>82,832</u>
	<u>\$ 82,832</u>	<u>\$ 82,832</u>

Transfers are used to move revenues; from the fund that statute or budget requires to collect them, to the fund that the statute or budget requires to expend them; or moving unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; or to provide additional resources for current operations or debt service. Interfund transfers for the year ended December 31, 2016 consisted of the following:

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Governmental	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 446,619
Street Levy Construction	-	173,754
Debt Service	224,717	-
 Proprietary		
Golf	315,656	-
Municipal Pool	<u>80,000</u>	<u>-</u>
	<u>\$ 620,373</u>	<u>\$ 620,373</u>

The Street Levy Construction fund transfers were for debt service.

I. CHANGE IN ACCOUNTING PRINCIPLE

For 2016, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 77, "Tax Abatement Disclosures." GASB 77 improves financial reporting by giving users essential information that has not been consistently or comprehensively reported in the past. Disclosure of this information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users and will be better equipped to understand how tax abatements affect a government's future ability to raise resources and meet its financial obligations and the impact abatements have on a government's financial position and economic condition.

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 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

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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):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local Employees		
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 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	Formula: 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	Formula: 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.

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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, an 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
2016 Statutory Maximum Contribution Rates:	
Employer	14.0%
Employee	10.0%
2016 Actual Contribution Rates:	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	2.0%
Total Employer	14.0%
Employee	10.0%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required pension contribution was \$947,963 for 2016 and \$43,037 is reported as an intergovernmental payable.

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 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

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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:

	Police	Firefighters
2016 Statutory Maximum Contribution Rates:		
Employer	19.50%	24.00%
Employee:		
January 1, 2016 through December 31, 2016	12.25%	12.25%
2016 Actual Contribution Rates:		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50%	0.50%
Total Employer	19.50%	24.00%
Employee:		
January 1, 2016 through December 31, 2016	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 \$960,782 for 2016, and \$33,794 is reported as an intergovernmental payable.

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, 2015, 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, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015 to December 31, 2015. 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:

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 10,338,908	\$ 15,091,006	\$ 25,429,914
Proportion of the net pension liability	0.059689112%	0.2345850%	
Change in proportionate share	0.000487112%	0.0037730%	
Pension expense	\$ 1,500,544	\$ 2,082,612	\$ 3,583,156

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
<u>Deferred Outflows of Resources:</u>			
Net difference between projected and actual earnings on pension plan investments	\$ 3,042,049	\$ 2,449,921	\$ 5,491,970
Change in City's proportionate share	40,345	163,881	204,226
City contributions subsequent to the measurement date	<u>947,962</u>	<u>960,782</u>	<u>1,908,744</u>
Total	<u>\$ 4,030,356</u>	<u>\$ 3,574,584</u>	<u>\$ 7,604,940</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	<u>\$ (204,961)</u>	<u>\$ (42,375)</u>	<u>\$ (247,336)</u>

City contributions subsequent to the measurement date of \$1,908,744 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Fiscal Year Ending December 31:			
2017	\$ 683,579	\$ 668,100	\$ 1,351,679
2018	731,776	668,100	1,399,876
2019	776,596	668,101	1,444,697
2020	688,252	539,264	1,227,516
2021	(709)	23,411	22,702
After	<u>(2,058)</u>	<u>4,451</u>	<u>2,393</u>
	<u>\$ 2,877,436</u>	<u>\$ 2,571,427</u>	<u>\$ 5,448,863</u>

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.

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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, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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, set forward two years. For females, 100 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 0.4 percent for 2015.

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 2015 and the long-term expected real rates of return:

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

<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	20.70%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	18.30%	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 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:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$ 16,472,661	\$ 10,338,908	\$ 5,143,141

Changes between Measurement Date and Report Date – In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OP&F: OP&F's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, 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, 2015, are presented below:

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

Valuation Date	January 1, 2015
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 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, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash & Cash Equivalents	-%	-%
Domestic Equity	16.00%	7.80%
Non-US Equity	16.00%	8.00%
Core Fixed Income *	20.00%	5.35%
Global Inflation Protected *	20.00%	4.73%
High Yield	15.00%	7.21%
Real Estate	12.00%	7.43%
Private Markets	8.00%	10.73%
Timber	5.00%	7.35%
Master Limited Partnerships	<u>8.00%</u>	10.75%
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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

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.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City’s proportionate share of the net pension liability	\$ 19,903,031	\$ 15,091,018	\$ 11,014,769

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. 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 2016 and 2015. 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, 2016, 2015 and 2014 were \$24,068, \$23,731 and \$22,711 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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

requiring public employers to fund pension and post-retirement health care through their contributions to OPERS. The 2016 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 2016.

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 2016) that will be set aside for funding of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 2.0% for the year ended December 31, 2016. The portion of employer contribution allocated to health care for members in the Combined Plan was 2.0% for year ended December 31, 2016. 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, 2016, 2015 and 2014 were \$160,556, \$153,959 and \$148,692 respectively.

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

The City participates in several federally assisted programs, which are subject to program compliance audits by the grantors or their representatives. 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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

O. RISK MANAGEMENT

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

The City pays an annual member contributions premium to MVRMA for this coverage. The agreement provides that MVRMA will be self-sustaining through member contributions premiums and the purchase of excess insurance and reinsurance. The city's deductible per occurrence for all types of claims is \$2,500. During 2016, MVRMA'S per-occurrence retention limit for property was \$250,000, with the exception of boiler and machinery for which there was a \$10,000 to \$350,000 per occurrence retention limit.

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

General Liability (including law enforcement)	\$12,000,000 per occurrence/excess \$500,000 sir
Automobile Liability	\$12,000,000 per occurrence/excess \$500,000 sir
Police Professional Liability	\$12,000,000 excess \$1,000,000 (\$12,000,000 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	\$12,000,000 excess \$500,000 sir (\$12,000,000 annual combined aggregate per city)
Cyber Liability	\$2,000,000 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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2016

P. PURCHASED POWER

The City's electric distribution system during 2016 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 that started 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.

Q. FUND BALANCE COMPONENTS

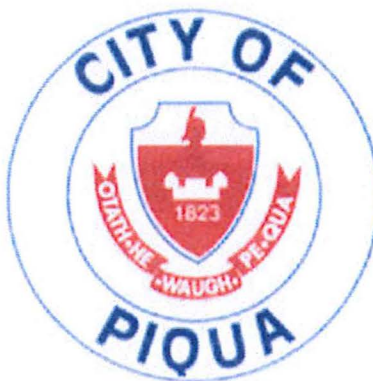
Under the guidelines of GASB statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" the City has reported non-spendable fund balance of \$17,350. This is comprised of amounts in non-spendable form for non-current loans receivable for low income mortgage assistance loans of \$7,149, and prepaid items of \$10,201. The City reported restricted fund balance of \$8,065,845, which is comprised of debt restrictions of \$426,756, donor restrictions of \$469, grant restrictions of \$206,038, and legislative restrictions of \$7,432,582. The City reported assigned fund balance of \$3,896,861, which is comprised of assigned 2017 appropriations of \$3,255,294 and \$641,567 assigned by management. The City reported unassigned fund balance of \$8,141,721.

R. TAX ABATEMENTS

In prior years, the City of Piqua has provided various tax incentives under Community Reinvestment Area (CRA) programs. The city authorized incentives through passage of public ordinance, based upon each businesses investment criteria and through a contractual application process with each entity, including proof that the improvement has been made and certification by the local housing officer. The tax abatement under this program is equal to 100% of the additional property tax resulting from the increase in the assessed value as a result of the improvements for fifteen years following the year of certification. The amount of the tax abatement is deducted from the annual tax bill of the entities. The establishment of the CRA provided the city the ability to maintain and expand business opportunities and create new, or maintaining old jobs within each designated CRA.

As of December 31, 2016, the City of Piqua had 47 individual agreements under the CRA program and all were within pre-1994 established CRA's. None of the agreements are individually significant and the total amount of taxes abated under all these agreements for calendar year 2016 was approximately \$55,000.

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 THREE YEARS (1)

	2015	2014	2013
City's Proportion of the Net Pension Liability			
Traditional Plan	0.059689%	0.059202%	0.059202%
Combined Plan	0.025696%	0.026123%	0.026123%
City's Proportionate Share of the Net Pension Liability	\$ 10,338,908	\$ 7,130,365	\$ 6,976,403
City's Covered-Employee Payroll	7,636,208	7,353,683	7,117,562
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	135.39%	96.96%	98.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			
Traditional Plan	81.08%	86.45%	86.36%
Combined Plan	116.90%	114.83%	104.56%

(1) Information prior to 2013 is not available - Will show ten years once information is 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 FOUR YEARS (1)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 947,963	\$ 916,345	\$ 882,442	\$ 925,283
Contributions in Relation to the Contractually Required Contribution	<u>(947,963)</u>	<u>(916,345)</u>	<u>(882,442)</u>	<u>(925,283)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	7,899,692	7,636,208	7,353,683	7,117,562
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available - Will show ten years once information is 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 THREE YEARS (1)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability			
Firefighters	0.1271860%	0.1283141%	0.1283141%
Police	0.1073990%	0.1024977%	0.1024977%
City's Proportionate Share of the Net Pension Liability	\$ 15,091,006	\$ 11,957,013	\$ 11,241,259
City's Covered-Employee Payroll	4,746,216	4,524,201	4,342,890
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	317.96%	264.29%	258.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	72.20%	73.00%

(1) Information prior to 2013 is not available - Will show ten years once information is 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>2016</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>
Contractually Required Contribution	\$ 960,782	\$ 1,004,709	\$ 966,087	\$ 786,837	\$ 630,686	\$ 626,176	\$ 644,298	\$ 644,774	\$ 663,145	\$ 666,592
Contributions in Relation to the Contractually Required Contribution	<u>(960,782)</u>	<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>
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	4,810,878	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
Contributions as a Percentage of Covered-Employee Payroll	19.97%	21.17%	21.35%	18.12%	14.93%	14.90%	14.85%	14.87%	14.92%	14.87%

CITY OF PIQUA, OHIO

**REQUIRED SUPPLEMENTAL INFORMATION
BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2016**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
REVENUES:				
Municipal income tax	\$ 7,129,500	\$7,579,332	\$ 8,263,578	\$ 684,246
Property taxes	1,095,474	1,073,120	1,097,822	24,702
State shared revenues	829,538	596,456	596,076	(380)
Locally levied taxes	1,179,210	1,175,333	1,205,557	30,224
Licenses and permits, fees	1,337,596	1,236,920	1,372,033	135,113
Grants-capital	72,000	-	-	-
Grants-operating	82,512	65,199	26,782	(38,417)
Interest income	3,616	13,102	14,606	1,504
Donations:				
Capital	-	-	9,400	9,400
Operating	-	-	21,632	21,632
Other fines, rents, and reimbursements	291,295	282,222	346,333	64,111
Total revenues	<u>12,020,741</u>	<u>12,021,684</u>	<u>12,953,819</u>	<u>932,135</u>
EXPENDITURES:				
GENERAL GOVERNMENT ADMINISTRATION:				
City building:				
Operating expenditures	<u>99,520</u>	<u>99,520</u>	<u>89,767</u>	<u>9,753</u>
Total city building	<u>99,520</u>	<u>99,520</u>	<u>89,767</u>	<u>9,753</u>
City commission:				
Personal services/administrative support	35,524	35,524	34,943	581
Operating expenditures	<u>49,505</u>	<u>49,505</u>	<u>37,653</u>	<u>11,852</u>
Total city commission	<u>85,029</u>	<u>85,029</u>	<u>72,596</u>	<u>12,433</u>
Office of city manager:				
Personal services/administrative support	68,457	68,457	63,775	4,682
Operating expenditures	<u>8,872</u>	<u>8,872</u>	<u>6,376</u>	<u>2,496</u>
Total office of city manager	<u>77,329</u>	<u>77,329</u>	<u>70,151</u>	<u>7,178</u>
Purchasing department:				
Personal services/administrative support	1,752	2,208	1,741	467
Operating expenditures	<u>119</u>	<u>163</u>	<u>115</u>	<u>48</u>
Total purchasing department	<u>1,871</u>	<u>2,371</u>	<u>1,856</u>	<u>515</u>
Law department:				
Personal services/administrative support	96,383	96,383	90,217	6,166
Operating expenditures	<u>8,614</u>	<u>8,614</u>	<u>5,448</u>	<u>3,166</u>
Total law department	<u>104,997</u>	<u>104,997</u>	<u>95,665</u>	<u>9,332</u>
Finance department:				
Personal services/administrative support	176,079	176,079	169,035	7,044
Operating expenditures	<u>11,451</u>	<u>11,451</u>	<u>9,256</u>	<u>2,195</u>
Total finance department	<u>187,530</u>	<u>187,530</u>	<u>178,291</u>	<u>9,239</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, 2016**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
Human resources department:				
Personal services/administrative support	24,312	25,478	23,322	2,156
Operating expenditures	2,932	3,267	2,604	663
Total human resources department	<u>27,244</u>	<u>28,745</u>	<u>25,926</u>	<u>2,819</u>
Engineering department:				
Personal services/administrative support	73,587	73,587	69,798	3,789
Operating expenditures	6,870	6,870	5,567	1,303
Total engineering department	<u>80,457</u>	<u>80,457</u>	<u>75,365</u>	<u>5,092</u>
Income tax department:				
Personal services/administrative support	178,117	192,182	188,064	4,118
Operating expenditures	202,324	256,558	209,683	46,875
Total income tax department	<u>380,441</u>	<u>448,740</u>	<u>397,747</u>	<u>50,993</u>
Planning and zoning:				
Personal services/administrative support	278,603	248,603	231,647	16,956
Operating expenditures	90,920	135,920	107,284	28,636
Capital	20,000	19,920	19,919	1
Total planning and zoning	<u>389,523</u>	<u>404,443</u>	<u>358,850</u>	<u>45,593</u>
General government:				
Operating expenditures	935,807	935,807	380,054	555,753
Capital	373,100	383,100	(2,972)	386,072
Total general government	<u>1,308,907</u>	<u>1,318,907</u>	<u>377,082</u>	<u>941,825</u>
Civil Service Commission:				
Operating expenditures	22,485	22,485	12,720	9,765
Total civil service commission	<u>22,485</u>	<u>22,485</u>	<u>12,720</u>	<u>9,765</u>
Pro Piqua:				
Operating expenditures	75,000	90,000	88,129	1,871
Total pro piqua	<u>75,000</u>	<u>90,000</u>	<u>88,129</u>	<u>1,871</u>
TOTAL GENERAL GOVERNMENT	<u><u>2,840,333</u></u>	<u><u>2,950,553</u></u>	<u><u>1,844,145</u></u>	<u><u>1,106,408</u></u>
PUBLIC SAFETY:				
Fire department:				
Personal services/administrative support	3,645,266	3,645,266	3,599,779	45,487
Operating expenditures	564,833	578,172	502,264	75,908
Capital	362,500	349,882	97,991	251,891
Total fire department	<u>4,572,599</u>	<u>4,573,320</u>	<u>4,200,034</u>	<u>373,286</u>
Police department:				
Personal services/administrative support	4,189,854	4,362,189	3,809,781	552,408
Operating expenditures	633,706	644,106	516,162	127,944
Capital	277,720	277,720	151,812	125,908
Total police department	<u>5,101,280</u>	<u>5,284,015</u>	<u>4,477,755</u>	<u>806,260</u>
TOTAL PUBLIC SAFETY	<u><u>9,673,879</u></u>	<u><u>9,857,335</u></u>	<u><u>8,677,789</u></u>	<u><u>1,179,546</u></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, 2016**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
NEIGHBORHOOD IMPROVEMENT TEAM:				
Personal services/administrative support	11,076	11,076	6,914	4,162
Operating expenditures	76,150	76,150	13,847	62,303
Total neighborhood improvement team	<u>87,226</u>	<u>87,226</u>	<u>20,761</u>	<u>66,465</u>
HEALTH:				
Personal services/administrative support	250,256	250,256	234,942	15,314
Operating expenditures	113,820	113,820	79,683	34,137
Total health department	<u>364,076</u>	<u>364,076</u>	<u>314,625</u>	<u>49,451</u>
PARKS AND RECREATION:				
Personal services/administrative support	324,055	324,055	303,005	21,050
Operating expenditures	252,760	343,841	245,055	98,786
Capital	126,000	81,000	46,828	34,172
Total parks and recreation	<u>702,815</u>	<u>748,896</u>	<u>594,888</u>	<u>154,008</u>
FORT PIQUA PLAZA:				
Operating expenditures	250,528	300,000	279,131	20,869
Capital	20,000	-	-	-
Total fort piqua plaza	<u>270,528</u>	<u>300,000</u>	<u>279,131</u>	<u>20,869</u>
Total expenditures	<u>13,938,857</u>	<u>14,308,086</u>	<u>11,731,339</u>	<u>2,576,747</u>
Excess of revenues over expenditures	<u>(1,918,116)</u>	<u>(2,286,402)</u>	<u>1,222,480</u>	<u>3,508,882</u>
OTHER FINANCING SOURCES (USES):				
Disposal of fixed assets	-	-	14,767	14,767
Transfers out	(550,963)	(558,299)	(446,619)	111,680
Total other financing sources (uses)	<u>(550,963)</u>	<u>(558,299)</u>	<u>(431,852)</u>	<u>126,447</u>
Net change in fund balance	(2,469,079)	(2,844,701)	790,628	3,635,329
Fund balance- January 1, 2016	<u>11,288,219</u>	<u>11,288,219</u>	<u>11,288,219</u>	<u>-</u>
Fund balance December 31, 2016	<u>\$ 8,819,140</u>	<u>\$ 8,443,518</u>	<u>\$ 12,078,847</u>	<u>\$ 3,635,329</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, 2016**

	Budgeted Amounts		Actual	Variance-with Final Budget
	Original	Final		
REVENUES:				
Municipal income tax	\$ 1,358,000	\$ 1,358,000	\$ 1,578,657	\$ 220,657
State shared revenues	1,102,000	1,161,490	1,208,237	46,747
Licenses and permits, fees	600	600	625	25
Interest income	4,650	4,650	10,080	5,430
Other fines, rents, and reimbursements	14,410	14,410	29,982	15,572
Total revenues	<u>2,479,660</u>	<u>2,539,150</u>	<u>2,827,581</u>	<u>288,431</u>
EXPENDITURES:				
Personal services/administrative support	999,456	1,049,456	984,141	65,315
Operating expenditures	2,817,694	2,827,188	1,447,427	1,379,761
Capital costs	370,000	370,000	250,077	119,923
Total expenditures	<u>4,187,150</u>	<u>4,246,644</u>	<u>2,681,645</u>	<u>1,564,999</u>
Excess (deficiency) of revenues over expenditures	(1,707,490)	(1,707,494)	145,936	1,853,430
OTHER FINANCING SOURCES (USES):				
Disposal of capital assets	-	-	5,781	5,781
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,781</u>	<u>5,781</u>
Net change in fund balance	(1,707,490)	(1,707,494)	151,717	1,859,211
Fund balance- January 1, 2016	<u>4,236,738</u>	<u>4,236,738</u>	<u>4,236,738</u>	<u>-</u>
Fund balance December 31, 2016	<u>\$ 2,529,248</u>	<u>\$ 2,529,244</u>	<u>\$ 4,388,455</u>	<u>\$ 1,859,211</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance-with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Municipal income tax	\$ 1,212,500	\$ 1,212,500	\$ 1,409,620	\$ 197,120
Grants-capital	700,000	700,000	-	(700,000)
Grants-operating	-	-	130,222	130,222
Interest income	500	500	5,197	4,697
Other fines, rents , and reimbursements	57,918	57,918	59,999	2,081
Total revenues	<u>1,970,918</u>	<u>1,970,918</u>	<u>1,605,038</u>	<u>(365,880)</u>
EXPENDITURES:				
Operating expenditures	545,341	675,563	504,141	171,422
Debt interest payment	-	-	-	-
Capital costs	1,196,500	1,196,500	180,138	1,016,362
Total expenditures	<u>1,741,841</u>	<u>1,872,063</u>	<u>684,279</u>	<u>1,187,784</u>
Excess of revenues over expenditures	<u>229,077</u>	<u>98,855</u>	<u>920,759</u>	<u>821,904</u>
OTHER FINANCING (USES):				
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	55,323	(74,899)	747,005	821,904
Fund balance January 1, 2016	<u>2,216,178</u>	<u>2,216,178</u>	<u>2,216,178</u>	<u>-</u>
Fund balance December 31, 2016	<u>\$ 2,271,501</u>	<u>\$ 2,141,279</u>	<u>\$ 2,963,183</u>	<u>\$ 821,904</u>

See notes to required supplemental information

CITY OF PIQUA, OHIO
Notes to the Required Supplemental Information
December 31, 2016

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

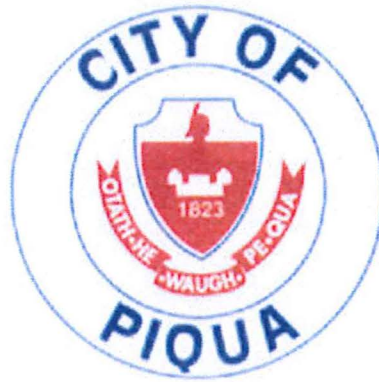
- The City must submit a budget of estimated revenues and expenditures for all governmental funds to the County Budget Commission by July 20 of each year for the following calendar year.
- The County Budget Commission certifies its actions by September 1, and issues a “Certificate of Resources” limiting 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, 2016**

ASSETS:	<u>Revolving Loan/Federal Program Income</u>	<u>Community Development</u>	<u>Trust</u>
Equity in pooled cash and cash equivalents	\$ 205,797	\$ 6,164	\$ 36,273
Accounts receivable	238	-	-
Interfund receivable	-	2,125	-
Loans receivable, net of allowance	<u>7,149</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u>\$ 213,184</u>	 <u>\$ 8,289</u>	 <u>\$ 36,273</u>
 LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	-	487	-
Interfund payable	-	-	-
Salaries and benefits	-	7,333	-
Total Current Liabilities	<u>-</u>	<u>7,820</u>	<u>-</u>
 Total Liabilities	 -	 7,820	 -
 DEFERRED INFLOWS OF RESOURCES:			
Property taxes	-	-	-
State shared taxes	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
 FUND BALANCES:			
Nonspendable fund balance	7,149	-	-
Restricted fund balance	206,035	469	36,273
Total fund balances	<u>213,184</u>	<u>469</u>	<u>36,273</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 213,184</u>	 <u>\$ 8,289</u>	 <u>\$ 36,273</u>

(Continued)

CITY OF PIQUA, OHIO

**COMBINING BALANCE SHEET- NON MAJOR FUNDS
DECEMBER 31, 2016**

ASSETS:	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
Equity in pooled cash and cash equivalents	\$ 14,607	\$ 37,722	\$ 300,563
Accounts receivable	81,300	45,113	126,651
Interfund receivable	-	-	2,125
Loans receivable, net of allowance	-	-	7,149
Total Assets	<u>95,907</u>	<u>82,835</u>	<u>436,488</u>
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	-	-	487
Interfund payable	-	82,832	82,832
Salaries and benefits	-	-	7,333
Total Current Liabilities	<u>-</u>	<u>82,832</u>	<u>90,652</u>
Total Liabilities	<u>-</u>	<u>82,832</u>	<u>90,652</u>
DEFERRED INFLOWS OF RESOURCES:			
Property taxes	77,843	-	77,843
State shared taxes	3,457	-	3,457
Total deferred inflows of resources	<u>81,300</u>	<u>-</u>	<u>81,300</u>
FUND BALANCES:			
Nonspendable fund balance	-	-	7,149
Restricted fund balance	14,607	3	257,387
Total fund balances	<u>14,607</u>	<u>3</u>	<u>264,536</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 95,907</u>	<u>\$ 82,835</u>	<u>\$ 436,488</u>

(Concluded)

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCE NON MAJOR FUNDS
FOR YEAR ENDED DECEMBER 31, 2016**

	Revolving Loan/Federal Program Income	Community Development	Trust
REVENUES:			
Property taxes	\$ -	\$ -	\$ -
State shared revenues	-	-	-
Licenses and permits, fees	1,110	-	-
Grants: operating	-	-	-
Investment income	4,177	-	-
Other fines, rents, and reimbursements	69,301	-	53
Total revenues	<u>74,588</u>	<u>-</u>	<u>53</u>
EXPENDITURES:			
Operation and maintenance	21,228	44	13,012
Total expenditures	<u>21,228</u>	<u>44</u>	<u>13,012</u>
Excess (deficiency) of revenues over expenditures	<u>53,360</u>	<u>(44)</u>	<u>(12,959)</u>
Net change in fund balance	53,360	(44)	(12,959)
Fund balance January 1, 2016	159,824	513	49,232
Fund balance December 31, 2016	<u>\$ 213,184</u>	<u>\$ 469</u>	<u>\$ 36,273</u>

(Continued)

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCE NON MAJOR FUNDS
FOR YEAR ENDED DECEMBER 31, 2016**

	<u>Conservancy</u>	<u>Federal Grants</u>	<u>Total Non major Funds</u>
REVENUES:			
Property taxes	\$ 49,921	\$ -	\$ 49,921
State shared revenues	6,952	-	6,952
Licenses and permits, fees	-	-	1,110
Grants; operating	-	505,538	505,538
Investment income	-	-	4,177
Other fines, rents, and reimbursements	-	-	69,354
Total revenues	<u>56,873</u>	<u>505,538</u>	<u>637,052</u>
EXPENDITURES:			
Operation and maintenance	<u>52,432</u>	<u>505,538</u>	<u>592,254</u>
Total expenditures	<u>52,432</u>	<u>505,538</u>	<u>592,254</u>
Excess (deficiency) of revenues over expenditures	<u>4,441</u>	<u>-</u>	<u>44,798</u>
Net change in fund balance	4,441	-	44,798
Fund balance January 1, 2016	<u>10,166</u>	<u>3</u>	<u>219,738</u>
Fund balance December 31, 2016	<u>\$ 14,607</u>	<u>\$ 3</u>	<u>\$ 264,536</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, 2016**

	Revolving Loan / Federal Program Income			Community Development		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State shared revenues	-	-	-	-	-	-
Licenses and permits, fees	1,320	1,110	(210)	-	-	-
Grants: operating	-	-	-	-	-	-
Investment Income	3,667	4,177	510	-	-	-
Other	26,245	69,301	43,056	-	-	-
Total revenues	<u>31,232</u>	<u>74,588</u>	<u>43,356</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:						
Personal services	6,240	-	6,240	-	-	-
Operation and maintenance	167,957	21,228	146,729	513	44	469
Total expenditures	<u>174,197</u>	<u>21,228</u>	<u>152,969</u>	<u>513</u>	<u>44</u>	<u>469</u>
Excess (deficiency) of revenues over expenditures	<u>(142,965)</u>	<u>53,360</u>	<u>196,325</u>	<u>(513)</u>	<u>(44)</u>	<u>469</u>
Net change in fund balance	(142,965)	53,360	196,325	(513)	(44)	469
Fund balance January 1, 2016	<u>159,824</u>	<u>159,824</u>	<u>-</u>	<u>513</u>	<u>513</u>	<u>-</u>
Fund balance December 31, 2016	<u>\$ 16,859</u>	<u>\$ 213,184</u>	<u>\$ 196,325</u>	<u>\$ -</u>	<u>\$ 469</u>	<u>\$ 469</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, 2016**

	Trust			Conservancy		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 49,912	\$ 49,921	\$ 9
State shared revenues	-	-	-	6,950	6,952	2
Licenses and permits, fees	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Other	59,396	53	(59,343)	-	-	-
Total revenues	<u>59,396</u>	<u>53</u>	<u>(59,343)</u>	<u>56,862</u>	<u>56,873</u>	<u>11</u>
EXPENDITURES:						
Personal services	-	-	-	-	-	-
Operation and maintenance	64,349	13,012	51,337	53,700	52,432	1,268
Total expenditures	<u>64,349</u>	<u>13,012</u>	<u>51,337</u>	<u>53,700</u>	<u>52,432</u>	<u>1,268</u>
Excess (deficiency) of revenues over expenditures	<u>(4,953)</u>	<u>(12,959)</u>	<u>(8,006)</u>	<u>3,162</u>	<u>4,441</u>	<u>1,279</u>
Net change in fund balance	(4,953)	(12,959)	(8,006)	3,162	4,441	1,279
Fund balance January 1, 2016	<u>49,232</u>	<u>49,232</u>	<u>-</u>	<u>10,166</u>	<u>10,166</u>	<u>-</u>
Fund balance December 31, 2016	<u>\$ 44,279</u>	<u>\$ 36,273</u>	<u>\$ (8,006)</u>	<u>\$ 13,328</u>	<u>\$ 14,607</u>	<u>\$ 1,279</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, 2016**

	Federal Grants			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 49,912	\$ 49,921	\$ 9
State shared revenues	-	-	-	6,950	6,952	2
Licenses and permits, fees	-	-	-	1,320	1,110	(210)
Grants: operating	1,171,853	505,538	(666,315)	1,171,853	505,538	(666,315)
Investment Income	-	-	-	3,667	4,177	510
Other	-	-	-	85,641	69,354	(16,287)
Total revenues	<u>1,171,853</u>	<u>505,538</u>	<u>(666,315)</u>	<u>1,319,343</u>	<u>637,052</u>	<u>(682,291)</u>
EXPENDITURES:						
Personal services	20,000	-	20,000	26,240	-	26,240
Operation and maintenance	1,151,853	505,538	646,315	1,438,372	592,254	846,118
Total expenditures	<u>1,171,853</u>	<u>505,538</u>	<u>666,315</u>	<u>1,464,612</u>	<u>592,254</u>	<u>872,358</u>
Excess (deficiency) of revenues over expenditures	-	-	-	(145,269)	44,798	190,067
Net change in fund balance	-	-	-	(145,269)	44,798	190,067
Fund balance January 1, 2016	<u>3</u>	<u>3</u>	-	<u>219,738</u>	<u>219,738</u>	-
Fund balance December 31, 2016	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 74,469</u>	<u>\$ 264,536</u>	<u>\$ 190,067</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, 2016**

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Property taxes	\$ 42,114	\$ 14,742	\$ (27,372)
Investment income	191	1,337	1,146
Total revenues	<u>42,305</u>	<u>16,079</u>	<u>(26,226)</u>
EXPENDITURES:			
Operating expenditures	3,360	881	2,479
Debt principal payment	207,499	207,499	-
Debt interest payment	17,219	17,218	1
Total expenditures	<u>228,078</u>	<u>225,598</u>	<u>2,480</u>
Excess (deficiency) of revenues over expenditures	<u>(185,773)</u>	<u>(209,519)</u>	<u>(23,746)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>224,717</u>	<u>224,717</u>	<u>-</u>
Total other financing sources	<u>224,717</u>	<u>224,717</u>	<u>-</u>
Net change in fund balance	38,944	15,198	(23,746)
Fund balance January 1, 2016	<u>411,558</u>	<u>411,558</u>	<u>-</u>
Fund balance December 31, 2016	<u>\$ 450,502</u>	<u>\$ 426,756</u>	<u>\$ (23,746)</u>

CITY OF PIQUA, OHIO

**COMBINING BALANCE SHEET- INTERNAL SERVICE FUNDS
DECEMBER 31, 2016**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Total
Current assets:					
Equity in pooled cash and cash equivalents	\$ 873,758	\$ 288,948	\$ 413,432	\$ 385,643	\$ 1,961,781
Equity in pooled investments	256,169	-	807,022	-	1,063,191
Accounts receivable	400	125,303	13,446	1,016	140,165
Prepaid items and other assets	-	-	3,710	-	3,710
Total Current Assets	1,130,327	414,251	1,237,610	386,659	3,168,847
Noncurrent assets:					
Capital assets not being depreciated	-	-	-	19,044	19,044
Capital assets being depreciated	-	-	-	254,379	254,379
Total Capital Assets	-	-	-	273,423	273,423
DEFERRED OUTFLOWS OF RESOURCES					
Deferred by pensions	-	-	-	114,659	114,659
Total Deferred outflows of resources	-	-	-	114,659	114,659
Total Assets and Deferred outflows of resources	\$ 1,130,327	\$ 414,251	\$ 1,237,610	\$ 774,741	\$ 3,556,929
LIABILITIES:					
CURRENT LIABILITIES:					
Accounts payable	\$ 13,939	\$ -	\$ -	\$ 11,505	\$ 25,444
Salaries and benefits	-	-	-	10,219	10,219
Accrued vacation, personal and sick leave	-	-	-	83,016	83,016
Total Current Liabilities	13,939	-	-	104,740	118,679
NONCURRENT LIABILITIES:					
Accrued vacation, personal and sick leave	-	-	-	35,962	35,962
Net Pension Liability	-	-	-	319,686	319,686
Total Noncurrent Liabilities	-	-	-	355,648	355,648
Total Liabilities	13,939	-	-	460,388	474,327
DEFERRED INFLOWS OF RESOURCES					
Deferred by pensions	-	-	-	5,790	5,790
Total deferred inflows of resources	-	-	-	5,790	5,790
NET POSITION:					
Net investment in capital assets	-	-	-	273,423	273,423
Unrestricted	1,116,388	414,251	1,237,610	35,140	2,803,389
Total Net Position	1,116,388	414,251	1,237,610	308,563	3,076,812
Total Liabilities, Deferred inflows of resources, and Net Position	\$ 1,130,327	\$ 414,251	\$ 1,237,610	\$ 774,741	\$ 3,556,929

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION- INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Total
OPERATING REVENUES:					
Customer services	\$ 176,691	\$ 182,292	\$ -	\$ 538,993	\$ 897,976
Total operating revenues	176,691	182,292	-	538,993	897,976
OPERATING EXPENSES:					
Salaries and Employee benefits	338,615	-	-	330,677	669,292
Depreciation	-	-	-	121,737	121,737
Materials and supplies	-	-	-	24,026	24,026
Utilities	-	-	-	34,276	34,276
Outside Services	-	-	-	137,664	137,664
Other	-	307,670	-	447	308,117
Total operating expenses	338,615	307,670	-	648,827	1,295,112
Operating income (loss)	(161,924)	(125,378)	-	(109,834)	(397,136)
NON-OPERATING REVENUES(EXPENSES):					
Interest income	3,825	3,398	5,293	843	13,359
Net non-operating revenues(expenses)	3,825	3,398	5,293	843	13,359
Change in net position	(158,099)	(121,980)	5,293	(108,991)	(383,777)
Total net position-beginning of year	1,274,487	536,231	1,232,317	417,554	3,460,589
Total net position-end of year	<u>\$ 1,116,388</u>	<u>\$ 414,251</u>	<u>\$ 1,237,610</u>	<u>\$ 308,563</u>	<u>\$ 3,076,812</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF CASH FLOWS-INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Totals
OPERATING ACTIVITIES:					
Receipts from interfund services	\$ 176,691	\$ 271,604	\$ -	\$ 537,979	\$ 986,274
Cash paid to suppliers for goods or services	-	(307,670)	(11,389)	(216,306)	(535,365)
Cash paid to employees for services	(324,676)	-	-	(321,118)	(645,794)
Net cash provided by (used in) operating activities	<u>(147,985)</u>	<u>(36,066)</u>	<u>(11,389)</u>	<u>555</u>	<u>(194,885)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital & AMP regulatory assets	-	-	-	(35,038)	(35,038)
Net cash provided by (used in) capital & related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,038)</u>	<u>(35,038)</u>
INVESTING ACTIVITIES:					
Purchases of investment securities	(256,169)	-	(707,022)	-	(963,191)
Proceeds from sale or maturity of investment securities	505,151	-	704,213	-	1,209,364
Interest received	3,822	3,398	5,059	843	13,122
Net cash provided by (used in) investing activities	<u>252,804</u>	<u>3,398</u>	<u>2,250</u>	<u>843</u>	<u>259,295</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	104,819	(32,668)	(9,139)	(33,640)	29,372
CASH AND CASH EQUIVALENTS - Beginning of year	768,939	321,616	422,571	419,283	1,932,409
CASH AND CASH EQUIVALENTS - End of year	\$ 873,758	\$ 288,948	\$ 413,432	\$ 385,643	\$ 1,961,781
OPERATING INCOME (LOSS)	\$ (161,924)	\$ (125,378)	\$ -	\$ (109,834)	\$ (397,136)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	121,737	121,737
(Increase)/Decrease in Accounts Receivable	-	89,312	(11,389)	(1,016)	76,907
(Increase)/Decrease in Deferred Outflows of Resources-Pension	-	-	-	(78,307)	(78,307)
Increase/(Decrease) in Accounts Payable	13,939	-	-	(35,730)	(21,791)
Increase/(Decrease) in Accrued Wages and Benefits	-	-	-	9,559	9,559
Increase/(Decrease) in Net Pension Liability	-	-	-	91,953	91,953
Increase/(Decrease) in Deferred Inflows of Resources-Pension	-	-	-	2,193	2,193
Net cash provided by (used in) operating activities	<u>\$ (147,985)</u>	<u>\$ (36,066)</u>	<u>\$ (11,389)</u>	<u>\$ 555</u>	<u>\$ (194,885)</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
DECEMBER 31, 2016**

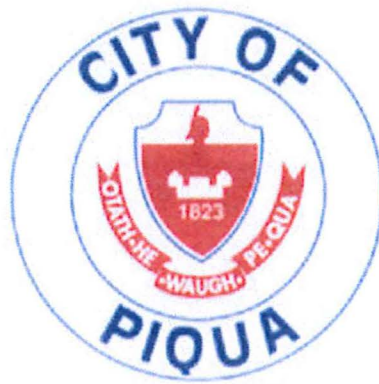
	<u>Unclaimed Funds</u>	<u>Employee Flexible Spending</u>	<u>Total</u>
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 4,882	\$ 16,960	\$ 21,842
Total Assets	<u>\$ 4,882</u>	<u>\$ 16,960</u>	<u>\$ 21,842</u>
LIABILITIES:			
Withholdings payable	\$ -	\$ 5,902	\$ 5,902
Undistributed monies	<u>4,882</u>	<u>11,058</u>	<u>15,940</u>
Total Liabilities	<u>\$ 4,882</u>	<u>\$ 16,960</u>	<u>\$ 21,842</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR YEAR ENDED DECEMBER 31, 2016**

	Balance at January 1, 2016	Additions	Deductions	Balance at December 31, 2016
<u>Unclaimed Funds</u>				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 4,784	\$ 291	\$ 193	\$ 4,882
Total Assets	<u>\$ 4,784</u>	<u>\$ 291</u>	<u>\$ 193</u>	<u>\$ 4,882</u>
LIABILITIES				
Undistributed monies	\$ 4,784	\$ 291	\$ 193	4,882
Total Liabilities	<u>\$ 4,784</u>	<u>\$ 291</u>	<u>\$ 193</u>	<u>\$ 4,882</u>
<u>Employee Flexible Spending</u>				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 16,435	\$ 185,426	\$ 184,901	\$ 16,960
Total Assets	<u>\$ 16,435</u>	<u>\$ 185,426</u>	<u>\$ 184,901</u>	<u>\$ 16,960</u>
LIABILITIES				
Withholdings payable	\$ 5,404	\$ 185,362	\$ 184,864	\$ 5,902
Undistributed monies	11,031	64	37	11,058
Total Liabilities	<u>\$ 16,435</u>	<u>\$ 185,426</u>	<u>\$ 184,901</u>	<u>\$ 16,960</u>
<u>Total- All AGENCY FUNDS</u>				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 21,219	\$ 185,717	\$ 185,094	\$ 21,842
Total Assets	<u>\$ 21,219</u>	<u>\$ 185,717</u>	<u>\$ 185,094</u>	<u>\$ 21,842</u>
LIABILITIES				
Withholdings payable	\$ 5,404	\$ 185,362	\$ 184,864	\$ 5,902
Undistributed monies	15,815	355	230	15,940
Total Liabilities	<u>\$ 21,219</u>	<u>\$ 185,717</u>	<u>\$ 185,094</u>	<u>\$ 21,842</u>

Statistical Section



Statistical Section

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	84-88
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	89-91
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax, and the municipal income tax.	
Debt Capacity	92-94
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Economic and Demographic Information	95-97
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	98-101
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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Government Activities										
Net investment in capital assets	\$ 55,161,266	\$ 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
Restricted for other purposes	7,194,708	5,771,392	6,383,282	6,065,752	5,543,543	4,521,790	3,364,818	2,605,044	3,141,455	2,418,081
Restricted for debt service	426,756	411,558	375,519	439,460	430,978	369,253	385,122	387,228	394,408	394,825
Unrestricted	1,552,082	2,766,474	1,454,046	24,031,553	23,647,113	23,342,513	22,427,688	21,995,625	20,664,343	17,872,849
Total governmental activities net position	64,334,812	65,078,499	62,753,273	75,382,093	72,497,214	69,741,380	67,920,788	66,205,576	65,491,357	61,940,344
Business-Type Activities										
Net investment in capital assets	60,204,879	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
Restricted for other purposes	-	-	-	-	-	-	-	-	-	727
Restricted for debt service	-	-	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Unrestricted	16,262,269	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
Total business-type activities net position	76,467,148	74,737,319	71,319,651	76,126,304	74,707,662	70,486,313	69,249,330	66,986,863	64,647,734	63,328,345
Primary government										
Net investment in capital assets	115,366,145	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
Restricted for other purposes	7,194,708	5,771,392	6,383,282	6,065,752	5,543,543	4,521,790	3,364,818	2,605,044	3,141,455	2,418,808
Restricted for debt service	426,756	411,558	375,519	489,460	480,978	419,253	435,122	437,228	444,408	444,825
Unrestricted	17,814,351	17,041,634	16,912,274	42,178,664	42,465,453	43,849,309	43,153,858	39,274,599	34,743,157	30,852,092
Total primary government activities net position	\$ 140,801,960	\$ 139,815,818	\$ 134,072,924	\$ 151,508,397	\$ 147,204,876	\$ 140,227,693	\$ 137,170,118	\$ 133,192,439	\$ 130,139,091	\$ 125,268,689

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Government activities										
General government	\$ 2,509,760	\$ 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
Public safety	9,983,842	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
Streets and maintenance	4,131,246	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
Fort Piqua Plaza	519,590	546,674	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks and recreation	676,708	488,175	509,403	502,923	475,706	425,013	548,724	685,518	915,284	702,284
Community development	626,789	552,143	272,904	766,933	1,944,480	393,106	628,434	242,528	618,328	343,948
Interest on long term debt	16,043	26,495	49,855	61,006	68,013	190,218	250,261	271,155	289,387	197,747
Total governmental activities expenses	18,463,978	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
Business-type Activities										
Electric	31,427,181	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
Wastewater	3,386,384	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
Refuse	1,512,589	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
Water	3,841,168	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
Stormwater	662,925	846,714	814,109	707,322	398,234	419,626	414,092	n/a	n/a	n/a
Golf	735,870	662,334	589,459	678,050	683,046	702,282	609,278	654,306	685,305	726,395
Fort Piqua Plaza	N/A	N/A	294,781	301,409	277,319	280,600	229,821	185,207	42,372	n/a
Municipal Pool	196,543	154,212	174,256	188,413	203,742	177,970	170,387	190,003	199,122	191,007
Total business-type activities expenses	41,762,660	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
Total Primary Government activities expenses	\$ 60,226,638	\$ 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
Program revenues										
Government activities										
Charges for Services:										
General government	\$ 359,571	\$ 347,523	\$ 368,510	\$ 433,122	\$ 427,061	\$ 412,803	\$ 630,460	\$ 692,334	\$ 624,510	\$ 465,664
Public safety	1,119,504	1,167,432	984,214	1,103,529	1,042,684	1,083,295	800,027	876,722	772,244	909,784
Streets and maintenance	90,606	111,846	80,021	90,011	118,891	98,951	68,198	33,705	93,392	28,295
Parks and recreation	17,939	18,350	24,057	35,797	21,190	22,258	31,297	109,577	88,900	25,355
Fort Piqua Plaza	278,601	363,758	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community development	70,411	40,711	38,434	43,089	37,036	36,826	18,152	20,681	26,146	19,974
Operating grants and contributions	684,174	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
Capital grants and contributions	9,400	1,585,172	554,878	1,732,241	1,890,719	109,763	392,849	534,122	1,822,124	3,978,896
Total governmental activities program revenues	2,630,206	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
Business-type Activities										
Charges for Services:										
Electric	30,422,385	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
Wastewater	3,464,204	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
Refuse	1,804,528	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
Water	5,428,757	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
Stormwater	1,152,575	1,075,651	989,377	887,558	819,584	819,270	651,694	n/a	n/a	n/a
Golf	511,042	495,842	466,160	515,527	563,553	470,297	533,600	594,230	605,828	625,414
Fort Piqua Plaza	N/A	N/A	159,099	147,131	109,010	106,192	129,689	63,946	18,200	n/a
Municipal Pool	68,411	43,763	51,811	61,702	74,927	80,060	74,220	79,048	92,746	89,109
Operating grants and contributions	5,509	358,200	503,454	110,719	142,603	240,032	97,588	155	-	2,548
Capital grants and contributions	191,400	990,230	49,844	89,599	540,523	112,500	-	65,000	-	726,507
Total business-type activities program revenues	43,048,811	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
Total primary government program revenues	\$ 45,679,017	\$ 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
Net revenue (expense)										
Governmental activities	\$ (15,833,772)	\$ (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)
Business-type activities	1,286,151	2,931,211	1,409,696	881,218	3,749,314	589,915	1,839,128	1,922,835	679,838	(794,269)
Total primary government net revenue(expense)	\$ (14,547,621)	\$ (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)

CITY OF PIQUA, OHIO

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 1,162,485	\$ 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
State Shared taxes	1,804,731	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
Income tax	11,264,355	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
Locally levied taxes	1,205,557	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
Investment earnings	41,225	15,342	71,303	82,596	97,667	129,378	159,445	134,406	388,469	661,171
Miscellaneous	7,388	9,451	23,812	1,937	18,808	6,500	56,482	9,515	1,852	18,468
Transfers	(395,656)	(450,524)	(505,544)	(483,403)	(393,284)	(501,861)	(309,093)	(300,798)	(193,942)	(199,931)
Total governmental activities general revenues and other changes in net position	15,090,085	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
Business-type Activities										
Investment earnings	48,022	35,933	48,158	54,021	78,751	145,207	114,246	115,496	445,609	730,055
Special item	-	-	(2,587,176)	-	-	-	-	-	-	-
Transfers	395,656	450,524	505,544	483,403	393,284	501,861	309,093	300,798	193,942	199,931
Total business-type activities general revenues and other changes in net position	443,678	486,457	(2,033,474)	537,424	472,035	647,068	423,339	416,294	639,551	929,986
Total primary government general revenues and other changes in net position	15,533,763	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
Change in net position										
Governmental activities	(743,687)	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
Business-type activities	1,729,829	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
Total primary government activities	\$ 986,142	\$ 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

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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)

	2016	2015	2014	2013	2012	2011 (1)	2010	2009	2008	2007
General Fund										
Nonspendable	\$ 10,201	\$ 7,520	\$ 5,107	\$ 9,800,116	\$ 9,800,153	\$ 9,801,232	\$ 12,515,872	\$ 12,514,073	\$ -	\$ -
Restricted	30,064	78,261	5,632	11,077	10,894	12,457	18,638	20,665	-	-
Assigned	3,896,861	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
Unassigned	8,141,721	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
Total General Fund	12,078,847	11,288,219	10,761,506	20,865,982	20,658,881	20,194,491	20,519,859	19,967,351	18,821,637	16,600,692
Street Maintenance Fund										
Restricted	4,388,455	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
Unassigned	-	-	-	-	-	-	-	-	1,374,925	1,433,773
Total Street Maintenance Fund	4,388,455	4,236,738	4,258,402	4,321,221	3,918,551	3,270,045	2,518,751	1,984,235	1,734,290	1,483,939
Street Levy Fund										
Restricted	2,963,183	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
Unassigned	-	-	-	-	-	-	-	-	1,145,679	384,273
Total Street Levy Fund	2,963,183	2,216,178	2,308,637	2,004,021	1,977,761	1,795,964	1,560,389	1,357,286	1,343,063	794,075
Other Governmental Funds										
Nonspendable	7,149	5,611	7,149	7,149	7,150	7,150	7,150	7,150	-	-
Restricted	257,387	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
Unassigned reported in:										
Revolving Loan/Program Income	-	-	-	-	-	-	-	-	33,117	72,554
Community Development	-	-	(1,448)	1,001	-	-	-	(19,999)	(130,314)	11,504
Trust	-	-	-	-	-	-	-	-	3,172	22,417
Conservancy	-	-	-	-	-	-	-	-	42,144	40,625
Safety Pension	-	-	-	-	-	-	-	-	-	72,456
Federal Grants	-	-	-	-	-	-	-	(40,320)	4,109	(103,727)
Total Other Governmental Funds	264,536	219,738	194,670	166,729	203,462	177,048	122,580	524,077	977,451	1,065,094
Governmental Funds										
Nonspendable	17,350	13,131	12,256	9,807,265	9,807,303	9,808,382	12,523,022	12,521,223	-	-
Restricted	7,639,089	6,745,304	6,758,190	6,494,898	6,099,129	5,245,325	4,213,205	3,873,910	-	-
Assigned	3,896,861	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
Unassigned	8,141,721	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
Total Governmental Funds	\$ 19,695,021	\$ 17,960,873	\$ 17,523,215	\$ 27,357,953	\$ 26,758,655	\$ 25,437,548	\$ 24,721,579	\$ 23,832,949	\$ 22,876,441	\$ 19,943,800

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)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES										
Municipal income tax	\$ 11,251,855	\$ 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
Property taxes	1,162,485	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
State shared revenues	1,811,265	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
Locally levied taxes	1,205,557	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
Licenses and permits, fees	1,373,768	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
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
Grants: operating	662,542	1,171,623	1,934,290	1,172,917	2,023,736	683,653	863,231	372,788	765,164	1,954,777
Investment income	35,397	11,256	64,231	77,179	115,681	141,194	157,392	109,066	253,369	492,617
Increase (decrease) in fair market value of investments	-	-	(828)	(4,518)	(32,643)	(34,239)	(22,878)	(11,293)	55,323	12,071
Donations: capital	9,400	3,845	48,025	14,977	408,643	-	-	21,600	55,500	3,200
Donations: operating	21,632	83,025	26,156	42,769	28,543	94,594	551,328	180,976	361,555	346,537
Other fines, rents, and reimbursements	505,668	596,378	241,036	297,672	321,165	322,528	524,995	716,342	657,330	325,783
Total revenues	18,039,569	19,725,219	16,913,225	17,576,435	18,136,214	16,088,279	16,237,327	16,179,401	21,043,931	21,732,155
EXPENDITURES										
General government administration	1,739,069	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
Public safety	8,427,986	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
Public health	348,398	456,785	416,363	492,373	312,330	329,242	360,499	435,469	496,914	521,419
Street repairs and maintenance	2,935,709	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
Parks and recreation	548,060	459,446	451,705	472,183	418,280	361,895	461,977	609,908	828,421	633,438
Fort Piqua Plaza	279,131	266,357	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community planning and development	614,939	432,922	324,512	671,117	1,973,099	378,885	610,155	321,094	942,424	544,972
Other	53,313	58,618	74,565	46,393	58,726	63,174	55,043	55,521	112,288	78,846
Capital costs	743,793	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
Debt service:										
Principal	207,499	362,731	504,209	239,313	221,476	2,010,985	871,353	802,604	737,596	683,457
Interest	17,218	27,614	51,524	61,293	69,815	201,592	248,969	273,818	293,522	192,915
Total expenditures	15,915,115	18,984,798	16,574,738	16,495,184	16,378,906	14,942,147	14,784,741	16,054,492	18,406,177	19,340,648
Excess (deficiency) of revenues over expenditures	2,124,454	740,421	338,487	1,081,251	1,757,308	1,146,132	1,452,586	124,909	2,637,754	2,391,507
OTHER FINANCING SOURCES (USES):										
Issuance of debt	-	165,000	-	-	-	49,329	73,777	1,122,882	486,977	2,421,007
Disposal of capital assets	20,548	18,800	61,575	9,932	18,808	6,500	56,482	9,515	1,852	18,468
Transfers in	224,717	221,316	458,288	279,730	277,793	2,157,880	1,057,569	1,024,720	1,051,982	689,718
Transfers out	(620,373)	(671,840)	(963,832)	(763,133)	(671,077)	(2,659,741)	(1,366,662)	(1,325,518)	(1,245,924)	(889,649)
Total other financing sources (uses)	(375,108)	(266,724)	(443,969)	(473,471)	(374,476)	(446,032)	(178,834)	831,599	294,887	2,239,544
Special Item	-	-	(9,793,197)	-	-	-	-	-	-	-
Net change in fund balances	\$ 1,749,346	\$ 473,697	\$ (9,898,679)	\$ 607,780	\$ 1,382,832	\$ 700,100	\$ 1,273,752	\$ 956,508	\$ 2,932,641	\$ 4,631,051
Debt service as a percentage of Noncapital expenditures	1.5%	2.5%	3.6%	2.3%	2.1%	16.0%	8.3%	7.7%	6.1%	6.2%

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.

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
2016	2.00%	\$ 11,369,695	\$ 8,459,869	74%	\$ 1,851,795	16%	\$ 1,058,031	9%
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%

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
2015	0-20,000	4,051	41.85%	32,710,761	7.76%
2015	20,001-40,000	2,435	25.16%	72,118,838	17.11%
2015	40,001-60,000	1,399	14.45%	68,230,854	16.19%
2015	60,001-80,000	726	7.50%	50,116,193	11.89%
2015	80,001-100,000	437	4.51%	38,819,924	9.21%
2015	over 100,000	631	6.52%	159,530,979	37.85%
	Total	<u>9,679</u>		<u>421,527,549</u>	
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	<u>8,750</u>		<u>376,433,123</u>	
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	<u>8,960</u>		<u>360,666,679</u>	
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	<u>8,925</u>		<u>359,338,685</u>	
2011	0-20,000	3,998	44.29%	32,814,422	8.91%
2011	20,001-40,000	2,275	25.20%	66,231,325	17.98%
2011	40,001-60,000	1,190	13.18%	58,199,985	15.80%
2011	60,001-80,000	691	7.65%	47,666,537	12.94%
2011	80,001-100,000	357	3.95%	31,736,996	8.62%
2011	over 100,000	516	5.72%	131,675,207	35.75%
	Total	<u>9,027</u>		<u>368,324,472</u>	
2010	0-20,000	3,686	43.45%	30,140,775	8.54%
2010	20,001-40,000	2,165	25.52%	62,966,356	17.84%
2010	40,001-60,000	1,153	13.59%	56,532,271	16.01%
2010	60,001-80,000	668	7.87%	46,150,475	13.07%
2010	80,001-100,000	354	4.17%	31,501,041	8.92%
2010	over 100,000	458	5.40%	125,718,520	35.61%
	Total	<u>8,484</u>		<u>353,009,438</u>	
2009	0-20,000	3,853	44.03%	31,893,835	9.70%
2009	20,001-40,000	2,222	25.39%	64,796,876	19.71%
2009	40,001-60,000	1,201	13.72%	58,741,763	17.87%
2009	60,001-80,000	673	7.69%	46,361,870	14.10%
2009	80,001-100,000	350	4.00%	30,959,276	9.42%
2009	over 100,000	452	5.17%	95,978,422	29.20%
	Total	<u>8,751</u>		<u>328,732,042</u>	
2008	0-20,000	3,239	40.83%	26,422,402	6.00%
2008	20,001-40,000	2,039	25.71%	59,730,456	13.57%
2008	40,001-60,000	1,154	14.55%	56,625,342	12.86%
2008	60,001-80,000	688	8.67%	47,651,794	10.82%
2008	80,001-100,000	347	4.37%	30,879,337	7.01%
2008	over 100,000	465	5.86%	218,983,220	49.74%
	Total	<u>7,932</u>		<u>440,292,551</u>	

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
2015/2016	4.56	\$ 1,317,553	\$ 1,274,395	96.72	\$ 54,421	\$ 1,328,816	100.85	\$290,202,680	\$ 829,150,514
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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
General obligation bonds	\$ 90,000	\$ 135,000	\$ 175,000	\$ 215,000	\$ 255,000	\$ 290,000	\$ 325,000	\$ 875,000	\$ 1,000,000	\$ 1,455,000
Special assessment bonds	-	-	-	86,105	111,806	129,028	95,664	62,602	91,397	124,250
Pension refunding bonds	-	-	-	225,000	250,000	275,000	295,000	315,000	335,000	355,000
Taxable revenue bonds	-	-	-	-	-	-	1,800,000	2,010,000	2,210,000	2,400,000
Promissory Notes	253,003	415,502	573,233	726,337	874,949	1,019,201	1,159,221	1,209,859	486,977	-
Capital Leases	-	-	-	-	-	-	-	-	28,809	68,551
Total gross governmental activities indebtedness	343,003	550,502	748,233	1,252,442	1,491,755	1,713,229	3,674,885	4,472,461	4,152,183	4,402,801
Business type activities										
General obligation bonds	335,000	490,000	640,000	785,000	925,000	1,022,126	1,529,281	2,021,437	2,498,590	2,960,745
Promissory Notes	48,036,282	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
Total gross business-type activities indebtedness	48,371,282	18,186,918	6,982,747	6,881,119	6,089,083	6,928,599	8,148,360	8,914,614	5,981,365	6,931,806
Total gross primary government indebtedness	48,714,285	18,737,420	7,730,980	8,133,561	7,580,838	8,641,828	11,823,245	13,387,075	10,133,548	11,334,607
Percent of personal income	12.08%	4.64%	1.94%	1.97%	1.88%	2.07%	2.80%	2.80%	2.09%	2.36%
Per capita	\$ 2,370	\$ 912	\$ 376	\$ 396	\$ 369	\$ 420	\$ 575	\$ 646	\$ 489	\$ 547
Less debt outside limitations:										
Less debt service fund balance	54,493	54,080	54,023	53,943	53,887	3,983	4,100	52,509	71,080	82,573
Exempt self-supporting obligation debt:	335,000	490,000	640,000	785,000	925,000	1,022,126	1,529,281	2,021,437	2,498,590	2,960,745
Pension refunding bonds	-	-	-	225,000	250,000	275,000	295,000	315,000	335,000	355,000
Exempt self-supporting tax revenue bonds	-	-	-	-	-	-	1,800,000	2,010,000	2,210,000	2,400,000
Special assesment bonds	-	-	-	86,105	111,806	129,028	95,664	62,602	91,397	124,250
Exempt self-supporting notes	48,289,285	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
Net debt within limitation for both										
Voted and Unvoted debt	35,507	80,920	120,977	161,057	201,113	286,017	320,900	822,491	957,729	1,440,978
Percent of estimated actual property value	0.01%	0.03%	0.04%	0.06%	0.06%	0.09%	0.10%	0.24%	0.26%	0.41%
Per capita	\$ 2	\$ 4	\$ 6	\$ 8	\$ 10	\$ 14	\$ 16	\$ 40	\$ 46	\$ 69
Debt limitation for both voted and unvoted debt										
10.5% of assessed valuaion	30,471,281	30,379,708	29,935,991	30,090,476	32,904,200	32,704,578	35,086,740	36,187,769	37,997,769	37,234,966
Legal debt margin for voted and unvoted debt	30,435,774	30,298,788	29,815,014	29,929,419	32,703,087	32,418,561	34,765,840	35,365,278	37,040,040	35,793,988
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	0.12%	0.27%	0.40%	0.54%	0.61%	0.87%	0.91%	2.27%	2.52%	3.87%
Net debt within limitation for both voted and unvoted limitation	35,507	80,920	120,977	161,057	201,113	286,017	320,900	822,491	957,729	1,440,978
Less voted debt	-	-	-	-	-	-	-	-	-	-
Net debt with limitation for unvoted debt	35,507	80,920	120,977	161,057	201,113	286,017	320,900	822,491	957,729	1,440,978
Debt limitation for Unvoted debt										
5.5% of assessed valuation	15,961,147	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
Legal debt margin for unvoted debt	15,925,640	15,832,260	15,559,780	15,600,621	17,034,420	16,844,952	18,057,869	18,133,007	18,945,864	18,063,052
Net debt within limitation for unvoted debt as a percentage of debt limit	0.22%	0.51%	0.77%	1.02%	1.17%	1.67%	1.75%	4.34%	4.81%	7.39%

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 9

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2016**

	<u>Total Debt Outstanding</u>	<u>Percent Applicable to City (1)</u>	<u>Amount Applicable To City of Piqua</u>
Direct*			
City of Piqua			
Ohio Capital Asset Series	\$ 90,000	100.00%	\$ 90,000
State Infrastructure Bank Note	253,003	100.00	253,003
Total Direct Debt	<u>343,003</u>		<u>343,003</u>
Overlapping**			
Piqua School District	34,600,000	75.45	26,105,700
Upper Valley Joint Vocational School	1,856,775	12.12	225,041
Miami County	20,574,989	12.74	2,621,254
Total Overlapping Debt	<u>57,031,764</u>		<u>28,951,995</u>
Total Direct and Overlapping Debt	<u>\$ 57,374,767</u>		<u>\$ 29,294,998</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 2016 collection year.

CITY OF PIQUA, OHIO

Table 10

DEBT COVERAGE
BUSINESS TYPE ACTIVITIES
LAST TEN YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Power										
Gross revenues	\$ 29,802,701	\$ 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
Direct operating expenses	28,770,053	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
Net revenue available for debt service	1,032,648	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
General obligation debt service requirements	-	-	-	-	-	408,430	405,590	406,690	410,259	408,495
Revenue obligation debt service requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service coverage						495	879	711	564	207
Wastewater										
Gross revenues	\$ 3,467,072	\$ 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
Direct operating expenses	2,550,375	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
Net revenue available for debt service	916,697	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
General obligation debt service requirements	-	-	-	-	-	-	-	-	-	176,963
Revenue obligation debt service requirements	\$ 277,414	\$ 303,392	\$ 816,705	\$ 809,928	\$ 809,929	\$ 809,929	\$ 781,841	\$ 506,537	\$ 506,537	\$ 506,537
Debt service coverage	330	377	141	170	163	160	211	276	265	158
Water										
Gross revenues	\$ 5,370,861	\$ 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
Direct operating expenses	3,260,811	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
Net revenue available for debt service	2,110,050	1,371,551	1,855,507	2,186,261	1,616,763	423,146	823,351	808,983	682,960	504,872
General obligation debt service requirements	-	-	55,000	-	-	-	-	-	-	50,947
Revenue obligation debt service requirements	\$ -	\$ 73,586	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 147,172	\$ 135,122
Debt service coverage		1,864	918	1,486	1,099	288	559	550	464	271
Golf										
Gross revenues	\$ 510,338	\$ 500,323	\$ 461,682	\$ 512,752	\$ 557,254	\$ 471,609	\$ 536,337	\$ 596,423	\$ 608,369	\$ 623,722
Direct operating expenses	589,105	525,745	461,547	535,208	518,896	440,196	467,903	502,379	525,446	568,058
Net revenue available for debt service	(78,767)	(25,422)	135	(22,456)	38,358	31,413	68,434	94,044	82,923	55,664
General obligation debt service requirements	\$ 165,643	\$ 167,190	\$ 179,039	\$ 179,249	\$ 167,714	\$ 167,285	\$ 171,308	\$ 170,118	\$ 168,385	\$ 180,231
Debt service coverage	(48)	(15)	-	(13)	23	19	40	55	49	31
Pool										
Gross revenues	\$ 67,441	\$ 43,144	\$ 51,661	\$ 61,565	\$ 73,874	\$ 79,027	\$ 74,967	\$ 80,052	\$ 93,172	\$ 89,708
Direct operating expenses	155,764	116,130	124,512	151,975	161,421	136,185	131,471	148,190	155,035	150,393
Net revenue available for debt service	(88,323)	(72,986)	(72,851)	(90,410)	(87,547)	(57,158)	(56,504)	(68,138)	(61,863)	(60,685)
General obligation debt service requirements	\$ 8,352	\$ 8,430	\$ 9,028	\$ 9,037	\$ 8,456	\$ 8,435	\$ 8,637	\$ 8,577	\$ 8,490	\$ 8,622
Debt service coverage	(1,058)	(866)	(807)	(1,000)	(1,035)	(678)	(654)	(794)	(729)	(704)

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, 2016**

<u>NAME OF EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL EMPLOYMENT</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	485	4.6%
Industry Products	Manufacturer of die cutting equipment	421	4.0%
Nitto Denko Automotive Ohio	Manufacturer of automotive gaskets	408	3.9%
Piqua City Schools	Public school district	356	3.4%
Hartzell Propeller	Manufacturer of aircraft propellers	314	3.0%
Crane Pumps & Systems Inc.	Manufacturer of industrial water pumps	290	2.8%
Apex Aluminum	Aluminum die casting	263	2.5%
City of Piqua	Municipal government	239	2.3%
Walmart Stores Inc.	Retail store	233	2.2%
Upper Valley Career Center	Regional joint vocational school	200	1.9%
Total available employment		10,432	

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2007**

<u>NAME OF EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL EMPLOYMENT</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Piqua City Schools	Public school district	393	3.8%
Walmart Stores Inc.	Retail store	345	3.4%
Charter Corporation	Manufacturer of aircraft propellers	339	3.3%
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, wastewater, water supply pumps and cleaning systems	300	2.9%
Industry Products	Manufacturer of die cutting equipment	283	2.8%
Upper Valley Career Center	Regional joint vocational school	245	2.4%
City of Piqua	Municipal government	209	2.0%
Piqua Technologies Inc.	Manufacturer of automotive gaskets and insulating proc	200	1.9%
Edison Community College	State community college	198	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, 2016
LAST EIGHT YEARS

Name of Taxpayer	Nature of Business	2016 Assessed Valuation	Percent of Total Assessed Valuation	2015 Assessed Valuation	2014 Assessed Valuation	2013 Assessed Valuation	2012 Assessed Valuation	2011 Assessed Valuation	2010 Assessed Valuation	2009 Assessed Valuation
Midamco	Shopping mall	\$ 3,817,260	1.32%	\$ 3,677,260	\$ 4,442,650	\$ 4,442,650	\$ 4,667,270	\$ 4,825,900	\$ 6,473,830	\$ 9,302,280
Harvey Co LLC	Shopping mall	\$ 3,516,520	1.21%	\$ 3,516,520	\$ 3,516,520	\$ 3,516,520	\$ 3,724,630	\$ 4,057,130	\$ 4,057,130	\$ 4,284,110
Spalding & Evenflo Co., Inc.	Manufacturer of juvenile furniture	\$ 3,396,650	1.17%	\$ 3,396,650	\$ 3,396,650	\$ 3,396,650	\$ 2,161,150	\$ 2,177,460	\$ 2,177,460	\$ 2,161,150
Walmart Stores Inc.	Retailer of consumer goods	\$ 3,021,200	1.04%	\$ 3,021,200	\$ 3,021,200	\$ 3,021,200	\$ 3,180,870	\$ 3,180,870	\$ 3,180,870	\$ 3,180,870
HCF Inc.	Nursing home	\$ 2,644,620	0.91%	\$ 2,662,740	\$ 2,662,740	\$ 2,662,740	\$ 2,847,210	\$ 2,822,910	\$ 2,822,910	\$ 2,822,910
Vectren Energy Delivery	Utility of natural gas	\$ 2,511,360	0.87%	\$ 2,125,150	\$ 1,819,320	n/a	n/a	n/a	n/a	n/a
Miami Valley Steel	Manufacturer of split rolled steel	\$ 2,259,160	0.78%	\$ 1,644,870	\$ 2,440,590	\$ 2,440,590	\$ 2,324,010	\$ 2,324,010	\$ 2,324,010	\$ 2,324,010
Jideli Properties LLC	Land Holding Company	\$ 1,954,510	0.67%	\$ 1,816,260	\$ 1,816,260	\$ 2,344,060	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000
Jackson Tube Service Inc.	Manufacturer of steel tubing	\$ 1,926,900	0.66%	\$ 1,800,160	\$ 1,800,160	\$ 1,800,160	\$ 1,960,010	\$ 2,087,550	\$ 2,087,550	\$ 3,045,220
Home Depot Inc.	Hardware retailer	\$ 1,794,150	0.62%	\$ 1,794,150	\$ 1,782,240	\$ 1,794,150	\$ 2,078,140	\$ 2,096,970	\$ 2,096,970	\$ 2,084,010
TOTAL		<u>\$ 26,842,330</u>	<u>9.25%</u>	<u>\$ 25,454,960</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>
TOTAL ASSESSED VALUATION		<u>\$ 290,202,680</u>		<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>

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Source: Miami County Auditor's Office

CITY OF PIQUA, OHIO

Table 13

DEMOGRAPHIC AND
ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population ¹	Estimated Total Personal Income of City ²	Per capita Personal Income ²	Miami County Unemployment rate ³	Household Median Income ²	Avg Sale Price for a Single Family Home ⁴
2016	20,552	\$ 403,415,208	\$ 19,629	5.0%	\$ 36,873	\$ 101,083
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	

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>2016</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>
GOVERNMENTAL ACTIVITIES										
General Government:										
City Building	-	-	-	-	-	-	0.50	1.00	1.00	1.00
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.25
Law Department	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
Planning and Zoning	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Prosecutor	-	-	-	-	-	-	-	-	-	-
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Finance	20.50	20.00	20.00	20.00	20.00	20.00	21.00	21.00	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	4.00	4.50	4.50	4.50	4.50	3.50	4.50
Hotel Project Manager	-	-	-	-	-	-	-	-	1.00	1.00
Health	3.50	3.50	3.50	3.60	3.50	4.00	3.50	4.50	6.00	6.00
Public Safety:										
Police	39.00	39.00	33.00	34.00	35.00	35.00	40.00	40.00	38.00	40.00
Fire	33.00	34.00	33.00	32.00	28.00	28.00	30.00	30.00	30.00	30.00
Streets:	16.00	16.00	15.00	15.00	15.00	15.00	16.00	15.00	17.00	17.00
Parks:	7.00	7.00	6.50	6.00	7.50	7.50	8.00	7.50	11.00	11.00
Community Development:	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.75
Total governmental activities	135.00	134.50	126.00	125.60	124.50	125.00	134.50	134.50	139.50	143.25
BUSINESS-TYPE ACTIVITIES										
Power:	25.00	25.00	26.50	26.50	25.50	25.50	26.50	26.50	26.50	33.50
Wastewater:	17.20	17.20	15.20	14.20	14.20	14.00	14.70	14.50	14.50	14.00
Water:	20.20	20.20	16.70	16.60	15.70	15.50	17.70	18.50	18.50	18.50
Stormwater	4.60	4.60	4.10	3.60	1.60	1.50	1.00	-	-	-
Refuse:	7.00	7.00	7.40	7.50	8.00	8.00	8.00	8.00	8.00	8.00
Golf:	9.50	9.50	10.00	10.00	10.00	10.00	9.00	8.00	7.00	13.00
Pool:	18.00	18.00	18.00	16.00	16.00	16.00	16.00	16.00	14.00	15.00
Total business-type activities	101.50	101.50	97.90	94.40	91.00	90.50	92.90	91.50	88.50	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	239.50	239.00	226.90	223.00	218.50	218.50	230.40	229.00	231.00	248.25

Source: City of Piqua 2016-2007 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.

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

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Health Department										
Restaurant inspections	432	465	439	335	357	439	750	965	536	672
Swimming pool inspections	32	38	37	44	44	42	45	64	52	70
Nuisance consultations	388	390	815	737	1,121	924	1,526	1,931	2,285	2,551
Housing/Property maintenance enforcements	439	148	203	143	119	198	618	1,888	2,016	2,910
Public Works										
Right of way opening permits	38	43	51	37	41	121	110	90	110	100
Subdivision construction plan approvals	0	0	0	0	0	0	0	0	0	2
Area of City (in square miles)	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.4	11.4
Street Maintenance										
Miles of streets	104	104	103	103	103	103	103	103	103	103
Miles of streets repaved	4.7	2.1	5.5	3.2	1.5	8.3	3.9	1.8	3.4	5.8
Cubic yards of leaves disposed of	1,042	876	822	1198	1267	2070	2057	1209	907	804
Tons of salt used	1,200	1,500	2,000	2,600	1,250	2,250	2,500	1,500	2,750	3,000
Parks District										
Number of parks	19	19	19	19	19	19	19	19	19	19
Acreage in parks	441.8	441.8	441.8	441.8	441.8	441.8	441.8	441.8	441.8	441.8
Building rentals Mote Park	178	184	149	122	98	189	196	266	252	260
Building rentals all other parks	115	142	137	149	167	157	270	228	198	189
Fort Piqua Plaza										
Large room rentals	71	72	73	72	68	78	56	42	n/a	n/a
Small room rentals	78	110	74	67	28	51	71	43	n/a	n/a
Fire Department										
Fire calls	583	569	547	449	447	482	474	439	540	514
Ems Response calls	3,883	3,945	3,775	3,595	3,515	3,536	3,176	3,153	3,230	3,083
Number of Sworn officers	32	31	32	32	26	27	28	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	16	15	13	13	13	13	13
Police Department										
Calls for service	16,334	16,386	15,210	14,858	17,029	20,628	20,628	23,053	23,195	22,618
Traffic citations	781	980	1,309	797	1,082	1,299	1,299	1,666	763	1,240
Number of sworn officers	35	35	31	28	29	31	31	33	33	34
Number of police response vehicles	33	33	31	25	25	25	25	25	26	26
Planning & Zoning Department										
Zoning Permit applications	169	142	152	159	182	179	167	99	142	152
Commercial construction permits	109	78	84	93	109	115	82	37	40	47
Commercial construction value in (,000)	\$ 8,281	\$ 6,440	\$ 37,040	\$ 37,342	\$ 9,990	\$ 2,667	\$ 4,635	\$ 2,497	\$ 3,957	\$ 12,124
Residential construction permits	60	64	68	66	73	64	85	62	98	103
Residential construction value in (,000)	\$ 6,646	\$ 3,224	\$ 3,135	\$ 1,046	\$ 1,333	\$ 1,322	\$ 1,649	\$ 1,417	\$ 2,790	\$ 2,836

CITY OF PIQUA , OHIO

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

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Power utility										
Residential KWH billed (,000)	87,345	86,239	89,289	88,325	88,836	91,442	92,475	87,344	91,290	94,310
Residential billed revenue (,000)	\$ 10,061	\$ 9,702	\$ 9,182	\$ 8,256	\$ 8,230	\$ 8,512	\$ 8,590	\$ 8,242	\$ 7,805	\$ 6,825
Commercial KWH billed (,000)	94,343	96,455	94,594	95,667	104,435	103,290	107,057	109,155	113,026	114,998
Commercial billed revenue (,000)	\$ 8,998	\$ 8,990	\$ 8,323	\$ 7,402	\$ 7,609	\$ 7,896	\$ 8,132	\$ 8,521	\$ 8,339	\$ 7,219
Industrial KWH billed (,000)	128,139	129,607	128,828	121,672	119,612	112,516	103,184	91,855	110,693	110,690
Industrial billed revenue (,000)	\$ 10,339	\$ 10,060	\$ 9,461	\$ 7,724	\$ 7,340	\$ 7,217	\$ 6,664	\$ 6,310	\$ 7,087	\$ 6,180
Customer base	10,752	10,752	10,729	10,680	10,700	10,935	10,962	10,941	11,086	11,047
Construction line vehicles	28	28	28	26	25	25	25	25	25	25
Water utility										
Residential gallons billed (,000)	348,651	344,105	357,623	369,493	383,528	378,982	393,495	409,533	417,479	441,838
Residential billed revenue (,000)	\$ 3,141	\$ 3,490	\$ 3,376	\$ 3,248	\$ 2,490	\$ 2,285	\$ 2,354	\$ 2,264	\$ 2,149	\$ 1,937
Commercial gallons billed (,000)	118,740	117,098	114,766	116,398	128,138	131,499	132,298	129,742	139,917	160,127
Commercial billed revenue (,000)	\$ 901	\$ 1,007	\$ 948	\$ 895	\$ 658	\$ 652	\$ 635	\$ 622	\$ 563	\$ 533
Industrial gallons billed (,000)	66,655	66,735	63,584	59,290	46,472	41,973	43,209	44,350	56,398	48,475
Industrial gallons revenue (,000)	\$ 329	\$ 370	\$ 336	\$ 298	\$ 186	\$ 164	\$ 169	\$ 161	\$ 179	\$ 139
Customer base	8,785	8,777	8,751	8,751	8,615	8,789	8,721	8,726	8,715	8,776
Vehicles in repair fleet	16	15	15	14	10	10	10	10	10	10
Wastewater utility										
Residential gallons billed (,000)	338,150	334,474	348,629	356,151	379,528	378,651	379,749	396,510	404,465	427,048
Residential billed revenue (,000)	\$ 2,168	\$ 2,588	\$ 2,636	\$ 2,623	\$ 2,637	\$ 2,595	\$ 2,602	\$ 2,451	\$ 2,287	\$ 2,002
Commercial gallons billed (,000)	142,197	144,337	142,512	130,161	115,047	113,783	115,551	124,461	127,089	129,902
Commercial billed revenue (,000)	\$ 468	\$ 560	\$ 567	\$ 546	\$ 540	\$ 555	\$ 554	\$ 544	\$ 500	\$ 436
Industrial gallons billed (,000)	56,570	58,723	57,344	62,841	47,297	47,955	47,559	49,626	63,343	60,383
Industrial billed revenue (,000)	\$ 225	\$ 271	\$ 267	\$ 275	\$ 233	\$ 234	\$ 235	\$ 225	\$ 247	\$ 196
Customer base	8,566	8,553	8,552	8,530	8,386	8,400	8,387	8,400	8,507	8,471
Vehicles in repair fleet	11	11	11	13	9	9	9	9	9	9
Refuse utility										
Residential customers billed	7,946	7,913	7,898	7,882	7,763	7,718	7,659	7,648	7,593	7,600
Commercial customers billed	130	120	111	110	95	98	103	99	96	97
Residential and commercial revenue billed (,000)	\$ 1,774	\$ 1,766	\$ 1,757	\$ 1,754	\$ 1,741	\$ 1,732	\$ 1,723	\$ 1,727	\$ 1,615	\$ 1,489
Tons of refuse collected	7,623	7735	7684	7576	7535	7751	7608	7782	8484	8745
Tons of recycled refuse collected	1,462	1403	1328	1342	1496	1448	1104	1189	1246	1171
Vehicles in service	8	7	7	7	7	7	7	7	7	7
Stormwater utility										
Residential ERUS billed	7,437	7,462	7,424	7,424	7,435	7,447	7,430	n/a	n/a	n/a
Commercial ERUS billed	5,477	4,599	5,528	5,537	5,654	5,696	5,699	n/a	n/a	n/a
Industrial ERUS billed	1,380	1,419	1,423	1,422	1,355	1,288	1,288	n/a	n/a	n/a
Revenue billed (,000)	\$ 1,146	\$ 1,068	\$ 983	\$ 881	\$ 814	\$ 814	\$ 647	n/a	n/a	n/a
Vehicles in service	4	4	4	4	3	n/a	n/a	n/a	n/a	n/a

CITY OF PIQUA , OHIO

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

<u>Function/Program</u>	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Golf Course</u>										
Annual memberships	236	245	242	235	237	159	161	145	162	151
Rounds of golf played	17,931	18,057	15,866	18,121	10,597	15,205	12,800	19,018	22,969	22,750
Revenue collected (,000)	\$ 511	\$ 500	\$ 461	\$ 513	\$ 557	\$ 472	\$ 534	\$ 596	\$ 605	\$ 618
<u>Municipal swimming pool</u>										
Annual memberships	285	213	406	365	269	567	408	328	316	373
Annual attendence	9,195	7,644	7,541	7,377	15,787	9,921	15,697	13,930	19,273	18,119
Revenue collected (,000)	\$ 67	\$ 43	\$ 52	\$ 62	\$ 74	\$ 79	\$ 75	\$ 80	\$ 93	\$ 89
<u>General government information</u>										
Number of street lights	2,993	2,947	2,926	2,911	2,902	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	156,679	132,787	151,457	151,986	146,478	139,927	134,615	132,048	123,333	140,181
High school enrollment	3,507	3,526	3,572	3,705	3,708	3,638	3,692	3,737	3,737	3,766

Source: City of Piqua