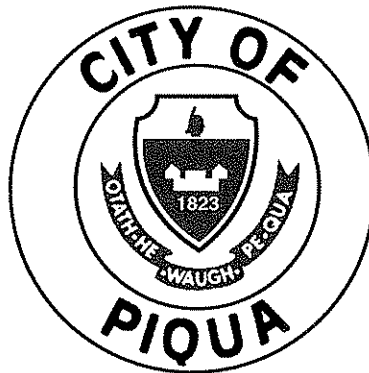


City of Piqua, Ohio

Comprehensive Annual Financial Report
for the year ended December 31, 2006



CITY OF PIQUA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2006

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

Introductory Section



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CITY OF PIQUA, OHIO

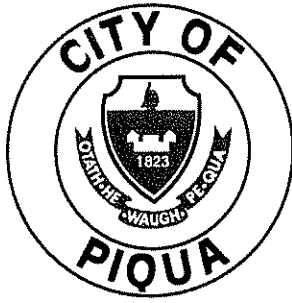
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FINANCE DEPARTMENT

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June 18, 2007

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

This Comprehensive Annual Financial Report is for the year ended December 31, 2006. 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.

This Comprehensive Annual Financial Report continues to address and incorporate Government Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Statement No. 34 was designed to make annual financial reports of state and local governments easier to understand and more useful to those who make decisions using governmental financial information. This year's report is a reflection of our continuing efforts to disseminate clear and useful financial information to our users.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section, which contains the table of contents, this transmittal letter, Certificate of Achievement, a listing of City officials and the City's organizational structure.
2. The Financial Section, which consists of the Independent Auditors' Report, Management's Discussion and Analysis, Basic Financial Statements, Notes to the Combined Financial Statements and more detailed combining and individual fund and account groups financial statements and schedules.
3. The Statistical Section, which contains pertinent financial and general information indicating trends for comparative fiscal periods.

Reporting Entity

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



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

Local Economic Conditions and Outlook

The City of Piqua is a community (2000 Census 20,738) in Miami County, located on Interstate 75, twenty-five miles north of Dayton.

The City does not depend on one firm for local employment; as many as six corporations 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.

Major Initiatives

Current Year Projects: During 2006 the City continued efforts to enhance and expand services provided to local residents.

The City continued supporting the Future Piqua Strategic Plan recommendations, including public access television and a quarterly community newsletter (financial support is shared between the City and the Chamber of Commerce).

The City is continuing its commitment to provide assistance to low and moderate income property owners by continuing its eighth round of a Federal Comprehensive Housing Improvement Program in which local housing rehabilitation loans totaling \$4,010,732 were given to some 313 qualified low and moderate income property owners. During 2007, the City will complete the seventh round and start the eighth round of CHIP grants by awarding an additional twenty-four families \$418,000 in housing and mortgage assistance. The current CHIP grant will also provide Habitat for Humanity with \$40,000 for new construction and an additional \$96,700 for rehabilitation of rental properties.

The following significant events took place in 2006:

- During 2006, the City completed and placed in service a replacement water system on R.M. Davis Parkway which was financed by OWDA and the City of Piqua.
- Completion of the Shawnee Bridge over the Miami River financed by Miami County and the City of Piqua.
- Invested in the long-term historic Piqua Hotel restoration and development.
- Continued redevelopment of the City's downtown and surrounding areas including establishment of a Neighborhood Improvement Team. This redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights.
- Continuation of the Storm Water Infiltration Study.

- Completion of the Fountain Park playground equipment and repaving of community tennis courts.
- Planning, development, and commencement of a city-wide comprehensive plan for the future of the City of Piqua.

Future Projects: The city anticipates the following significant events to take place in 2007:

- Completion and update of a city-wide comprehensive plan for future development of the City of Piqua.
- Commencement of the County Road 25-A reconstruction project.
- Additional funding of the historic Piqua Hotel restoration and development.
- Continued redevelopment of the City's downtown and surrounding areas. This redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights.
- Continued neighborhood improvements through the Neighborhood Associations and the City's Neighborhood Improvement Team.
- Continuation of the Storm Water Infiltration Study.
- Complete study of the Water Plant.
- Sanitary sewer overflow (SSO) study of the Wastewater Plant.

Financial Information

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

Single Audit: The City receives enough federal funds to require an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations." City management is responsible for ensuring that an internal control structure is in place to reasonably assure compliance with applicable federal program laws and regulations. The City's single audit includes tests to determine the adequacy of accounting and administrative controls related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. Results of the City's single audit for the fiscal year ended December 31, 2006, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

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

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

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

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

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

General Government

General Fund Revenues: The 2006 municipal income tax revenue of \$8,611,614 increased slightly, while the Kwh tax revenues remained relatively the same. Interest revenue is up due to higher interest rates. Municipal income tax revenue has stabilized through May 2007 and is expected to be comparable to 2006. In 2006, the City received an operating donation of \$2.5 million to be used on the Hotel project.

General Fund Expenditures: The 2006 General Fund expenditures and other financing uses decreased 7.2% compared with 2005 as there were less community development projects completed and fewer capital assets purchased.

General Fund Balances: Current year activity contributed to a more than \$900,000 increase in the undesignated fund balance from 2005.

Business-Type Funds

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

During 2006 and 2005 the area experienced seasonal temperatures and increased moisture, returning usage and revenue to more historical levels. Utility usage and revenue in 2006 was stable and comparable to 2005 levels.

Power System: Kilowatt hours of sales increased 1.5% and total customer revenues were \$18.2 million similar to 2005 levels. With operating costs decreasing 1%, revenues exceeded expenditures in 2005 by \$1,469,301.

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

A long-term contract with Cinergy Corporation ensured an economical and reliable supply source for 2006. An additional 2 megawatts of Power is available from the New York Power Authority (NYPA). A twenty-year transmission agreement with the Dayton Power & Light Company guarantees supply access. Alternative contracts and projects are being considered by the Power system. During 2006, the City entered into a contract with Dayton Power & Light and AMP Ohio to provide power at an economic price through 2007.

In 2006, the City abandoned the assets of the steam distribution center and ceased operations. This resulted in special item expenses of \$432,106 at December 31, 2006.

Water System: Customer revenues of \$2.6 million were slightly higher than 2005 levels. Operating expenses also remained at 2005 levels. Net income was \$524,269 due to a large capital contribution received in 2006. More than 8,800 accounts are serviced by Piqua's municipal water system.

Wastewater System: System revenues remained at levels of the previous year and expenses were up \$156,476 generating a net profit of \$6,624 in 2006.

Cash Management

Currently, the City's policy is to minimize market and credit risks while maintaining a competitive yield on its portfolio. The market risk is minimized by utilizing a computerized cash projection system that assists the planning for future cash needs. The credit risk is minimized by investments with large and liquid financial institutions or in guaranteed U.S. Treasury obligations. Accordingly, deposits are insured by federal depository insurance or collateralized with U.S. Treasury obligations at 110% and held by City agents.

During 2006, the City's return on average investment balances equaled 3.9%, an increase from the 2005 level of 3.1%.

Risk Management

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

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

Employee life insurance and numerous small specialty policies are insured through commercial carriers.

The City health care program is self-funded, subject to certain limits which are provided through commercial stop-loss insurance. A professional third-party administrator is responsible for the program's operation. Oversight responsibilities belong to the City's Human Resources Director.

The Independent Audit

Piqua's City Charter requires an annual audit of the financial statements of the City by an independent auditor. The 2006 audit was completed by Kennedy, Cottrell, Richards and represents the twenty-seventh consecutive year that an independent firm has performed the City's financial audit. Their report is included in the financial section of this report. All State of Ohio compliance and federal grant audit requirements are included as part of the independent annual engagement.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded for the sixteenth 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, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

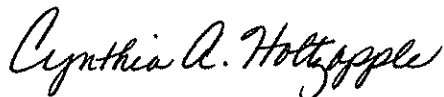
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable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

Acknowledgments

To the many conscientious people who have contributed so much of their time and effort to the preparation of this report our sincere appreciation is extended. The Finance Department staff is commended for their commitment to professional excellence once again exemplified by the contents of this report. Timely preparation of this report was accomplished by the diligent efforts and contributions of the entire Finance Department working jointly with the engagement team representing the independent public accounting firm of Kennedy, Cottrell, Richards. Finally, contributions to the financial condition of the City of Piqua by the Mayor, members of City Commission, the City Manager, 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,



Cynthia A. Holtzapple,
Director of Finance

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

CITY OF PIQUA, OHIO

CITY OFFICIALS

Thomas D. Hudson, Mayor
Julia A. Terry, Commissioner
Frank H. Barhorst, Commissioner
Frank J. Patrizio, Commissioner
William D. Vogt, Commissioner

CITY MANAGER

Frederick E. Enderle

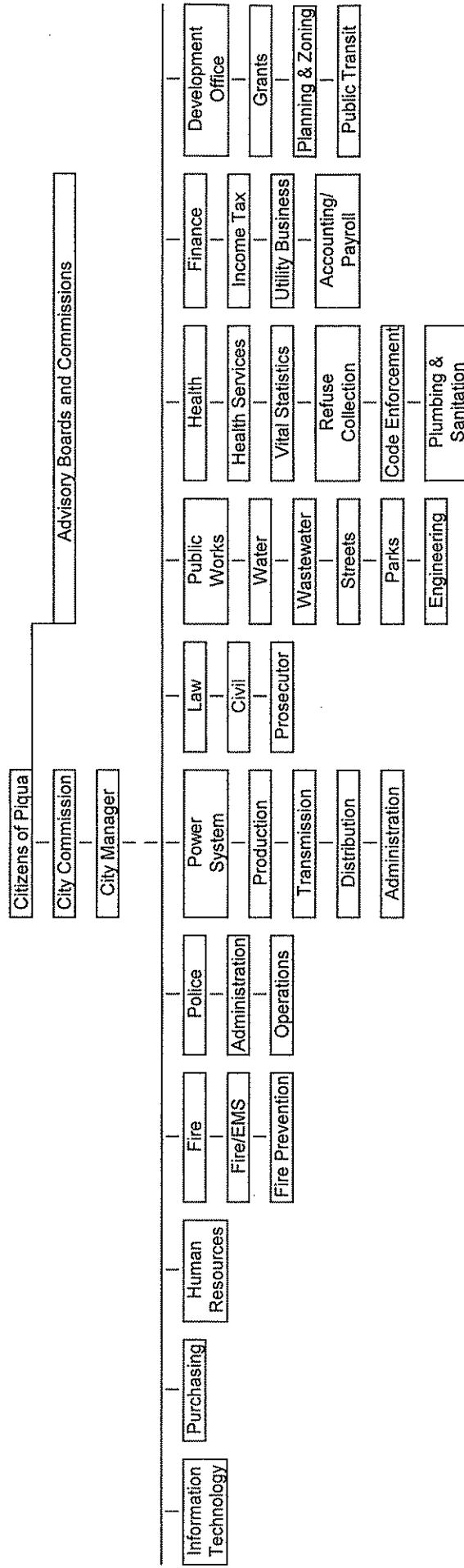
INDEPENDENT AUDITORS

Kennedy Cottrell Richards

CITY OF PIQUA, OHIO

City Organization Chart

2006



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, 2005

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



President

Executive Director

Financial Section



INDEPENDENT AUDITOR'S REPORT

To the City Commission
City of Piqua, Ohio

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, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2007 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards LLC
June 5, 2007

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2006
(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, 2006. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City exceeded its liabilities at December 31, 2006 by \$118.5 million (net assets). Of this amount, \$31.8 million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$18.3 million and may be used to meet the government's on-going obligations. The unrestricted net assets of the City's business-type activities are \$13.5 million and may be used to meet the on-going obligations of the City's business-type activities, including the water, wastewater, refuse, and electricity enterprises.
- The City's total net assets increased by over \$9.5 million in 2006. Net assets of the governmental activities increased \$6.5 million, which represents a 13.3 percent increase from 2005. The increase was due to an increase of \$1.4 million in investment for capital assets and the long-term loan to the Hotel project of \$4.2 million. Assets restricted by legislation or covenants decreased by \$300,000. Unrestricted net assets increased by \$5.7 million. Net assets of the business-type activities increased \$3.0 million, which represents a 5.0 percent increase from 2005. Investment in capital assets increased \$400,000 and unrestricted net assets by \$2.6 million.
- The total cost of the City's programs decreased \$1.8 million or 4.5 percent. The cost of governmental activities decreased \$900,000 or 5.8 percent, while the cost of business-type activities decreased \$900,000 or 3.6 percent.
- At the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$15.3 million. The combined governmental funds fund balance increased \$5.2 million from the prior year's ending fund balance. Approximately \$10.2 million of the \$15.3 million fund balance is considered unreserved at December 31, 2006.
- The general fund reported a fund balance of \$12.6 million at the end of the current fiscal year. The unreserved fund balance for the general fund was \$8.6 million or 68.3 percent of total general fund expenditures (including transfers out). There was a \$4.5 million increase in the total general fund balance for the year ended December 31, 2006.
- The City had \$1.4 million less in debt at December 31, 2006 than at December 31, 2005.
- Total costs of services decreased by almost \$900,000, while net costs of services decreased by over \$5.5 million.

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2006
(Unaudited)

Using This Annual Financial Report

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

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

Reporting the City of Piqua as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole considers all financial transactions and asks the question, "How did we do financially during 2006?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2006
(Unaudited)

Reporting the City of Piqua's Most Significant Funds

Fund Financial Statements

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

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. On the government-wide statements, these funds are reported using the accrual method of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements, using a modified accrual system of accounting, provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements or on an accompanying schedule.
- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Piqua uses enterprise funds to account for its electric, water, refuse, wastewater services, golf and municipal pool. Internal service funds are an accounting method used to accumulate and allocate costs internally among the City's various functions. The City of Piqua uses an internal service fund to account for its information technology and self-insurance activities. As these activities predominantly benefit governmental rather than business-type functions, they are shown within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, wastewater, and refuse systems as well as golf and municipal pool, which are considered to be major funds of the City. Proprietary funds are reported in the Statement of Net Assets and the Statement of Activities.
- *Fiduciary funds* -- Funds used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the City's own programs.

Notes to the basic financial statements

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

CITY OF PIQUA, OHIO
Management's Discussion and Analysis
For The Year Ended December 31, 2006
(Unaudited)

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget. The City adopts an annual appropriation budget for its general fund and other major funds. A budgetary comparison statement has been provided for the general fund and other major funds to demonstrate compliance with this budget. Required supplementary information can be found on pages 52 through 58 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 59 through 74 of this report.

The City of Piqua as a Whole

Recall that the analysis of the Statement of Net Assets looks at the City as a whole. One of the most important questions to consider is, "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information to help answer this question. The Net Asset statement shows the difference between assets and liabilities, which is one way to measure the City's financial position. As reviewed over time, increases or decreases in the City's net assets are an indicator of whether the City's financial health is improving or deteriorating. However, other non-financial factors must also be considered such as changes in the property tax base of the city, the condition of the City's roads and neighborhoods, and the reputation of the public schools in order to assess the overall health of the City. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities for both 2006 and 2005.

Table 1
Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 23,191,282	\$ 18,215,957	\$ 16,569,469	\$ 13,861,773	\$ 39,760,751	\$ 32,077,730
Capital assets	39,213,085	38,705,080	57,639,045	58,233,077	96,852,130	96,938,157
<i>Total assets</i>	<i>62,404,367</i>	<i>56,921,037</i>	<i>74,208,514</i>	<i>72,094,850</i>	<i>136,612,881</i>	<i>129,015,887</i>
Long-term debt	4,711,559	5,250,463	9,309,375	10,096,122	14,020,934	15,346,585
Other liabilities	2,410,693	2,890,939	1,608,905	1,746,733	4,019,598	4,637,672
<i>Total liabilities</i>	<i>7,122,252</i>	<i>8,141,402</i>	<i>10,918,280</i>	<i>11,842,855</i>	<i>18,040,532</i>	<i>19,984,257</i>
Net assets:						
Invested in capital assets, net of debt	36,547,835	35,515,425	49,706,237	49,323,165	86,254,072	84,838,590
Restricted	418,841	740,702	58,910	66,588	477,751	807,290
Unrestricted	18,315,439	12,523,508	13,525,087	10,862,242	31,840,526	23,385,750
<i>Total net assets</i>	<i>\$ 55,282,115</i>	<i>\$ 48,779,635</i>	<i>\$ 63,290,234</i>	<i>\$ 60,251,995</i>	<i>\$ 118,572,349</i>	<i>\$ 109,031,630</i>

The amount by which the City's assets exceed its liabilities is called net assets. At year-end, the City's net assets were \$118.5 million compared to \$109 million in 2005, an increase of \$9.5 million.

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Of that amount, in 2006 approximately \$86.2 million (72.7%) was invested in capital assets, net of debt related to those assets. At year-end 2005 that amount was approximately \$84.8 million (77.8%). The largest portion of the City's net assets (72.7%) reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, vehicles, and infrastructure), less any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

During 2006, the City loaned \$4.2 million to the Piqua Investment Fund, LLC for the Fort Piqua Hotel restoration project. The loan is for a period of thirty years making these funds unavailable for use in the near future.

For 2006 another \$.5 million (.04%) was subject to external restrictions upon its use. The remaining \$31.8 million (26.8%) in 2006 was unrestricted and available for future use. For 2005 \$.8 million (.7%) was subject to external restrictions and \$23.4 million (21.5%) was unrestricted.

Total assets increased by more than \$7.5 million from 2005 to 2006, while the City's total liabilities decreased by \$1.9 million. The most significant changes in net assets were increases in Equity in pooled cash and cash equivalents and Equity in pooled investments of \$4 million, and the City's \$4.2 million loan investment to the Hotel redevelopment project.

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

Our total net assets of the City's governmental activities increased \$6.5 million during the current year, primarily due to the increase in assets mentioned above. Unrestricted net assets increased by \$1.5 million, while restricted net assets decreased slightly by \$300,000, reflecting their use in designated ways.

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

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Table 2
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for Services	\$ 2,104,506	\$ 758,868	\$ 25,700,610	\$ 25,732,918	\$ 27,805,116	\$ 26,491,786
Operating Grants/Contributions	3,208,242	739,860	261	271	3,208,503	740,131
Capital Grants/Contributions	859,305	60,487	688,466	13,073	1,547,771	73,560
General revenues:						
Property Taxes	1,505,317	1,525,944			1,505,317	1,525,944
Income Taxes	8,611,614	8,378,103			8,611,614	8,378,103
Other Taxes	4,262,639	4,530,291			4,262,639	4,530,291
Investment Earnings & Misc.	584,639	674,638	603,404	287,164	1,188,043	961,802
Total Revenues	21,136,262	16,668,191	26,992,741	26,033,426	48,129,003	42,701,617
Program Expenses						
General Government	2,252,448	1,985,407			2,252,448	1,985,407
Public Safety	7,784,475	7,667,665			7,784,475	7,667,665
Street and Maintenance	2,855,826	3,456,870			2,855,826	3,456,870
Parks and Recreation	741,577	716,795			741,577	716,795
Community Development	617,750	1,287,935			617,750	1,287,935
Interest on long-term debt	184,603	216,710			184,603	216,710
Electric			15,844,446	16,945,700	15,844,446	16,945,700
Wastewater			2,998,639	2,842,163	2,998,639	2,842,163
Water			2,564,675	2,589,854	2,564,675	2,589,854
Refuse			1,429,689	1,363,145	1,429,689	1,363,145
Golf			710,890	699,461	710,890	699,461
Pool			171,160	175,944	171,160	175,944
Total Expenses	14,436,679	15,331,382	23,719,499	24,616,267	38,156,178	39,947,649
Increase in Net Assets						
before Transfers & Proceeds	6,699,583	1,336,809	3,273,242	1,417,159	9,972,825	2,753,968
Specialty Item	-	-	(432,106)	(604,824)	(432,106)	(604,824)
Transfers	(197,103)	(136,609)	197,103	136,609	-	-
Increase(Decrease) in Net Assets	\$ 6,502,480	\$ 1,200,200	\$ 3,038,239	\$ 948,944	\$ 9,540,719	\$ 2,149,144

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Governmental Activities

Governmental activities increased the City's net assets by \$6,502,480, in 2006 as compared to an increase of \$1,200,200 during 2005, thereby accounting for 13.3 percent of growth in total net assets. Total revenues increased by \$4,468,072 due to implementing billing for EMS services and receiving a \$2.5 million contribution toward the Hotel project. Our program expenses decreased by \$894,703 due to less street maintenance and infrastructure projects and fewer community development projects.

Several types of revenues fund our governmental activities with city income tax being the largest contributor. The income tax revenue for 2006 was \$8,611,614 compared to \$8,378,103 in 2005 an increase of 2.8 percent. In 2006 this accounts for 40.7 percent of total revenues. The City's income tax rate was 1.75 percent for 2006, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City provides 100 percent credit up to 1.75 percent for those who pay income tax to another city.

General revenues from other taxes, such as Kilowatt-hour tax, Hotel/Motel tax and Local Government Funds, are also revenue generators and in 2006, we received amounts similar to 2005. With the combination of property tax, income tax, intergovernmental funding and investment earnings, all expenses in the governmental activities are funded. The City monitors its source of revenues very closely for fluctuations.

For the most part, increases in expenses closely parallel inflation and growth in the demand for services. The largest program function for the City relates to Public Safety, which accounts for 53.9 percent of total program expenses. Street and Maintenance accounts for 19.8 percent of total program expenses, while General Government accounts for 15.6 percent. Cost of services decreased in the areas of street and maintenance and community development due to fewer projects completed as less grants were available.

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	
	2006	2005	2006	2005	2006	2005
General Government	\$ 2,252,448	\$ 1,985,407	\$ 4,002,531	\$ 307,973	\$ (1,750,083)	\$1,677,434
Public Safety	7,784,475	7,667,665	647,124	497,489	7,137,351	7,170,176
Street and Maintenance	2,855,826	3,456,870	905,032	101,588	1,950,794	3,355,282
Parks and Recreation	741,577	716,795	32,716	43,788	708,861	673,007
Community Development	617,750	1,287,935	584,650	608,377	33,100	679,558
Interest on long-term debt	184,603	216,710	-	-	184,603	216,710
Total	\$ 14,436,679	\$ 15,331,382	\$ 6,172,053	\$ 1,559,215	\$ 8,264,626	\$13,772,167

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Business-Type Activities

The Business-Type activities of the City, which include the City's Electric, Wastewater, Water and Refuse operations as well as Golf and Pool activities, increased the City's net assets by \$3,038,239 in 2006.

Table 4
Business-type Activities

	Total Cost of Services		Program Revenues		Net Revenue from Operations	
	2006	2005	2006	2005	2006	2005
Electric	\$ 15,844,446	\$ 16,945,700	\$ 18,197,298	\$ 18,415,430	\$ 2,352,852	\$ 1,469,730
Wastewater	2,998,639	2,842,163	3,005,263	2,671,979	6,624	\$ (170,184)
Water	2,564,675	2,589,854	3,088,945	2,599,193	524,270	9,339
Refuse	1,429,689	1,363,145	1,408,455	1,340,537	(21,234)	(22,608)
Golf	710,890	699,461	600,003	623,985	(110,887)	(75,476)
Pool	171,160	175,944	89,373	95,138	(81,787)	(80,806)
Total	\$ 23,719,499	\$ 24,616,267	\$ 26,389,337	\$ 25,746,262	\$ 2,669,838	\$ 1,129,995

For 2006 the Electric, Wastewater and Water utilities had operating revenues in excess of expenditures, while the Refuse utility had operating expenditures in excess of generated revenues. Golf and Pool activity funds had expenditures in excess of revenues of \$192,674 in 2006 as compared to \$156,282 in 2005.

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 2006 of \$20.9 million compared to \$16 million in 2005. All governmental funds had expenditures in 2006 of \$15.5 million compared to \$15.6 million in 2005. The most significant fund is our general fund, which had an unreserved fund balance at year-end of \$8.5 million in 2006 compared to \$8 million in 2005. 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 \$5,302,463 in 2006 as compared to \$1,115,194 in 2005. The funds are monitored consistently with adjustments made to the budgets to accommodate yearly revenues.

Within the Street Maintenance Fund, revenues exceeded expenditures by \$604,373 in 2006 as compared to expenditures exceeding revenues by \$118,215 in 2005. Unreserved fund balance at year-end was \$1.0 million in 2006 as compared to \$610,379 in 2005. Fund balance increases were planned in anticipation of street maintenance needs in 2007.

Within the Street Levy Construction Fund, revenues exceeded expenditures by \$142,943 in 2006 compared to expenditures exceeding revenues by \$73,620 in 2005. Unreserved fund balance at year-end was \$410,922 in 2006 as compared to \$227,390 in 2005. The City was able to build the fund balances for use on planned construction projects in 2007.

Information about the Business-Type Funds starts on the Statement of Activities on page 24. These funds are accounted for on an accrual basis. All business type funds had operating revenues of \$25.7 million in 2006 and \$25.4 million in 2005. Operating expenses were \$23.8 million in 2006 and \$24.2 million in 2005.

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The enterprise fund balances increased \$2.9 million with the Electric fund increasing \$2.4 million based on rate increases and a rate stabilization program and Water \$.5 million based on increased rates. The other fund balances were relatively consistent with 2005. The City is consistent with reviews of these funds, and the necessary adjustments are made to ensure strength in our enterprise funds.

General Fund Budgetary Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. 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 2006, the City amended its general fund budget at the middle and end of the fiscal year. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the 2006 general fund, original budgeted revenues were \$11.0 million. The final budgeted revenue amount was \$15.3 million. Actual revenues were \$15.4 million. For the 2005 general fund, original budgeted revenues were \$9.4 million. The final budgeted revenue amount was \$10.4 million. Actual revenues collected were \$11.4 million. The increase in actual revenues over budget was due to a higher municipal income tax, an unanticipated year end reimbursement and larger operating contributions.

For 2006, original general fund appropriations were budgeted at \$11 million. Final budgeted appropriations were \$14.7 million. Actual expenditures were \$10.1 million. This decrease was due to lower than expected personnel costs, general government operating expenditures and hotel investment costs. For 2005, original general fund appropriations were budgeted at \$11.7 million. Final budgeted appropriations were \$10.9 million. Actual expenditures were \$10.3 million. This decrease was due to lower than expected personnel and general government operating expenditures.

Capital Asset and Debt Administration

Table 5
Capital Assets at December 31
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities	
	2006	2005	2006	2005
Land and Land Improvements	\$ 4,124,548	\$ 4,124,548	\$ 1,436,170	\$ 1,418,637
Infrastructure Land	888,581	849,892		
Construction in Progress	1,658,238	834,271	829,705	2,278,052
Buildings and Improvements	9,511,310	9,738,950	21,049,796	19,873,608
Furniture, Fixtures and Equipment	2,950,427	3,367,315	32,367,506	32,588,754
Infrastructure	20,079,981	19,790,467		
Intangible Assets			1,955,868	2,074,026
Total Capital Assets	\$ 39,213,085	\$ 38,705,443	\$ 57,639,045	\$ 58,233,077

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Total Capital Assets for the City of Piqua for the year ended December 31, 2006 were \$96,852,130, a minimal decrease of \$86,390 less than in 2005. Additions in 2006 were \$340,510 more than in 2005. The City is committed to a long-term goal of meeting the needs of its infrastructure and facilities. Additional information concerning the City's capital assets can be found in Note G of the financial statements.

Debt

At December 31, 2006, the City of Piqua had \$1.4 million less in debt at \$10.7 million compared to \$12.1 million in debt outstanding at December 31, 2005.

Table 6
Outstanding Debt at December 31

	Governmental Activities		Business-type Activities	
	2006	2005	2006	2005
General Obligation Bonds	\$ 1,898,347	\$ 2,315,740	\$ 3,634,555	\$ 4,294,317
Pension Bonds	375,000	390,000		
Special Assessment Bonds	136,089	175,960		
Shawnee Bridge Improvement Notes	149,000	149,000		
OWDA Loans			4,401,095	4,615,597
Capital Lease	106,815	158,955	-	-
Total	<u>\$ 2,665,251</u>	<u>\$ 3,189,655</u>	<u>\$ 8,035,650</u>	<u>\$ 8,909,914</u>

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

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

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

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

During 2005 the Street Funds borrowed internally from the Electric Fund for the Shawnee Bridge reconstruction. A portion of the loan was repaid during 2005 with the remaining balance of \$149,000 due in 2007.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10.5 percent of total assessed valuation. The City's overall legal debt margin was \$37,775,909 on December 31, 2006.

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

Current Financial Related Activities

The City of Piqua is financially strong. In addition, the City of Piqua's systems of budgeting and internal controls are well regarded and the City is well prepared to meet the challenges of the future.

The City anticipates the following significant events to take place in 2007:

- Completion and update of a city-wide comprehensive plan for future development of the City of Piqua.
- Commencement of the County Road 25-A reconstruction project.
- Additional funding of the historic Piqua Hotel restoration and development.
- Continued redevelopment of the City's downtown and surrounding areas. This redevelopment includes improved signage, sidewalks, brick pavers, traffic signals, and streetlights.
- Continued neighborhood improvements through the Neighborhood Associations and City's Neighborhood Improvement Team.
- Continuation of the Storm Water Infiltration Study.
- Complete study of the Water Plant.
- Sanitary sewer overflow (SSO) study of the Wastewater Plant.

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

Contacting the City's Finance Department

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

CITY OF PIQUA, OHIO

STATEMENT OF NET ASSETS DECEMBER 31, 2006

	Government Activities	Business Type Activities	Total Activities
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 8,770,502	\$ 7,592,754	\$ 16,363,256
Equity in pooled investments	4,715,440	5,037,593	9,753,033
Accounts receivable	5,495,993	3,270,868	8,766,861
Allowance for Bad Debts		(348,914)	(348,914)
Interfund balances	(77,802)	77,802	-
Inventories	-	800,734	800,734
Prepaid items and other assets	63,560	138,632	202,192
Loans receivable, net of allowance	4,223,589		4,223,589
Capital assets not being depreciated	6,671,367	1,482,727	8,154,094
Capital assets being depreciated, net	32,541,718	56,156,318	88,698,036
Total assets	<u>62,404,367</u>	<u>74,208,514</u>	<u>136,612,881</u>
LIABILITIES:			
Accounts payable	136,569	1,408,186	1,544,755
Salary and benefits payable	464,961	137,782	602,743
Other accruals	401,895	60,307	462,202
Unearned revenue	1,407,268	2,630	1,409,898
Long-term debt:			
Due within one year	1,235,962	1,625,252	2,861,214
Due in more than one year	3,475,597	7,684,123	11,159,720
Total liabilities	<u>7,122,252</u>	<u>10,918,280</u>	<u>18,040,532</u>
NET ASSETS:			
Invested in capital assets, net of related debt	36,547,835	49,706,237	86,254,072
Restricted by:			
Legislation or Covenants	418,841	58,910	477,751
Unrestricted	18,315,439	13,525,087	31,840,526
Total net assets	<u>55,282,115</u>	<u>63,290,234</u>	<u>118,572,349</u>
Total liabilities and net assets	<u>\$ 62,404,367</u>	<u>\$ 74,208,514</u>	<u>\$ 136,612,881</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
					Primary Government		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General government	\$ 2,252,448	\$ 1,436,056	\$ 2,556,871	\$ 9,604	\$ 1,750,083	\$ -	\$ 1,750,083
Public safety	7,784,475	566,672	73,952	6,500	(7,137,351)	-	(7,137,351)
Streets and maintenance	2,855,826	63,390	-	841,642	(1,950,794)	-	(1,950,794)
Parks and recreation	741,577	31,346	870	500	(708,861)	-	(708,861)
Community development	617,750	7,042	576,549	1,059	(33,100)	-	(33,100)
Interest on long term debt	184,603	-	-	-	(184,603)	-	(184,603)
Total governmental activities	14,436,679	2,104,506	3,208,242	859,305	(8,264,626)	-	(8,264,626)
BUSINESS-TYPE ACTIVITIES:							
Electric	15,844,446	18,181,498	-	15,800	-	2,352,852	2,352,852
Wastewater	2,998,639	2,698,928	-	306,335	-	6,624	6,624
Refuse	1,429,689	1,408,455	-	-	-	(21,234)	(21,234)
Water	2,564,675	2,722,614	-	366,331	-	524,270	524,270
Golf	710,890	599,742	261	-	-	(110,887)	(110,887)
Municipal Pool	171,160	89,373	-	-	-	(81,787)	(81,787)
Total business-type activities	23,719,499	25,700,610	261	688,466	-	2,669,838	2,669,838
Total	\$ 38,156,178	\$ 27,805,116	\$ 3,208,503	\$ 1,547,771	\$ (8,264,626)	\$ 2,669,838	\$ (5,594,788)
GENERAL REVENUES:							
Property taxes					1,505,317	-	1,505,317
State shared taxes					2,953,529	-	2,953,529
Income tax					8,611,614	-	8,611,614
Locally levied taxes					1,309,110	-	1,309,110
Investment earnings					578,256	603,404	1,181,660
Miscellaneous					6,383	-	6,383
Total general revenues					14,964,209	603,404	15,567,613
Special Item					-	(432,106)	(432,106)
Transfers, in (out)					(197,103)	197,103	-
Change in net assets					6,502,480	3,038,239	9,540,719
Total net assets:							
Beginning of year					48,779,635	60,251,995	109,031,630
End of year					\$ 55,282,115	\$ 63,290,234	\$ 118,572,349

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2006

ASSETS	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
Equity in pooled cash and cash equivalents	\$5,463,305	\$696,968	\$200,589	\$247,574	\$222,996	\$6,831,432
Equity in pooled investments	2,093,121	48,704	-	136,090	-	2,277,915
Accounts receivable	3,851,511	869,638	304,587	167,111	271,836	5,464,683
Interfund receivable	7,514	-	-	-	-	7,514
Inventories	-	-	-	-	-	-
Prepaid items and other assets	4,557	-	-	-	-	4,557
Loans Receivable, net of allowance	3,757,793	-	-	-	465,796	4,223,589
Total Current Assets	15,177,801	1,615,310	505,176	550,775	960,628	18,809,690
Total Assets	15,177,801	1,615,310	505,176	550,775	960,628	18,809,690
LIABILITIES						
CURRENT LIABILITIES:						
Accounts payable	\$ 110,907	\$ 13,014	\$ 3,901	\$ -	\$ 3,208	\$ 131,030
Interfund payable	111,660	17,305	-	-	11,049	140,014
Salaries and benefits	434,955	19,261	-	-	5,013	459,229
Accruals	20,376	9,375	-	-	32,084	61,835
Total Current Liabilities	677,898	58,955	3,901	-	51,354	792,108
LONG-TERM LIABILITIES:						
Restricted deposits	14,189	-	-	-	-	14,189
Deferred revenue	1,851,754	388,672	44,450	166,599	239,169	2,690,644
Total Long Term Liabilities	1,865,943	388,672	44,450	166,599	239,169	2,704,833
Total Liabilities	2,543,841	447,627	48,351	166,599	290,523	3,496,941
FUND BALANCES						
Reserved for encumbrances	246,988	163,780	45,903	-	13,685	470,356
Reserved for debt service	-	-	-	384,176	-	384,176
Reserved for non-current loans	3,757,793	-	-	-	465,796	4,223,589
Reserved by legislation	34,665	-	-	-	-	34,665
Unreserved reported in:						
General Fund	8,594,514	-	-	-	-	8,594,514
Special revenue funds	-	1,003,903	410,922	-	190,624	1,605,449
Total fund balances	12,633,960	1,167,683	456,825	384,176	670,105	\$ 15,312,749
Total liabilities and fund balance	\$ 15,177,801	\$ 1,615,310	\$ 505,176	\$ 550,775	\$ 960,628	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 39,213,085
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,283,376
The following long-term liabilities are not due and payable in the current period and therefore are not reported as expenditures in the funds	
Capital leases, bonds and notes payable	(2,679,440)
Sick leave benefits	(2,032,119)
Accrued interest on bonds payable	(20,019)
Internal service funds are used to charge the costs of certain activities, such as the city's self funded health care costs, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets	4,204,483
Net assets of governmental activities	\$ 55,282,115

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-- GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2006

	General Fund	Street Maintenance	Street Levy Construction	Debt Service	Other Governmental	Total Governmental
REVENUES:						
Municipal income tax	\$ 5,830,193	\$ 1,282,980	\$ 1,187,804	\$ -	\$ -	\$ 8,300,977
Property taxes	1,205,038	-	-	65,494	234,785	1,505,317
State shared revenues	2,093,724	1,064,892	-	-	33,917	3,192,533
Locally levied taxes	1,309,110	-	-	-	-	1,309,110
Licenses and permits, fees	573,227	-	-	-	1,610	574,837
Grants: capital	-	-	208,958	-	-	208,958
Grants: operating	55,212	-	-	-	545,586	600,798
Investment income	305,369	28,456	18,435	38,940	29,561	420,761
Increase in fair market value of investments	18,566	203	-	-	-	18,769
Donations:						
Capital	17,663	632,684	-	-	-	650,347
Operating	2,592,754	-	-	-	14,690	2,607,444
Other fines, rents, and reimbursements	1,443,327	60,660	1,564	-	12,459	1,518,010
Total revenues	<u>15,444,183</u>	<u>3,069,875</u>	<u>1,416,761</u>	<u>104,434</u>	<u>872,608</u>	<u>20,907,861</u>
EXPENDITURES:						
General government administration	1,356,040	-	-	-	-	1,356,040
Public safety	7,405,235	-	-	-	162,500	7,567,735
Public health	393,863	-	-	-	-	393,863
Street repairs and maintenance	-	1,802,203	127,583	-	6,804	1,936,590
Parks and recreation	661,920	-	-	-	-	661,920
Community planning and development	137,841	-	-	-	611,554	749,395
Other	-	-	-	36,802	69,290	106,092
Debt principal payment	15,298	-	-	509,106	-	524,404
Debt interest payment	910	-	-	183,285	-	184,195
Capital costs	170,613	663,299	1,146,235	-	10,997	1,991,144
Total expenditures	<u>10,141,720</u>	<u>2,465,502</u>	<u>1,273,818</u>	<u>729,193</u>	<u>861,145</u>	<u>15,471,378</u>
Excess (deficiency) of revenues over expenditures	<u>5,302,463</u>	<u>604,373</u>	<u>142,943</u>	<u>(624,759)</u>	<u>11,463</u>	<u>5,436,483</u>
OTHER FINANCING SOURCES (USES):						
Issuance of debt	-	-	-	-	-	-
Disposal of capital assets	-	-	-	-	6,383	6,383
Transfers, in	-	-	-	632,928	24,749	657,677
Transfers, out	(757,330)	(57,835)	-	-	(39,615)	(854,780)
Total other financing sources (uses)	<u>(757,330)</u>	<u>(57,835)</u>	<u>-</u>	<u>632,928</u>	<u>(8,483)</u>	<u>(190,720)</u>
Net change in fund balance	<u>4,545,133</u>	<u>546,538</u>	<u>142,943</u>	<u>8,169</u>	<u>2,980</u>	<u>5,245,763</u>
Fund balance-beginning of year	8,088,827	621,145	313,882	376,007	667,125	10,066,986
Fund balance-end of year	<u>\$ 12,633,960</u>	<u>\$ 1,167,683</u>	<u>\$ 456,825</u>	<u>\$ 384,176</u>	<u>\$ 670,105</u>	<u>\$ 15,312,749</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, 2006

Total net change in fund balances Governmental funds \$ 5,245,763

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 is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays (\$1,991,144) exceed depreciation expense(\$1,481,667) 509,477

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds: (State shared taxes (239,004), Income taxes 310,637) 71,633

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets 524,404

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 19,263
Interest payable (408)

The net book value of assets retired (the difference of original cost (\$127,395) and accumulated depreciation (\$121,016) is not recorded on the Governmental Fund Statements, but is recorded as a expense on the Statement of Activities (6,379)

An Internal Service Fund is used by management to charge the cost of certain activities such as the city's self insured health care to individual funds. The net revenue (expense) of the internal service fund related to governmental activities is reported with governmental activities 138,727

Change in the net assets of governmental activities on the statement of activities \$ 6,502,480

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

BALANCE SHEET PROPRIETARY FUNDS DECEMBER 31, 2006

ASSETS	Electric	Wastewater	Refuse	Water	Golf	Municipal Pool	Total	Governmental Activities - Internal Service Funds
Current assets:								
Equity in pooled cash and cash equivalents	\$ 6,023,934	\$ 686,758	\$ 96,285	\$ 732,634	\$ 41,745	\$ 11,398	\$ 7,592,754	\$ 1,939,070
Equity in pooled investments	4,541,897	247,846	99,573	148,277	-	-	5,037,593	2,437,525
Accounts receivable	2,340,784	373,022	193,377	363,685	-	-	3,270,868	31,310
Interfund receivable	-	-	-	-	-	-	-	219,920
Allowance for uncollectible accounts	(205,490)	(57,282)	(29,923)	(56,219)	-	-	(348,914)	-
Inventories	642,101	-	-	136,533	22,100	-	800,734	-
Prepaid items and other assets	22,127	2,029	-	11,635	-	-	35,791	59,003
Total Current Assets	13,365,353	1,252,373	359,312	1,336,545	63,845	11,398	16,388,826	4,686,828
Noncurrent assets:								
Capital assets not being depreciated								
Land	68,661	33,775	17,949	162,293	370,344	-	653,022	-
Construction in process	813,260	2,700	-	13,745	-	-	829,705	-
Capital assets being depreciated								
Plant and equipment in service, net	32,535,823	11,056,997	264,623	10,472,823	1,421,563	404,489	56,156,318	129,736
Total Capital Assets	33,417,744	11,093,472	282,572	10,648,861	1,791,907	404,489	57,639,045	129,736
Deferred bond issuance costs	44,137	19,455	-	665	36,734	1,850	102,841	-
Total Noncurrent Assets	33,461,881	11,112,927	282,572	10,649,526	1,828,641	406,339	57,741,886	129,736
Total Assets	\$ 46,827,234	\$ 12,365,300	\$ 641,884	\$ 11,986,071	\$ 1,892,486	\$ 417,737	\$ 74,130,712	\$ 4,816,564

CITY OF PIQUA, OHIO

BALANCE SHEET PROPRIETARY FUNDS DECEMBER 31, 2006

LIABILITIES	Electric	Wastewater	Refuse	Water	Golf	Municipal		Governmental Activities - Internal Service Funds
						Pool	Total	
Current liabilities:								
Accounts payable	\$ 1,227,154	\$ 31,785	\$ 56,350	\$ 85,149	\$ 6,175	\$ 1,573	\$ 1,408,186	\$ 5,539
Interfund payable	40,900	15,160	6,528	18,666	2,623	-	83,877	3,543
Salaries and benefits	62,353	23,339	12,959	24,959	14,172	-	137,782	5,732
Accrued vacation, personal, and sick leave	264,635	63,625	26,887	98,966	11,812	-	465,925	14,046
Accruals and prepaid memberships	17,638	21,234	-	13,109	10,463	493	62,937	320,040
Current portion of long term debt	350,000	522,169	-	158,478	122,920	5,760	1,159,327	-
Total Current Liabilities	1,962,680	677,312	102,724	399,327	168,165	7,826	3,318,034	348,900
Long-term liabilities:								
Accrued vacation, personal, and sick leave	428,464	156,859	46,756	156,687	19,034	-	807,800	38,144
Long term Debt	1,478,894	2,971,298	-	962,124	1,393,731	70,276	6,876,323	-
Total Long-Term Liabilities	1,907,358	3,128,157	46,756	1,118,811	1,412,765	70,276	7,684,123	38,144
Total Liabilities	3,870,038	3,805,469	149,480	1,518,138	1,580,930	78,102	11,002,157	387,044
NET ASSETS								
Invested in capital assets, net of related debt	31,632,987	7,619,460	282,572	9,528,924	311,990	330,303	49,706,236	129,736
Restricted by legislation	-	-	-	-	-	8,910	8,910	-
Restricted by debt covenants		50,000					50,000	
Unrestricted	11,324,209	890,371	209,832	939,009	(434)	422	13,363,409	4,299,784
Total Net Assets	42,957,196	8,559,831	492,404	10,467,933	311,556	339,635	63,128,555	4,429,520
Total Liabilities and Net Assets	\$ 46,827,234	\$ 12,365,300	\$ 641,884	\$ 11,986,071	\$ 1,892,486	\$ 417,737		\$ 4,816,564
Adjustment to consolidate the internal service fund activities							161,679	
Total net assets per the government-wide Statement of Net Assets							\$ 63,290,234	

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-type Activities						Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Golf	Municipal Pool	Total
OPERATING REVENUES:							
Customer services	\$ 18,153,172	\$ 2,647,093	\$ 1,374,553	\$ 2,605,457	\$ 597,353	\$ 89,091	\$ 25,466,719
Penalty charges	131,795	33,629	19,459	32,571	-	-	217,454
Total operating revenues	18,284,967	2,680,722	1,394,012	2,638,028	597,353	89,091	25,684,173
OPERATING EXPENSES:							
Fossil fuels used for production	181,398	-	-	-	-	-	181,398
Purchased power	11,057,711	-	-	-	-	-	11,057,711
Salaries and employee benefits	1,524,612	1,007,122	462,166	1,094,432	309,590	74,179	4,472,101
Depreciation	1,631,257	935,715	28,654	369,631	86,562	36,906	3,088,725
Materials and supplies	225,379	70,082	31,855	137,976	127,368	22,572	615,232
Utilities	12,483	94,310	2,495	171,234	27,123	9,815	317,460
Outside services	845,352	394,888	767,263	300,808	16,143	3,915	2,328,369
Billing costs	379,115	200,232	84,385	233,898	-	-	897,630
Chemicals	3,910	5,729	-	149,804	33,080	9,225	201,748
Other	349,796	74,184	52,871	100,920	39,328	10,984	628,083
Total operating expenses	16,211,013	2,782,262	1,429,689	2,558,703	639,194	167,596	23,788,457
Operating income (loss)	2,073,954	(101,540)	(35,677)	79,325	(41,841)	(78,505)	1,895,716
NON-OPERATING REVENUES(EXPENSES):							
Interest on debt	(65,539)	(216,377)	-	(5,972)	(71,696)	(3,564)	(363,148)
Interest income	384,272	46,730	7,473	33,003	3,614	984	476,076
Net (decrease) in fair market value of investments.	56,255	2,839	416	2,608	-	-	62,118
Other, net	319,957	14,031	11,951	79,816	2,249	40	428,044
Donated capital	15,800	306,335	-	366,331	-	-	688,466
Donations operating	-	-	-	-	261	-	261
Net non-operating revenues (expenses)	710,745	153,558	19,840	475,786	(65,572)	(2,540)	1,291,817
Special Item Transfers, in	(432,106)	-	-	-	145,886	51,217	(432,106)
Change in net assets	2,352,593	52,018	(15,837)	555,111	38,473	(29,828)	2,952,530
Total net assets-beginning of year	40,604,603	8,507,813	508,241	9,912,823	273,083	369,463	4,193,424
Total net assets-end of year	\$ 42,957,196	\$ 8,559,831	\$ 492,404	\$ 10,467,934	\$ 311,556	\$ 339,635	\$ 4,429,520
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							85,710
Change in net assets of business-type activities							\$ 3,038,240

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-type Activities						Governmental Activities- Internal Service Funds
	Electric	Wastewater	Refuse	Water	Golf	Pool	Total
OPERATING ACTIVITIES:							
Cash received for services	\$ 18,546,431	\$ 2,686,219	\$ 1,404,284	\$ 2,724,105	\$ 603,509	\$ 89,535	\$ 26,054,083
Cash paid to suppliers for goods or services	(12,647,407)	(833,439)	(941,223)	(1,320,916)	(249,387)	(57,149)	(16,049,521)
Cash paid to employees for services	(1,948,337)	(948,056)	(467,435)	(1,116,877)	(302,975)	(73,185)	(4,856,865)
Net cash provided by (used in) operating activities	3,950,687	904,724	(4,374)	286,312	51,147	(40,799)	5,147,697
NONCAPITAL FINANCING ACTIVITIES:							
Transfers, in	-	-	-	-	145,886	51,217	197,103
Transfers, out	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-	145,886	51,217	197,103
CAPITAL AND RELATED FINANCING ACTIVITIES:							
Proceeds from issuance of bonds and notes	-	-	-	206,360	-	-	206,360
Principal paid on bonds and notes	(196,744)	(478,088)	-	(152,321)	(105,522)	(4,915)	(937,590)
Interest paid on bonds and notes	(66,401)	(217,373)	-	(6,200)	(72,010)	(3,578)	(365,562)
Acquisition and construction of capital assets	(1,978,412)	(113,775)	-	(216,639)	-	(8,918)	(2,317,744)
Disposals of capital assets	(63,858)	-	-	(250)	-	-	(64,108)
Net cash provided by (used in) capital & related financing activities	(2,305,415)	(809,236)	-	(169,050)	(177,532)	(17,411)	(3,478,644)
INVESTING ACTIVITIES:							
Purchases of investment securities	2,490,000	200,000	-	100,000	-	-	2,790,000
Proceeds from sale or maturity of investment securities	392,096	46,381	7,160	32,655	3,613	983	482,888
Interest received	2,882,096	246,381	7,160	132,655	3,613	983	3,272,888
Net cash provided by (used in) investing activities	4,527,368	341,869	2,786	249,917	23,114	(6,010)	5,139,044
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT							
CASH AND CASH EQUIVALENTS - Beginning of year							
	1,496,566	344,889	93,499	482,717	18,631	17,408	2,453,710
CASH AND CASH EQUIVALENTS - End of year							
	\$ 6,023,934	\$ 686,758	\$ 96,285	\$ 732,634	\$ 41,745	\$ 11,398	\$ 7,592,754
OPERATING INCOME (LOSS)							
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	\$ 2,073,954	\$ (101,540)	\$ (35,677)	\$ 79,325	\$ (41,841)	\$ (78,505)	\$ 1,895,716
Depreciation	1,631,257	935,715	28,654	369,631	86,562	36,906	3,088,725
(Increase)/Decrease in Accounts Receivable	(84,258)	(13,622)	(1,680)	5,565	64	233	(93,698)
(Increase)/Decrease in Inventory	(91,599)	-	-	(7,605)	(3,558)	-	(102,762)
(Increase)/Decrease in Prepaids	(167)	(16)	-	(10,963)	-	-	(11,146)
Increase/(Decrease) in Accounts Payable	(16,093)	10,144	311	(215,819)	(1,898)	357	(222,998)
Increase/(Decrease) in Accrued Wages and Benefits	108,176	54,924	(7,933)	(14,334)	5,725	-	146,558
(Increase)/Decrease in Deferred Revenues	-	-	-	-	384	15	399
Net (Increase)/Decrease in Other Operating Net Assets	329,417	19,119	11,951	80,512	5,709	195	446,903
Net cash provided by (used in) operating activities	\$ 3,950,687	\$ 904,724	\$ (4,374)	\$ 286,312	\$ 51,147	\$ (40,799)	\$ 5,147,697
SUPPLEMENTAL INFORMATION:							
Noncash activities:							
Change in fair value of investments	\$ 56,255	\$ 2,839	\$ 416	\$ 2,608	\$ -	\$ -	\$ 62,118
Contribution of capital assets	\$ 15,800	\$ 306,335	\$ -	\$ 366,331	\$ -	\$ -	\$ 688,466

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS DECEMBER 31, 2006

ASSETS:	Mayor Wilson Centennial Trust	Agency Funds
Equity in pooled cash and cash equivalents	\$ 430	\$ 19,058
Total Assets	<u>\$ 430</u>	<u>\$ 19,058</u>
LIABILITIES:		
Withholdings payable		\$ 18,862
Undistributed monies		<u>196</u>
Total Liabilities		<u>\$ 19,058</u>
NET ASSETS		
Held in trust for other purposes	<u>\$ 430</u>	

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2006

ADDITIONS	
Interest income	<u>\$ 21</u>
Total additions	<u>\$ 21</u>
Change in net assets	\$ 21
Total net assets-beginning of year	<u>\$ 409</u>
Total net assets-end of year	<u>\$ 430</u>

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

BASIS OF PRESENTATION

Government-Wide Statements—The statement of net assets and the statement of activities display information about the primary government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported through taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business type activities, which rely to a significant extent on fees and charges for support. The government-wide financial statements do not include the assets and liabilities of the City’s fiduciary funds.

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

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

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.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2006

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

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

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

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

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

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

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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, and interest on investments. Property taxes levied before year end are not recognized as revenue until the next calendar year. The fiscal period for which property taxes are levied at year-end in the State of Ohio is the succeeding calendar year.

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

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

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

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

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

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

Inventory—Inventory is valued at average cost. The business type fund inventories are capitalized or expensed when used. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

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

Capital Assets—Capital assets are recorded based on historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value at the date

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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 \$500 and an estimated useful life in excess of one year.

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

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

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

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

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

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

Compensated Absences—City employees are granted vacation, personal and sick leave. These leave benefits are accrued as a liability using the vesting method. The liability is based on the leave accumulated at December 31 by those employees who are currently eligible to receive termination payments as well as leave accumulated by those employees expected to become eligible to receive termination benefits in the future. In the event of termination, an employee may be reimbursed for accumulated vacation, personal and sick leave at various rates based on years of service. Vested vacation, personal, and sick leave is recorded as an expense in the government-wide statements for the period in which the leave was earned. For governmental fund type employees, an expenditure is recorded in the governmental funds' statements for only the portion of vested vacation, personal and sick leave that is expected to be liquidated with expendable available resources in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board-Recognition and Measurement of Certain Liabilities and Expenditure in Government Fund Financial Statements.

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

B. POOLED CASH DEPOSITS AND INVESTMENTS

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

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

At December 31, 2006, the carrying amount of the City's deposits was \$1,214,286 while the balance as shown by the bank statements was \$1,959,323. As of December 31, 2006, \$1,858,323 of the City's bank balance was exposed to custodial risk as discussed above, while \$101,000 was covered by Federal Deposit Insurance.

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

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company but does operate in a manner similar to rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at the pool's share price, which is the price for which the investment could be sold for on December 31, 2006.

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, 2006, 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.

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

<u>Investment Type</u>	<u>Quality Rating</u>	<u>Fair Value</u>
City of Piqua Bonds and Notes	A1	\$ 660,090
U.S. Government Agency Obligations	AAA	9,092,943
STAR Ohio	AAAm	15,164,394
Total		<u>\$24,917,427</u>

Concentration of Credit Risk – Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by lack of diversification. The following table includes the percentage to total of each investment type held by the City at December 31, 2006.

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
City of Piqua Bonds and Notes	\$ 660,090	2.65%
FHLB	3,788,764	15.20%
FHLMC	2,432,179	9.76%
FNMA	2,872,000	11.53%
STAR Ohio	15,164,394	60.86%
Total	<u>\$24,917,427</u>	<u>100.00%</u>

Except for investments in U.S. Treasury and STAR Ohio, no more than 15% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. Contrary to the City's policy, the City maintained greater than 15% of its investment portfolio in FHLB securities at December 31, 2006.

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

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>			<u>Total Fair Value</u>
	<u>Less than 1</u>	<u>1 - 5</u>	<u>Greater than 5</u>	
City of Piqua Bonds & Notes	\$ 201,846	\$ 170,590	\$ 287,654	\$ 660,090
FHLB	1,994,380	1,794,384	-	3,788,764
FHLMC	440,719	1,991,460	-	2,432,179
FNMA	986,250	1,885,750	-	2,872,000
STAR Ohio	15,164,394	-	-	15,164,394
Total	<u>\$18,787,589</u>	<u>\$5,842,184</u>	<u>\$ 287,654</u>	<u>\$24,917,427</u>

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C. PROPERTY TAXES

Property tax revenues include amounts collected for all real, public utility and tangible (used in business) property located in the City. Property taxes are levied each January 1 on the assessed value listed as of the prior January 1. Assessed values are established by the County Auditor for real and public utility property at 35% of appraised market value, and for tangible property at 25% of appraised market value (excluding the first \$10,000 of value). Property values are required to be updated every three years and revalued every six years. A revaluation was completed in 2001.

The property tax calendar is as follows:

Levy date	January 1, 2005
Lien date	January 1, 2006
Tax bill mailed	January 20, 2006
First installment payment due	February 20, 2006
Second installment payment due	July 20, 2006

The assessed values for the City at January 1, 2006 were as follows:

Real estate	\$ 296,243,040
Tangible personal property	<u>63,527,520</u>
Total	<u>\$ 359,770,560</u>

The County Treasurer collects property taxes on behalf of taxing districts, including the City of Piqua. The County Auditor periodically remits to the City its portion of taxes collected. Property taxes may be paid on either an annual or semiannual basis. Although total property tax collections for the next fiscal year are measurable, amounts to be received are not available at December 31, 2006, nor are they intended to finance 2006 operations. Therefore, the City has recorded property taxes receivable with a corresponding amount as deferred revenue.

Ohio law prohibits taxation of property in excess of \$10 per \$1,000 (10.0 mills) of assessed value without a vote of the citizens. The City's share is currently \$3.70 (3.7 mills) of assessed value. In 2006, the City also received an additional 0.60 mills to fund the Pension Refunding Bonds, and 0.10 mills for costs of the Miami Conservancy District.

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

D. INCOME TAXES

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

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

CITY OF PIQUA, OHIO
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E. OTHER TAXES

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

Estate taxes	\$ 398,982
Local government revenue assistance	1,089,622
Gasoline taxes	795,850
Vehicle license taxes	283,879
Miscellaneous other taxes	<u>385,196</u>
	<u>\$ 2,953,529</u>

The City has two locally issued taxes; a KWH tax totaling \$1,213,053 which is recognized based upon sales of electrical services, and a hotel/motel tax totaling \$96,057 which is recognized based upon 3% of gross receipts.

F. RECEIVABLES

Governmental receivables at year end, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, accrued interest on investment, accounts and notes receivable. Loans receivable represent an economic development loan in the amount of \$4.2 million for the restoration of the historic Fort Piqua Hotel into a library and conference/banquet center; and real estate second mortgages which are partially forgivable over seven to fifteen year periods netted by an estimated allowance for forgiveness or amounts uncollectible. The real estate second mortgages are \$918,646 with an estimated allowance for forgiveness of \$895,057.

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

CITY OF PIQUA, OHIO
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G. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Construction In Process Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 4,124,548	\$ -	\$ -	\$ -	\$ 4,124,548
Infrastructure land	849,892	26,363	-	12,326	888,581
Construction in progress	<u>834,271</u>	<u>1,146,565</u>	<u>-</u>	<u>(322,598)</u>	<u>1,658,238</u>
Assets not depreciated	<u>5,808,711</u>	<u>1,172,928</u>	<u>-</u>	<u>(310,272)</u>	<u>6,671,367</u>
Capital assets being depreciated:					
Buildings and improvements	11,280,275	16,044	(750)	-	11,295,569
Furniture, fixtures and equipment	9,834,093	193,878	(126,645)	99,237	10,000,563
Infrastructure	<u>24,389,858</u>	<u>623,690</u>	<u>-</u>	<u>211,035</u>	<u>25,224,583</u>
Depreciated capital assets	45,504,226	833,612	(127,395)	310,272	46,520,715
Accumulated depreciation:					
Buildings and improvements	(1,541,325)	(243,024)	90	-	(1,784,259)
Furniture, fixtures and equipment	(6,466,778)	(704,284)	120,926	-	(7,050,136)
Infrastructure	<u>(4,599,391)</u>	<u>(545,211)</u>	<u>-</u>	<u>-</u>	<u>(5,144,602)</u>
Total accumulated depreciation	<u>(12,607,494)</u>	<u>(1,492,519)</u>	<u>121,016</u>	<u>-</u>	<u>(13,978,997)</u>
Net capital assets being depreciated	<u>32,896,732</u>	<u>(658,907)</u>	<u>(6,379)</u>	<u>310,272</u>	<u>32,541,718</u>
Net capital assets	<u>\$ 38,705,443</u>	<u>514,021</u>	<u>(6,379)</u>	<u>-</u>	<u>39,213,085</u>

* Depreciation expense was charged to governmental functions as follows:

General governmental	\$ 225,314
Public safety	262,173
Street repairs and maintenance	915,237
Parks	72,113
Community Development	<u>6,830</u>
General fixed asset depreciation expense	1,481,667
Information technology (internal service fund)	<u>10,852</u>
Total depreciation expense	<u>\$1,492,519</u>

CITY OF PIQUA, OHIO
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A summary of changes in enterprise fund capital assets is as follows:

	Beginning Balance	Increases	Decreases	Construction In Process Placed in Service	Ending Balance
Capital assets not being depreciated:					
Land and licenses	\$ 653,022	\$ -	\$ -	\$ -	\$ 653,022
Construction in progress	<u>2,278,052</u>	<u>1,923,473</u>	<u>-</u>	<u>(3,371,820)</u>	<u>829,705</u>
Assets not depreciated	<u>2,931,074</u>	<u>1,923,473</u>	<u>-</u>	<u>(3,371,820)</u>	<u>1,482,727</u>
Capital assets being depreciated:					
Land improvements	1,439,326	-	(16,603)	38,595	1,461,318
Buildings and improvements	32,720,487	306,335	(218,817)	1,845,524	34,653,529
Furniture, fixtures and equipment	78,384,633	760,604	(1,484,534)	1,487,701	79,148,404
Intangible assets	<u>2,896,186</u>	<u>-</u>	<u>(31,351)</u>	<u>-</u>	<u>2,864,835</u>
Depreciated capital assets	115,440,632	1,066,939	(1,751,305)	3,371,820	118,128,086
Accumulated depreciation:					
Land improvements	(673,711)	(21,062)	16,603	-	(678,170)
Buildings and improvements	(12,846,879)	(975,312)	218,458	-	(13,603,733)
Furniture, fixtures and equipment	(45,795,879)	(2,005,544)	1,020,525	-	(46,780,898)
Intangible assets	<u>(822,160)</u>	<u>(86,807)</u>	<u>-</u>	<u>-</u>	<u>(908,967)</u>
Total accumulated depreciation	<u>(60,138,629)</u>	<u>(3,088,725)</u>	<u>1,255,586</u>	<u>-</u>	<u>(61,971,768)</u>
Net capital assets being depreciated	<u>55,302,003</u>	<u>(2,021,786)</u>	<u>(495,719)</u>	<u>3,371,820</u>	<u>56,156,318</u>
Net capital assets	<u>58,233,077</u>	<u>(98,313)</u>	<u>(495,719)</u>		<u>57,639,045</u>

* Depreciation expense was charged to enterprise functions as follows:

Electric	\$ 1,631,257
Wastewater	935,715
Refuse	28,654
Water	369,631
Golf	86,562
Municipal Pool	<u>36,906</u>
Total depreciation expense	<u>\$ 3,088,725</u>

In 2006, the City abandoned the assets of the steam distribution center and ceased operations. This resulted in a special item expense of \$432,106 at December 31, 2006.

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
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H. LONG-TERM LIABILITIES

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

Long-term liability activity for the year ended December 31, 2006 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Public improvement G.O. bonds, 3.0%-6.2%	\$ 25,740	\$ -	\$ 12,393	\$ 13,347	\$ 13,347
Building facility bonds, 5.97%	<u>2,290,000</u>		<u>405,000</u>	<u>1,885,000</u>	<u>430,000</u>
Total governmental general obligation bonds	2,315,740		417,393	1,898,347	443,347
Capital Lease (Note H)	158,955		52,140	106,815	38,264
Special assessment bonds, 9%	175,960		39,871	136,089	32,846
Shawnee Bridge Improve. Notes 2.88%	149,000			149,000	149,000
Compensated absences	2,049,578	980,979	998,438	2,032,119	552,505
Restricted Deposits	11,230	13,579	10,620	14,189	-0-
Other—Pension refunding bonds, 6.25%	<u>390,000</u>		<u>15,000</u>	<u>375,000</u>	<u>20,000</u>
Total governmental long-term liabilities	<u>\$ 5,250,463</u>	<u>\$ 994,558</u>	<u>\$ 1,533,462</u>	<u>\$ 4,711,559</u>	<u>\$ 1,235,962</u>
Business-Type Activities:					
Electric G.O. bonds, 2.0%-3.4%	\$ 2,168,673	\$ -	\$ 339,779	\$ 1,828,894	\$ 350,000
Public improvement G.O. bonds, 3.0%-6.2%	109,261		52,607	56,654	56,653
Wastewater G.O. Improvement bonds, 7.25%	330,000		165,000	165,000	165,000
Ohio Water Development Authority Loan-1995, 4.56%	3,641,555		313,088	3,328,467	357,170
Ohio Water Development Authority Loan-2005, 3.5%	974,042	91,593	96,361	969,274	99,763
Ohio Water Development Authority Loan-2006, 3.25%	-	113,745	10,391	103,354	10,742
Recreational facility bonds G.O., 2.0%-4.1%	1,686,383		102,376	1,584,007	120,000
Compensated Absences	<u>1,186,211</u>	<u>619,723</u>	<u>532,209</u>	<u>1,273,725</u>	<u>465,924</u>
Total long-term liabilities	<u>\$ 10,096,125</u>	<u>\$ 825,061</u>	<u>\$ 1,611,811</u>	<u>\$ 9,309,375</u>	<u>\$ 1,625,252</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") Wastewater Sewer Project Notes are issued under a cooperative agreement for construction, maintenance and operation of a state sewer project. Payments to the OWDA will be made from the utility's revenues.

Ohio Water Development Authority ("OWDA" 2005) drinking water assistance notes are issued under a cooperative agreement for construction maintenance and operation of the City's Hydropillar Water Tower. Payments to the OWDA will be made from the utility's revenues.

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The Special Assessment Bonds are held for investment by other City funds. In the event of delinquencies related to special assessment debt, the City is required to use other resources to satisfy debt service requirements.

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

The annual requirements to pay principal and interest on long-term obligations at December 31, 2006 are as follows:

Year Ending December 31	<u>General Obligation Bonds</u>				<u>Notes Payable</u>	
	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Business Type Activities</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	443,347	113,362	673,808	129,390	432,256	185,699
2008	455,000	86,864	462,155	103,105	488,020	165,352
2009	485,000	59,700	477,155	90,385	509,263	144,110
2010	515,000	30,745	492,155	75,535	531,441	121,932
2011			507,155	59,150	554,595	98,777
2012—2016			687,127	154,000	1,885,520	148,016
2017—2021			335,000	20,540	-	-
2022—2026					-	-
Total	<u>\$ 1,898,347</u>	<u>\$ 290,671</u>	<u>\$ 3,634,555</u>	<u>\$ 632,105</u>	<u>\$ 4,401,095</u>	<u>\$ 863,886</u>

Year Ending December 31	<u>Pension Bonds</u>		<u>Special Assessment Bonds</u>	
	Principal	Interest	Principal	Interest
2007	20,000	23,438	32,846	12,248
2008	20,000	22,188	32,854	9,292
2009	20,000	20,938	25,490	6,335
2010	20,000	19,688	19,586	4,041
2011	20,000	18,438	12,660	2,278
2012—2016	135,000	70,000	12,653	2,560
2017—2021	140,000	22,810	-	-
Total	<u>\$ 375,000</u>	<u>\$ 197,500</u>	<u>\$ 136,089</u>	<u>\$ 36,754</u>

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I. CAPITAL LEASE COMMITMENTS

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

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2006. This amount also appears in Note H.

<u>Year ending December 31,</u>	<u>Capital Lease</u>
2007	\$ 42,221
2008	42,221
2009	<u>29,758</u>
Total minimum lease payments	114,200
Less: amount representing interest	
At 3.50%-4.25%	<u>(7,385)</u>
Present value of minimum lease payments	<u><u>\$ 106,815</u></u>

J. INTERFUND TRANSACTIONS

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

Interfund receivable and payable balances at December 31, 2006 are as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Fund	\$ 7,514	\$ 111,660
Street Maintenance		17,305
Non-major Governmental Funds		11,049
Proprietary Funds:		
Electric		40,900
Wastewater		15,160
Refuse		6,528
Water		18,666
Golf		2,623
Internal Service Funds:		
Information Technology		3,543
City Health Insurance		
	<u>219,920</u>	
	<u><u>\$ 227,434</u></u>	<u><u>\$ 227,434</u></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

CITY OF PIQUA, OHIO
Notes to the Basic Financial Statements
December 31, 2006

provide additional resources for current operations or debt service. Interfund transfers for the year ended December 31, 2006 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental		
General Fund	\$ -	\$ 757,330
Street Maintenance		57,835
Debt Service	632,928	
Other Governmental (non-major)	24,749	39,615
Proprietary		
Golf	145,886	
Municipal Pool	51,217	
	<u>\$ 854,780</u>	<u>\$ 854,780</u>

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

K. PENSION PLAN OBLIGATIONS

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0%, respectively for police officers and firefighters. The contribution requirements for the years ended December 31, 2006, 2005, and 2004 were \$1,403,981, \$1,296,327 and \$1,256,214, which consisted of \$960,379, \$887,156 and \$859,959 from the City and \$443,602, \$409,171, and \$396,255 from the employees, respectively, or 81% of the required contributions for 2006 and 100% for the years 2005 and 2004. The unpaid portion of \$257,644 is reported as liability in the respective funds.

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

OPERS administers three separate pension plans as described below:

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

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

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

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

The Ohio Revised Code also provides statutory authority for member and employer contributions. For 2006, member and employer contribution rates were consistent across all three plans (TP, MD, and CO).

Plan members are required to contribute 9.0% of their annual covered salary and the City is required to contribute 13.70%. The City's contributions to the plan for the years ending December 31, 2004, 2005 and 2006 were \$1,536,454, \$1,574,655, and \$1,708,494 respectively, equal to the required contributions for the year.

L. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Both the OPERS and the OP&F provide post-retirement health care coverage commonly referred to as an Other Post-employment Benefit (OPEB). For both systems, the Ohio Revised Code provides the statutory authority for public employers to fund postretirement health care through their contributions.

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

The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer health care coverage to all eligible employees. 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 7.75% of covered payroll in 2005 and in 2006, which resulted in contributions of \$179,567 for police and \$164,224 for firemen to pay post-employment benefits. In addition, since July 1, 1992, most retirees and survivors were required to contribute a portion of the cost of their health care coverage through deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits statewide as of December 31, 2005, the date of the last actuarial valuation available, was 13,922 for police and 10,537 for firemen. OP&F's total health care

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expense for the year ending December 31, 2005, the date of the last actuarial valuation available, was \$108,039,449, which was net of member contributions of \$55,271,881.

Public Employees Retirement System OPEB— OPERS provides post-retirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS (4.5% of the total 13.70% contribution—See Note K) is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority for employer contributions and for requiring public employers to fund pension and post-retirement health care through their contributions to OPERS. The 2006 employer contribution rate for local government employer units was 13.70% of covered payroll, of which 4.50% was used to fund health care for the year.

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

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

Actuarial Review: The assumptions and calculations below were based on the OPERS' latest actuarial review performed as of December 31, 2005.

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

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

Investment Return: The investment assumption rate for 2005 was 6.50%.

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

Health Care: Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 6% for the next 9 years. In subsequent years, (10 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate). OPEBs are advance-funded on an actuarially determined basis. At year-end 2006, the number of active contributing participants in the Traditional and Combined Plans totaled 369,214. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804. The amount of \$11.1 billion represents the actuarial value of the OPERS' net assets available for OPEB at December 31, 2005. Based on the actuarial cost method used,

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the Actuarial Valuation as of December 31, 2005, reported the actuarial accrued liability and the unfunded actuarial accrued liability for OPEB at \$31.3 billion and \$20.2 billion, respectively.

The Health Care preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

M. OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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

N. OHIO PROFESSIONAL FIRE FIGHTERS DEFERRED COMPENSATION PROGRAM

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

O. CONTINGENCIES

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

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

P. RISK MANAGEMENT

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

CITY OF PIQUA, OHIO
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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 2006, MVRMA'S per-occurrence retention limit for property was \$200,000, with the exception of boiler and machinery for which there was a \$5,000 per occurrence retention limit. Liability had a per occurrence retention limit of \$1,000,000.

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

General Liability (including law enforcement)	\$10,000,000 per occurrence/ excess \$1,000,000 sir
Automobile Liability	\$10,000,000 per occurrence/excess \$1,000,000 sir
Police Professional Liability	\$10,000,000 excess \$1,000,000 (\$10,000,000 aggregate per city)
Boiler and Machinery	\$100,000,000 per occurrence
Property	\$350,000,000 per occurrence
Flood and Earthquake	\$20,000,000 per occurrence and annual aggregate
Employment Practices Liability and Public Officials Liability	\$10,000,000 excess \$1,000,000 (\$10,000,000 annual combined aggregate per city)

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

The City is self-insured for medical benefits and claims, subject to certain stop-loss limits, which are insured by a thirty party. Medical Mutual of Ohio, located in Cleveland, Ohio, reviews all claims, which the City then pays. The City purchases stop-loss coverage for claims over \$60,000 per employee per year. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>2006</u>	<u>2005</u>
Unpaid claims, beginning of year	\$ 537,197	\$ 359,914
Incurred claims (including IBNRs)	1,533,881	2,243,243
Claim payments	<u>(1,751,067)</u>	<u>(2,065,960)</u>
Unpaid claims, end of year	<u>\$ 320,011</u>	<u>\$ 537,197</u>

CITY OF PIQUA, OHIO
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Q. STATUTORY COMPLIANCE

At December 31, 2006 the following funds had an excess of expenditures over appropriations for the year:

GENERAL

Purchasing Department	
Personal services/administrative support	\$ 173

Human Resources Department	
Personal services/administrative support	\$ 659

STREET MAINTENANCE

Capital	\$ 5,609
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NON-MAJOR

Safety Pension	
Transfer out	\$ 560

R. RELATED PARTY DISCLOSURES

The current City Manager, Fred Enderle, is the Vice-President of the Fort Piqua Redevelopment Corporation, which is the general partner of the City of Piqua Downtown Redevelopment Project, L.P. The City of Piqua Downtown Redevelopment Project L.P. is in the process of restoring the historical Fort Piqua Hotel into a library and conference/banquet center.

S. SUBSEQUENT EVENT

On December 11, 2006, the City entered into a 30 year loan agreement with the Piqua Investment Fund, LLC in the amount of \$8.5 million to be used for the restoration of the historical Fort Piqua Hotel into a library and conference/banquet center. The City funded \$4.2 million of the loan in the current year and the remaining balance of \$4.3 million is expected to be funded in October 2007.

Required Supplemental Information



CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND FOR YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts			Variance-with
	Original	Final	Actual	Final Budget
REVENUES:				
Municipal income tax	\$ 5,440,396	\$ 5,437,714	\$ 5,830,193	\$ 392,479
Property taxes	1,182,486	1,204,061	1,205,038	977
State shared revenues	2,215,505	2,635,680	2,093,724	(541,956)
Locally levied taxes	1,150,560	1,234,084	1,309,110	75,026
Licenses, permits, fees	554,961	449,563	573,227	123,664
Grants-operating	23,000	37,848	55,212	17,364
Interest income	125,027	268,120	305,369	37,249
Increase in fair value of investments	-	-	18,566	18,566
Donations:				
Capital	-	17,663	17,663	-
Operating	8,310	2,566,305	2,592,754	26,449
Other fines, rents, and reimbursements	254,671	1,403,787	1,443,327	39,540
Total revenues	10,954,916	15,254,825	15,444,183	189,358
CHARGES TO APPROPRIATIONS				
GENERAL GOVERNMENT ADMINISTRATION:				
City building				
Personal services/administrative support	18,561	20,323	18,054	2,269
Operating expenditures	77,762	85,197	73,155	12,042
Capital	600	1,045	1,045	-
Total city building	96,923	106,565	92,254	14,311
City commission:				
Personal services/administrative support	34,581	34,243	34,160	83
Operating expenditures	40,132	40,892	35,613	5,279
Total city commission	74,713	75,135	69,773	5,362
Office of city manager:				
Personal services/administrative support	70,800	94,730	94,341	389
Operating expenditures	7,578	8,179	7,742	437
Total office of city manager	78,378	102,909	102,083	826
Purchasing department:				
Personal services/administrative support	2,587	7,312	7,485	(173)
Operating expenditures	217	572	480	92
Total purchasing department	2,804	7,884	7,965	(81)
Law department:				
Personal services/administrative support	26,382	27,437	26,689	748
Operating expenditures	3,247	3,431	3,001	430
Total law department	29,629	30,868	29,690	1,178
Finance department:				
Personal services/administrative support	130,940	147,529	144,698	2,831
Operating expenditures	9,428	10,674	9,625	1,049
Capital	-	-	-	-
Total finance department	140,368	158,203	154,323	3,880

(Continued)

CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND FOR YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			<u>Variance-with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Human resources department:				
Personal services/administrative support	7,726	16,081	16,740	(659)
Operating expenditures	856	1,935	1,370	565
Total human resources department	8,582	18,016	18,110	(94)
Engineering department:				
Personal services/administrative support	88,758	93,882	93,254	628
Operating expenditures	2,881	9,379	8,258	1,121
Capital	6,863	5,944	5,944	-
Total engineering department	98,502	109,205	107,456	1,749
Income tax department:				
Personal services/administrative support	185,439	168,086	141,147	26,939
Operating expenditures	167,618	152,515	131,464	21,051
Total income tax department	353,057	320,601	272,611	47,990
Planning and zoning				
Personal services/administrative support	-	126,222	120,343	5,879
Operating expenditures	-	41,025	40,288	737
Capital	-	24,800	24,798	2
Total planning and zoning	-	192,047	185,429	6,618
General government				
Operating expenditures	413,354	435,547	346,297	89,250
Capital	-	1,604	1,604	-
Total general government	413,354	437,151	347,901	89,250
Civil Service Commission				
Operating expenditures	8,595	15,595	3,827	11,768
Total civil service commission	8,595	15,595	3,827	11,768
Pro Piqua				
Operating expenditures	33,550	39,853	38,700	1,153
Capital	-	1,060	1,059	1
Total pro piqua	33,550	40,913	39,759	1,154
TOTAL GENERAL GOVERNMENT	1,338,455	1,615,092	1,431,181	183,911
HOTEL FORT PIQUA RECONSTRUCTION				
Personal services/administrative support	-	5,000	2,007	2,993
Operating expenditures	700,000	3,962,230	97,134	3,865,096
Total hotel fort Piqua reconstruction	700,000	3,967,230	99,141	3,868,089

(Continued)

CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE-GENERAL FUND FOR YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			Variance-with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
PUBLIC SAFETY:				
Fire department:				
Personal services/administrative support	3,154,480	3,114,946	3,045,457	69,489
Operating expenditures	289,935	296,431	289,190	7,241
Capital	43,000	84,800	34,012	50,788
Total fire department	<u>3,487,415</u>	<u>3,496,177</u>	<u>3,368,659</u>	<u>127,518</u>
Police department:				
Personal services/administrative support	3,751,757	3,724,805	3,555,067	169,738
Operating expenditures	583,037	556,751	515,521	41,230
Capital	64,300	126,686	76,438	50,248
Debt principal payment	14,445	14,440	14,439	1
Debt interest payment	1,770	1,770	1,769	1
Total police department	<u>4,415,309</u>	<u>4,424,452</u>	<u>4,163,234</u>	<u>261,218</u>
TOTAL PUBLIC SAFETY	<u>7,902,724</u>	<u>7,920,629</u>	<u>7,531,893</u>	<u>388,736</u>
NEIGHBORHOOD IMPROVEMENT TEAM				
Personal services/administrative support	-	10,358	10,355	3
Operating expenditures	-	10,145	9,176	969
Capital	-	20,000	-	20,000
Total neighborhood improvement team	<u>-</u>	<u>40,503</u>	<u>19,531</u>	<u>20,972</u>
HEALTH:				
Personal services/administrative support	287,204	291,797	276,553	15,244
Operating expenditures	105,488	109,118	95,789	13,329
Capital	2,000	1,990	1,989	1
Total health department	<u>394,692</u>	<u>402,905</u>	<u>374,331</u>	<u>28,574</u>
PARKS AND RECREATION:				
Personal services/administrative support	444,906	448,605	435,014	13,591
Operating expenditures	232,977	255,440	226,905	28,535
Capital	20,000	26,926	23,724	3,202
Total parks and recreation	<u>697,883</u>	<u>730,971</u>	<u>685,643</u>	<u>45,328</u>
Total charges to appropriations	<u>11,033,754</u>	<u>14,677,330</u>	<u>10,141,720</u>	<u>4,535,610</u>
Excess (deficiency) of revenues over expenditures	(78,838)	577,495	5,302,463	4,724,968
OTHER FINANCING SOURCES (USES):				
Transfers out	(671,404)	(770,788)	(757,330)	13,458
Total other financing sources (uses)	<u>(671,404)</u>	<u>(770,788)</u>	<u>(757,330)</u>	<u>13,458</u>
Net change in fund balance	<u>(750,242)</u>	<u>(193,293)</u>	<u>4,545,133</u>	<u>4,738,426</u>
Fund balance- January 1, 2006	<u>8,088,827</u>	<u>8,088,827</u>	<u>8,088,827</u>	<u>-</u>
Fund balance December 31, 2006	<u>\$ 7,338,585</u>	<u>\$ 7,895,534</u>	<u>\$12,633,960</u>	<u>\$ 4,738,426</u>

CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE- STREET MAINTENANCE FUND FOR YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts			Variance-with
	Original	Final	Actual	Final Budget
REVENUES:				
Municipal income tax	\$ 1,210,250	\$ 1,248,000	\$ 1,282,980	\$ 34,980
State shared revenues	945,030	1,046,295	1,064,892	18,597
Interest income	2,089	22,000	28,456	6,456
Increase in fair value of investments	-	-	203	203
Donations:				-
Capital	-	429,031	632,684	203,653
Other fines, rents, and reimbursements	24,365	47,100	60,660	13,560
Total revenues	<u>2,181,734</u>	<u>2,792,426</u>	<u>3,069,875</u>	<u>277,449</u>
CHARGES TO APPROPRIATIONS:				
Personal services/administrative support	968,182	973,459	909,850	63,609
Operating expenditures	1,154,378	1,015,817	892,353	123,464
Capital costs	99,449	657,690	663,299	(5,609)
Total charges to appropriations	<u>2,222,009</u>	<u>2,646,966</u>	<u>2,465,502</u>	<u>181,464</u>
Excess (deficiency) of revenues over expenditures	(40,275)	145,460	604,373	458,913
OTHER FINANCING SOURCES (USES):				
Transfers out	(50,949)	(57,835)	(57,835)	0
Total other financing sources (uses)	<u>(50,949)</u>	<u>(57,835)</u>	<u>(57,835)</u>	<u>-</u>
Net change in fund balance	(91,224)	87,625	546,538	458,913
Fund balance- January 1, 2006	<u>621,145</u>	<u>621,145</u>	<u>621,145</u>	<u>-</u>
Fund balance December 31, 2006	<u>\$ 529,921</u>	<u>\$ 708,770</u>	<u>\$ 1,167,683</u>	<u>\$ 458,913</u>

CITY OF PIQUA, OHIO

REQUIRED SUPPLEMENTAL INFORMATION BUDGET (GAAP BUDGET) TO ACTUAL COMPARISON SCHEDULE STREET LEVY CONSTRUCTION FUND FOR YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			<u>Variance-with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES:				
Municipal income tax	\$ 1,080,580	\$ 1,114,286	\$ 1,187,804	\$ 73,518
Grants-capital	-	-	-	-
Grants-operating	-	-	-	-
Interest income	2,500	16,500	18,435	1,935
Increase in fair value of investments	-	-	-	-
Donations: capital	250,000	207,685	208,958	1,273
Other fines, rents , and reimbursements		43,999	1,564	(42,435)
Total revenues	<u>1,333,080</u>	<u>1,382,470</u>	<u>1,416,761</u>	<u>34,291</u>
CHARGES TO APPROPRIATIONS:				
Operating expenditures	163,601	150,012	127,583	22,429
Capital costs	<u>1,183,000</u>	<u>1,193,202</u>	<u>1,146,235</u>	<u>46,967</u>
Total charges to appropriations	<u>1,346,601</u>	<u>1,343,214</u>	<u>1,273,818</u>	<u>69,396</u>
Excess (deficiency) of revenues over expenditures	<u>(13,521)</u>	<u>39,256</u>	<u>142,943</u>	<u>103,687</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(13,521)	39,256	142,943	103,687
Fund balance January 1, 2006	<u>313,882</u>	<u>313,882</u>	<u>313,882</u>	<u>-</u>
Fund balance December 31, 2006	<u>\$ 300,361</u>	<u>\$ 353,138</u>	<u>\$ 456,825</u>	<u>\$ 103,687</u>

CITY OF PIQUA, OHIO
Notes to the Required Supplemental Information
December 31, 2006

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

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

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

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

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

CITY OF PIQUA, OHIO
Notes to the Required Supplemental Information
December 31, 2006

STATUTORY COMPLIANCE

At December 31, 2006 the following funds had an excess of expenditures over appropriations for the year:

GENERAL

Purchasing Department	
Personal Services/Administrative Support	\$ 173
Human Resources Department	
Personal Services/Administrative Support	\$ 659

STREET MAINTENANCE

Capital	\$ 5,609
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NON-MAJOR

Safety Pension	
Transfer out	\$ 560

Other Supplemental Data



CITY OF PIQUA, OHIO

NON-MAJOR GOVERNMENTAL FUNDS

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

CITY OF PIQUA, OHIO

NON-MAJOR GOVERNMENTAL FUNDS

Internal Service Funds

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

Fiduciary Funds

Unclaimed Funds	To account for unclaimed liabilities of the city.
Mayor Wilson Fund	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 GOVERNMENTAL FUNDS DECEMBER 31, 2006

ASSETS:	Revolving Loan/Federal Program Income	Community Development	Trust
Equity in pooled cash and cash equivalents	\$ 48,888	\$ 29,213	\$ 27,974
Equity in pooled investments	-	-	-
Accounts receivable	277	-	-
Interfund receivable	-	-	-
Inventories	-	-	-
Prepaid items and other assets	-	-	-
Loans receivable, net of allowance	23,589	442,207	-
Total Current Assets	72,754	471,420	27,974
 Total Assets	 \$ 72,754	 \$ 471,420	 \$ 27,974
 LIABILITIES AND FUND BALANCE:			
CURRENT LIABILITIES:			
Accounts payable	-	1,353	-
Interfund payable	-	4,260	-
Salaries and benefits	-	5,013	-
Accruals	-	90	-
Total Current Liabilities	-	10,716	-
 LONG-TERM LIABILITIES:			
Restricted deposits	-	-	-
Deferred revenue	-	-	-
Total Long Term Liabilities	-	-	-
 Total Liabilities	-	10,716	-
 FUND BALANCES:			
Reserved for encumbrances	-	1,405	-
Reserved by legislation	-	-	-
Reserved for non-current loans receivable	23,589	442,207	-
Unreserved	49,165	17,092	27,974
Total fund balances	72,754	460,704	27,974
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 72,754	 \$ 471,420	 \$ 27,974

(Continued)

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

COMBINING BALANCE SHEET- NON MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2006

	Conservancy	Safety Pension	Federal Grants	Total Non major Funds
ASSETS:				
Equity in pooled cash and cash equivalents	\$ 41,127	\$ 60,676	\$ 15,118	\$ 222,996
Equity in pooled investments	-	-	-	-
Accounts receivable	39,768	199,401	32,390	271,836
Interfund receivable	-	-	-	-
Inventories	-	-	-	-
Prepaid items and other assets	-	-	-	-
Loans receivable, net of allowance	-	-	-	465,796
Total Current Assets	80,895	260,077	47,508	960,628
 Total Assets	 80,895	 260,077	 47,508	 960,628
LIABILITIES AND FUND BALANCE:				
CURRENT LIABILITIES:				
Accounts payable	-	-	1,855	3,208
Interfund payable	-	-	6,789	11,049
Salaries and benefits	-	-	-	5,013
Accruals	-	-	31,994	32,084
Total Current Liabilities	-	-	40,638	51,354
 LONG-TERM LIABILITIES:				
Restricted deposits	-	-	-	-
Deferred revenue	39,768	199,401	-	239,169
Total Long Term Liabilities	39,768	199,401	-	239,169
 Total Liabilities	39,768	199,401	40,638	290,523
 FUND BALANCES:				
Reserved for encumbrances	-	-	12,280	13,685
Reserved by legislation	-	-	-	-
Reserved for non-current loans receivable	-	-	-	465,796
Unreserved	41,127	60,676	(5,410)	190,624
Total fund balances	41,127	60,676	6,870	670,105
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 80,895	 \$ 260,077	 \$ 47,508	 \$ 960,628

(Concluded)

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NON MAJOR GOVERNMENTAL FUNDS FOR YEAR ENDED DECEMBER 31, 2006

	Revolving Loan/Federal Program Income	Community Development	Trust
REVENUES:			
Property taxes	\$ -	\$ 6,804	\$ -
State shared revenues	-	-	-
Licenses, permits, fees	110	1,500	-
Grants: operating	-	-	-
Interest	3,249	20,999	1,144
Donations: operating	-	14,690	-
Other fines, rents, and reimbursements	5,010	-	7,449
Total revenues	<u>8,369</u>	<u>43,993</u>	<u>8,593</u>
CHARGES TO APPROPRIATIONS :			
Personal services/administrative support	-	23,138	-
Operation and maintenance	10,755	22,121	20,001
Capital	-	-	-
Total expenditures	<u>10,755</u>	<u>45,259</u>	<u>20,001</u>
Excess (deficiency) of revenues over expenditures	<u>(2,386)</u>	<u>(1,266)</u>	<u>(11,408)</u>
OTHER FINANCING SOURCES (USES):			
Disposal of fixed assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,386)	(1,266)	(11,408)
Fund balance January 1, 2006	<u>75,140</u>	<u>461,970</u>	<u>39,382</u>
Fund balance December 31, 2006	<u>\$ 72,754</u>	<u>\$ 460,704</u>	<u>\$ 27,974</u>

(Continued)

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NON MAJOR GOVERNMENTAL FUNDS FOR YEAR ENDED DECEMBER 31, 2006

	Conservancy	Safety Pension	Federal Grants	Total Non major Funds
REVENUES:				
Property taxes	\$ 32,569	\$ 195,412	\$ -	\$ 234,785
State shared revenues	4,957	28,960	-	33,917
Licenses, permits, fees	-	-	-	1,610
Grants; operating	-	-	545,586	545,586
Interest	1,300	2,869	-	29,561
Donations operating	-	-	-	14,690
Other fines, rents, and reimbursements	-	-	-	12,459
Total revenues	<u>38,826</u>	<u>227,241</u>	<u>545,586</u>	<u>872,608</u>
CHARGES TO APPROPRIATIONS :				
Personal services/administrative support	-	162,500	13,646	199,284
Operation and maintenance	45,733	3,556	548,698	650,864
Capital	-	-	10,997	10,997
Total expenditures	<u>45,733</u>	<u>166,056</u>	<u>573,341</u>	<u>861,145</u>
Excess (deficiency) of revenues over expenditures	<u>(6,907)</u>	<u>61,185</u>	<u>(27,755)</u>	<u>11,463</u>
OTHER FINANCING SOURCES (USES):				
Disposal of fixed assets	-	-	6,383	6,383
Transfers in	-	-	24,749	24,749
Transfers out	-	(39,615)	0	(39,615)
Total other financing sources (uses)	<u>-</u>	<u>(39,615)</u>	<u>31,132</u>	<u>(8,483)</u>
Net change in fund balance	(6,907)	21,570	3,377	2,980
Fund balance January 1, 2006	<u>48,034</u>	<u>39,106</u>	<u>3,493</u>	<u>667,125</u>
Fund balance December 31, 2006	<u>\$ 41,127</u>	<u>\$ 60,676</u>	<u>\$ 6,870</u>	<u>\$ 670,105</u>

(Concluded)

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (GAAP BUDGET) NON MAJOR GOVERNMENTAL FUNDS FOR YEAR ENDED DECEMBER 31, 2006

	Revolving Loan / Federal Program Income			Community Development		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 6,574	\$ 6,804	\$ 230
State shared revenues	-	-	-	-	-	-
Licenses, permits, fees	110	110	-	1,950	1,500	(450)
Grants	-	-	-	-	-	-
Interest	3,024	3,249	225	21,515	20,999	(516)
Donations operating	-	-	-	24,295	14,690	(9,605)
Other	5,000	5,010	10	-	-	-
Total revenues	8,134	8,369	235	54,334	43,993	(10,341)
CHARGES TO APPROPRIATIONS:						
Personal services	-	-	-	27,676	23,138	4,538
Operation and maintenance	31,482	10,755	20,727	459,299	22,121	437,178
Capital	-	-	-	-	-	-
Total expenditures	31,482	10,755	20,727	486,975	45,259	441,716
Excess (deficiency) of revenues over expenditures	(23,348)	(2,386)	20,962	(432,641)	(1,266)	431,375
OTHER FINANCING SOURCES (USES):						
Disposal of fixed assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	(23,348)	(2,386)	20,962	(432,641)	(1,266)	431,375
Fund balance January 1, 2006	75,140	75,140	-	461,970	461,970	-
Fund balance December 31, 2006	<u>\$ 51,792</u>	<u>\$ 72,754</u>	<u>\$ 20,962</u>	<u>\$ 29,329</u>	<u>\$ 460,704</u>	<u>\$ 431,375</u>

(Continued)

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BUDGET) NON MAJOR GOVERNMENTAL FUNDS
FOR YEAR ENDED DECEMBER 31, 2006**

	Trust			Conservancy		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 32,540	\$ 32,569	\$ 29
State shared revenues	-	-	-	4,655	4,957	302
Licenses, permits, fees	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Interest	1,149	1,144	(5)	1,304	1,300	(4)
Donations operating	-	-	-	-	-	-
Other	38,773	7,449	(31,324)	-	-	-
Total revenues	39,922	8,593	(31,329)	38,499	38,826	327
CHARGES TO APPROPRIATIONS:						
Personal services	-	-	-	-	-	-
Operation and maintenance	31,500	20,001	11,499	46,000	45,733	267
Capital	-	-	-	-	-	-
Total expenditures	31,500	20,001	11,499	46,000	45,733	267
Excess (deficiency) of revenues over expenditures	8,422	(11,408)	(19,830)	(7,501)	(6,907)	594
OTHER FINANCING SOURCES (USES):						
Disposal of fixed assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	8,422	(11,408)	(19,830)	(7,501)	(6,907)	594
Fund balance January 1, 2006	39,382	39,382	-	48,034	48,034	-
Fund balance December 31, 2006	\$ 47,804	\$ 27,974	\$ (19,830)	\$ 40,533	\$ 41,127	\$ 594

(Continued)

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (GAAP BUDGET) NON MAJOR GOVERNMENTAL FUNDS
FOR YEAR ENDED DECEMBER 31, 2006**

	Safety Pension			Federal Grants		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Property taxes	\$ 195,254	\$ 195,412	\$ 158	\$ -	\$ -	\$ -
State shared revenues	29,384	28,960	(424)	-	-	-
Licenses, permits, fees	-	-	-	-	-	-
Grants	-	-	-	708,181	545,586	(162,595)
Interest	2,260	2,869	609	-	-	-
Donations operating	-	-	-	-	-	-
Other	-	-	-	21	-	(21)
Total revenues	<u>226,898</u>	<u>227,241</u>	<u>343</u>	<u>708,202</u>	<u>545,586</u>	<u>(162,616)</u>
CHARGES TO APPROPRIATIONS:						
Personal services	162,500	162,500	-	15,098	13,646	1,452
Operation and maintenance	3,800	3,556	244	600,826	548,698	52,128
Capital	-	-	-	27,277	10,997	16,280
Total expenditures	<u>166,300</u>	<u>166,056</u>	<u>244</u>	<u>643,201</u>	<u>573,341</u>	<u>69,860</u>
Excess (deficiency) of revenues over expenditures	<u>60,598</u>	<u>61,185</u>	<u>587</u>	<u>65,001</u>	<u>(27,755)</u>	<u>(92,756)</u>
OTHER FINANCING SOURCES (USES):						
Disposal of fixed assets	-	-	-	6,383	6,383	-
Transfers in	-	-	-	30,800	24,749	(6,051)
Transfers out	(39,055)	(39,615)	(560)	-	-	-
Total other financing sources (uses)	<u>(39,055)</u>	<u>(39,615)</u>	<u>(560)</u>	<u>37,183</u>	<u>31,132</u>	<u>(6,051)</u>
Net change in fund balance	21,543	21,570	27	102,184	3,377	(98,807)
Fund balance January 1, 2006	<u>39,106</u>	<u>39,106</u>	<u>-</u>	<u>3,493</u>	<u>3,493</u>	<u>-</u>
Fund balance December 31, 2006	<u>\$ 60,649</u>	<u>\$ 60,676</u>	<u>\$ 27</u>	<u>\$ 105,677</u>	<u>\$ 6,870</u>	<u>\$ (98,807)</u>

(Continued)

See accompanying notes to the basic financial statements

CITY OF PIQUA, OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (GAAP BUDGET) NON MAJOR GOVERNMENTAL FUNDS FOR YEAR ENDED DECEMBER 31, 2006

	Totals		
	Budget	Actual	Variance
REVENUES:			
Property taxes	\$ 234,368	\$ 234,785	\$ 417
State shared revenues	34,039	33,917	(122)
Licenses, permits, fees	2,060	1,610	(450)
Grants	708,181	545,586	(162,595)
Interest	29,252	29,561	309
Donations operating	24,295	14,690	(9,605)
Other	43,794	12,459	(31,335)
Total revenues	1,075,989	872,608	(203,381)
CHARGES TO APPROPRIATIONS:			
Personal services	205,274	199,284	5,990
Operation and maintenance	1,172,907	650,864	522,043
Capital	27,277	10,997	16,280
Total expenditures	1,405,458	861,145	544,313
Excess (deficiency) of revenues over expenditures	(329,469)	11,463	340,932
OTHER FINANCING SOURCES (USES):			
Disposal of fixed assets	6,383	6,383	-
Transfers in	30,800	24,749	(6,051)
Transfers out	(39,055)	(39,615)	(560)
Total other financing sources (uses)	(1,872)	(8,483)	(6,611)
Net change in fund balance	(331,341)	2,980	334,321
Fund balance January 1, 2006	667,125	667,125	-
Fund balance December 31, 2006	\$ 335,784	\$ 670,105	\$ 334,321

(Concluded)

See accompanying notes to the basic financial statements

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 31,2006

	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Property taxes	\$ 65,494	\$ 65,494	\$ -
Interest income	37,881	38,940	1,059
Total revenues	<u>103,375</u>	<u>104,434</u>	<u>1,059</u>
 CHARGES TO APPROPRIATIONS:			
Operating expenditures	40,648	36,802	3,846
Debt principal payment	509,108	509,106	2
Debt interest payment	183,891	183,285	606
Total charges to appropriations	<u>733,647</u>	<u>729,193</u>	<u>4,454</u>
Excess (deficiency) of revenues over expenditures	<u>(630,272)</u>	<u>(624,759)</u>	<u>5,513</u>
 OTHER FINANCING SOURCES:			
Transfers in	632,929	632,928	(1)
Total other financing sources (uses)	<u>632,929</u>	<u>632,928</u>	<u>(1)</u>
Net change in fund balance	2,657	8,169	5,512
Fund balance January 1, 2006	<u>376,007</u>	<u>376,007</u>	<u>-</u>
Fund balance December 31, 2006	<u>\$ 378,664</u>	<u>\$ 384,176</u>	<u>\$ 5,512</u>

CITY OF PIQUA, OHIO

COMBINING BALANCE SHEET- INTERNAL SERVICE FUNDS DECEMBER 31, 2006

ASSETS:	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Total
Equity in pooled cash and cash equivalents	\$998,746	\$172,526	\$636,419	\$131,379	\$1,939,070
Equity in pooled investments	1,035,699	905,383	496,443	-	2,437,525
Accounts receivable	11,472	12,254	7,584	-	31,310
Interfund receivable	-	-	219,920	-	219,920
Prepaid items and other assets	-	-	59,003	-	59,003
Notes receivable	-	-	-	-	-
Total Current Assets	2,045,917	1,090,163	1,419,369	131,379	4,686,828
Noncurrent assets:					
Capital assets being depreciated					
Plant and equipment in service, net				129,736	129,736
Total Capital Assets	-	-	-	129,736	129,736
Total Assets	<u>\$ 2,045,917</u>	<u>\$ 1,090,163</u>	<u>\$ 1,419,369</u>	<u>\$ 261,115</u>	<u>\$4,816,564</u>
LIABILITIES AND FUND BALANCE:					
CURRENT LIABILITIES:					
Accounts payable	-	-	2,470	3,069	5,539
Interfund payable	-	-	-	3,543	3,543
Salaries and benefits	-	-	-	5,732	5,732
Accrued vacation, personal and sick leave	-	-	-	14,046	14,046
Accruals	-	-	320,040	-	320,040
Total Current Liabilities	-	-	322,510	26,390	348,900
NONCURRENT LIABILITIES:					
Accrued vacation, personal and sick leave	-	-	-	38,144	38,144
Total Noncurrent Liabilities	-	-	-	38,144	38,144
Total Liabilities	-	-	322,510	64,534	387,044
FUND BALANCES:					
Invested in capital assets, net of related debt				129,736	129,736
Unreserved	2,045,917	1,090,163	1,096,859	66,845	4,299,784
Total Net Assets	<u>2,045,917</u>	<u>1,090,163</u>	<u>1,096,859</u>	<u>196,581</u>	<u>4,429,520</u>
Total Liabilities and Net Assets	<u>\$ 2,045,917</u>	<u>\$ 1,090,163</u>	<u>\$ 1,419,369</u>	<u>\$ 261,115</u>	<u>\$4,816,564</u>

CITY OF PIQUA, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS- INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2006

	Workers Compensation	Liability Insurance	Health Insurance	Information Technology	Total
OPERATING REVENUES:					
Customer services	\$ -	\$ -	\$ 2,384,319	\$ 318,898	\$ 2,703,217
Penalty charges	-	-	-	-	-
Total operating revenues	-	-	2,384,319	318,898	2,703,217
OPERATING EXPENSES:					
Salaries and Employee benefits	-	-	1,980,635	252,186	2,232,821
Depreciation	-	-	-	10,852	10,852
Outside Services	-	-	401,815	31,425	433,240
Total operating expenses	-	-	2,382,450	294,463	2,676,913
Operating income (loss)	-	-	1,869	24,435	26,304
NON-OPERATING REVENUES(EXPENSES):					
Interest income	84,684	41,917	49,250	4,873	180,724
Net (decrease) in fair market value of investments.	15,470	5,624	2,120	-	23,214
Other, net	-	-	-	5,491	5,491
Donated capital	-	-	-	363	363
Transfers, in	-	-	-	-	-
Transfers, out	-	-	-	-	-
Net non-operating revenues(expenses)	100,154	47,541	51,370	10,727	209,792
Change in net assets	100,154	47,541	53,239	35,162	236,096
Total net assets-beginning of year	1,945,763	1,042,622	1,043,620	161,419	4,193,424
Total net assets-end of year	\$ 2,045,917	\$ 1,090,163	\$ 1,096,859	\$ 196,581	\$ 4,429,520

CITY OF PIQUA, OHIO

COMBINING STATEMENT OF CASH FLOWS-INTERNAL SERVICE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2006

	Workers Compensation	Liability Insurance	City Health Insurance	Information Technology	Internal Service Totals
OPERATING ACTIVITIES:					
Cash received for services	\$ -	\$ -	\$ 2,705,053	\$ 324,390	\$ 3,029,443
Cash paid to suppliers for goods or services	-	-	(2,632,334)	(29,464)	(2,661,798)
Cash paid to employees for services	-	-	-	(249,497)	(249,497)
Net cash provided by (used in) operating activities	-	-	72,719	45,429	118,148
NONCAPITAL FINANCING ACTIVITIES:					
Transfers, in	-	-	-	-	-
Transfers, out	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-	-
CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from issuance of bonds and notes	-	-	-	-	-
Principal paid on bonds and notes	-	-	-	-	-
Interest paid on bonds and notes	-	-	-	-	-
Acquisition and construction of capital assets	-	-	-	(15,396)	(15,396)
Disposals of capital assets	-	-	-	-	-
Net cash provided by (used in) capital & related financing activities	-	-	-	(15,396)	(15,396)
INVESTING ACTIVITIES:					
Purchases of investment securities	-	-	-	-	-
Proceeds from sale or maturity of investment securities	765,000	100,000	300,000	-	1,165,000
Interest received	87,552	39,449	51,977	4,873	183,851
Net cash provided by (used in) investing activities	852,552	139,449	351,977	4,873	1,348,851
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	852,552	139,449	424,696	34,906	1,451,603
CASH AND CASH EQUIVALENTS - Beginning of year	146,194	33,077	211,724	96,472	487,467
CASH AND CASH EQUIVALENTS - End of year	\$ 998,746	\$ 172,526	\$ 636,420	\$ 131,378	1,939,070
OPERATING INCOME (LOSS)	\$ -	\$ -	\$ 1,869	\$ 24,435	26,304
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	-	10,852	10,852
(Increase)/Decrease in Accounts Receivable	-	-	320,734	-	320,734
(Increase)/Decrease in Inventory	-	-	-	-	-
(Increase)/Decrease in Prepaids	-	-	(35,197)	-	(35,197)
Increase/(Decrease) in Accounts Payable	-	-	(214,687)	1,962	(212,725)
Increase/(Decrease) in Accrued Wages and Benefits	-	-	-	2,689	2,689
(Increase)/Decrease in Deferred Revenues	-	-	-	-	-
Net (Increase)/Decrease in Other Operating Net Assets	-	-	-	5,491	5,491
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,719</u>	<u>\$ 45,429</u>	<u>\$ 118,148</u>
SUPPLEMENTAL INFORMATION:					
Noncash activities:					
Change in fair value of investments	<u>\$ 15,470</u>	<u>\$ 5,624</u>	<u>\$ 2,120</u>	<u>\$ -</u>	<u>\$ 23,214</u>
Contribution of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363</u>	<u>\$ 363</u>

CITY OF PIQUA, OHIO

COMBINING STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS DECEMBER 31, 2006

	Unclaimed Funds	Employee Flexible Spending	Agency Funds
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 196	\$ 18,862	\$ 19,058
Total Assets	<u>\$ 196</u>	<u>\$ 18,862</u>	<u>\$ 19,058</u>
LIABILITIES:			
Withholdings payable	\$ -	\$ 18,862	\$ 18,862
Undistributed monies	<u>196</u>	<u>-</u>	<u>196</u>
Total Liabilities	<u>\$ 196</u>	<u>\$ 18,862</u>	<u>\$ 19,058</u>

CITY OF PIQUA, OHIO

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR YEAR ENDED DECEMBER 31,2006**

	Balance at January 1, 2006	Additions	Deductions	Total Balance at December 31, 2006
Unclaimed Funds				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 657	\$ 49	\$ 510	\$ 196
Prepaid items and other assets				-
Total Assets	<u>\$ 657</u>	<u>\$ 49</u>	<u>\$ 510</u>	<u>\$ 196</u>
LIABILITIES				
Withholdings payable	\$ -	\$ -	\$ -	\$ -
Undistributed monies	657	49	510	196
Total Liabilities	<u>\$ 657</u>	<u>\$ 49</u>	<u>\$ 510</u>	<u>\$ 196</u>
Employee Flexible Spending				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 1,484	\$ 214,121	\$ 196,743	\$ 18,862
Prepaid items and other assets	5,527	-	5,527	-
Total Assets	<u>\$ 7,011</u>	<u>\$ 214,121</u>	<u>\$ 202,270</u>	<u>\$ 18,862</u>
LIABILITIES				
Withholdings payable	\$ 7,011	\$ 214,121	\$ 202,270	\$ 18,862
Undistributed monies	-	-	-	-
Total Liabilities	<u>\$ 7,011</u>	<u>\$ 214,121</u>	<u>\$ 202,270</u>	<u>\$ 18,862</u>
Total- All AGENCY FUNDS				
ASSETS				
Equity in pooled cash and cash equivalents	\$ 2,141	\$ 214,170	\$ 197,253	\$ 19,058
Prepaid items and other assets	5,527	-	5,527	-
Total Assets	<u>\$ 7,668</u>	<u>\$ 214,170</u>	<u>\$ 202,780</u>	<u>\$ 19,058</u>
LIABILITIES				
Withholdings payable	\$ 7,011	\$ 214,121	\$ 202,270	\$ 18,862
Undistributed monies	657	49	510	196
Total Liabilities	<u>\$ 7,668</u>	<u>\$ 214,170</u>	<u>\$ 202,780</u>	<u>\$ 19,058</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	76-79
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	80-82
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	83-85
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	86-87
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	88-90
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

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

	2006	2005	2004	2003	2002
Government Activities					
Invested in capital assets, net of related debt	\$ 36,547,835	\$ 35,515,425	\$ 35,501,878	\$ 34,348,207	\$ 33,775,146
Restricted	418,841	740,702	1,571,115	976,604	814,300
Unrestricted	18,315,439	12,523,508	10,506,442	10,846,109	9,322,261
Total Governmental Activities Net Assets	55,282,115	48,779,635	47,579,435	46,170,920	43,911,707
Business-Type Activities					
Invested in capital assets, net of related debt	49,706,237	49,323,165	48,803,820	48,428,042	48,765,023
Restricted	58,910	66,588	303,180	168,888	173,379
Unrestricted	13,525,087	10,862,242	10,196,051	10,926,471	10,526,551
Total Business-Type Activities Net Assets	63,290,234	60,251,995	59,303,051	59,523,401	59,464,953
Primary Government					
Invested in capital assets, net of related debt	86,254,072	84,838,590	84,305,698	82,776,249	82,540,169
Restricted	477,751	807,290	1,874,295	1,145,492	987,679
Unrestricted	31,840,526	23,385,750	20,702,493	21,772,580	19,848,812
Total Primary Government Activities Net Assets	\$118,572,349	\$109,031,630	\$106,882,486	\$105,694,321	\$103,376,660

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

	2006	2005	2004	2003	2002
Expenses					
Government activities					
General government	\$ 2,252,448	\$ 1,985,407	\$ 1,797,660	\$ 1,859,642	\$ 2,217,319
Public safety	7,784,475	7,667,665	7,363,799	6,844,602	6,539,055
Streets and maintenance	2,855,826	3,456,870	2,787,428	2,424,531	2,824,036
Parks and recreation	741,577	716,795	636,230	561,058	593,878
Community development	617,750	1,287,935	721,741	604,099	667,877
Interest on long term debt	184,603	216,710	234,029	246,298	288,383
Total governmental activities expenses	\$ 14,436,679	\$ 15,331,382	\$ 13,540,887	\$ 12,540,230	\$ 13,130,548
Business-type Activities					
Electric	\$ 15,844,446	\$ 16,945,700	\$ 17,123,814	\$ 16,962,240	\$ 17,699,925
Wastewater	2,998,639	2,842,163	2,814,171	2,800,775	2,737,680
Refuse	1,429,689	1,363,145	1,340,265	1,291,240	1,293,568
Water	2,564,675	2,589,854	2,408,664	2,205,581	2,503,948
Golf	710,890	699,461	738,514	674,858	621,579
Municipal Pool	171,160	175,944	161,821	160,093	159,458
Total business-type activities expenses	\$ 23,719,499	\$ 24,616,267	\$ 24,587,249	\$ 24,094,787	\$ 25,016,158
Total Primary Government activities expenses	\$ 38,156,178	\$ 39,947,649	\$ 38,128,136	\$ 36,635,017	\$ 38,146,706
Program revenues					
Government activities					
Charges for Services:					
General government	\$ 1,436,056	\$ 298,340	\$ 264,426	\$ 212,377	\$ 323,247
Public safety	566,672	311,871	328,505	240,543	238,819
Streets and maintenance	63,390	49,462	50,637	76,011	26,050
Parks and recreation	31,346	31,798	20,415	15,706	20,557
Community development	7,042	67,397	73,226	9,712	25,024
Operating grants and contributions	3,208,242	739,860	742,628	640,700	759,557
Capital grants and contributions	859,305	60,487	596,094	737,223	2,367,605
Total governmental activities program revenues	\$ 6,172,053	\$ 1,559,215	\$ 2,075,931	\$ 1,932,272	\$ 3,760,859
Business-type Activities					
Charges for Services:					
Electric	\$ 18,181,498	\$ 18,415,430	\$ 16,702,913	\$ 16,745,273	\$ 17,346,946
Wastewater	2,698,928	2,671,979	2,643,578	2,620,654	3,113,672
Refuse	1,408,455	1,340,537	1,281,780	1,261,666	1,222,548
Water	2,722,614	2,586,120	2,565,055	2,542,575	2,953,493
Golf	599,742	623,714	591,972	533,654	501,279
Municipal Pool	89,373	95,138	73,923	75,478	90,855
Operating grants and contributions	261	271	-	-	-
Capital grants and contributions	688,466	13,073	64,276	66,651	-
Total business-type activities program revenues	\$ 26,389,337	\$ 25,746,262	\$ 23,923,497	\$ 23,845,951	\$ 25,228,793
Total primary government program revenues	\$ 32,561,390	\$ 27,305,477	\$ 25,999,428	\$ 25,778,223	\$ 28,989,652
Net revenue (expense)					
Governmental activities	\$ (8,264,626)	\$ (13,772,167)	\$ (11,464,956)	\$ (10,607,958)	\$ (9,369,689)
Business-type activities	2,669,838	1,129,995	(663,752)	(248,836)	212,635
Total primary government net revenue(expense)	\$ (5,594,788)	\$ (12,642,172)	\$ (12,128,708)	\$ (10,856,794)	\$ (9,157,054)
General revenues and other changes in net assets					
Governmental activities					
Property taxes	\$ 1,505,317	\$ 1,525,944	\$ 1,452,019	\$ 1,503,856	\$ 1,516,613
State Shared taxes	2,953,529	3,280,931	2,431,261	2,786,967	2,441,040
Income tax	8,611,614	8,378,103	7,338,490	7,364,357	6,913,931
Locally levied taxes	1,309,110	1,249,360	1,095,211	1,057,683	1,084,235
Investment earnings	578,256	289,066	177,473	199,911	529,466
Miscellaneous	6,383	385,572	73,018	93,971	-
Transfers	(197,103)	(136,609)	(230,861)	(139,574)	(51,281)
Total governmental activities general revenues and other changes in net assets	\$ 14,767,106	\$ 14,972,367	\$ 12,336,611	\$ 12,867,171	\$ 12,434,004
Business-type Activities					
Investment earnings	\$ 603,404	\$ 287,164	\$ 173,763	\$ 167,710	\$ 559,412
Special item	(432,106)	(604,824)	-	-	-
Transfers	197,103	136,609	230,861	139,574	51,281
Total business-type activities general revenues and other changes in net assets	\$ 368,401	\$ (181,051)	\$ 404,624	\$ 307,284	\$ 610,693
Total primary government general revenues and other changes in net assets	\$ 15,135,507	\$ 14,791,316	\$ 12,741,235	\$ 13,174,455	\$ 13,044,697
Change in net assets					
Governmental activities	\$ 6,502,480	\$ 1,200,200	\$ 871,655	\$ 2,259,213	\$ 3,064,315
Business-type activities	\$ 3,038,239	\$ 948,944	\$ (259,128)	\$ 58,448	\$ 823,328
Total primary government activities	\$ 9,540,719	\$ 2,149,144	\$ 612,527	\$ 2,317,661	\$ 3,887,643

CITY OF PIQUA, OHIO

Table 3

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved	\$ 4,039,446	\$ 413,703	\$ 867,692	\$ 181,424	\$ 151,595	\$ 138,997	\$ 818,689	\$ 316,300	\$ 285,574	\$ 515,422
Unreserved	8,594,514	7,675,124	6,260,657	7,436,953	5,967,378	6,012,543	7,694,748	7,846,574	7,560,017	6,908,264
Total General Fund	\$ 12,633,960	\$ 8,088,827	\$ 7,128,349	\$ 7,618,377	\$ 6,118,973	\$ 6,151,540	\$ 8,513,437	\$ 8,162,874	\$ 7,845,591	\$ 7,423,686
Street Maintenance Fund										
Reserved	\$ 163,780	\$ 10,766	\$ 4,121	\$ 1,432	\$ 19,066	\$ 131,131	\$ 504,195	\$ 119,530	\$ 33,033	\$ 63,718
Unreserved	1,003,903	610,379	471,491	316,750	291,065	237,945	685,720	915,389	677,354	616,710
Total Street Maintenance Fund	\$ 1,167,683	\$ 621,145	\$ 475,612	\$ 318,182	\$ 310,131	\$ 369,076	\$ 1,189,915	\$ 1,034,919	\$ 710,387	\$ 680,428
Street Levy Fund										
Reserved	\$ 45,903	\$ 86,492	\$ 30,642	\$ 228,872	\$ 431,625	\$ 568,447	\$ 152,360	\$ 5,939	\$ 70,641	\$ 125,977
Unreserved	410,922	227,390	207,500	95,817	(319,857)	31,341	837,056	980,376	767,396	1,536,570
Total Street Levy Fund	\$ 456,825	\$ 313,882	\$ 238,142	\$ 324,689	\$ 111,768	\$ 599,788	\$ 989,416	\$ 986,315	\$ 838,037	\$ 1,662,547
All Other Governmental Funds										
Reserved	\$ 863,657	\$ 642,604	\$ 430,985	\$ 360,451	\$ 132,504	\$ 92,482	\$ 4,062,236	\$ 443,353	\$ 134,987	\$ 844,767
Unreserved	190,624	400,528	621,220	693,814	793,664	754,011	(1,362,859)	1,312,817	1,345,034	315,118
Total All Other Governmental Funds	\$ 1,054,281	\$ 1,043,132	\$ 1,052,205	\$ 1,054,265	\$ 926,168	\$ 846,493	\$ 2,699,377	\$ 1,756,170	\$ 1,480,021	\$ 1,159,885
All Governmental Funds										
Reserved	\$ 5,112,786	\$ 1,153,565	\$ 1,333,440	\$ 772,179	\$ 734,790	\$ 931,057	\$ 5,537,480	\$ 885,122	\$ 524,235	\$ 1,549,884
Unreserved	10,199,963	8,913,421	7,560,868	8,543,334	6,732,250	7,035,840	7,854,665	11,055,156	10,349,801	9,376,662
Total All Governmental Funds	\$ 15,312,749	\$ 10,066,986	\$ 8,894,308	\$ 9,315,513	\$ 7,467,040	\$ 7,966,897	\$ 13,392,145	\$ 11,940,278	\$ 10,874,036	\$ 10,926,546

Source: City of Piqua Finance Department

CITY OF PIQUA, OHIO

Table 4

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
REVENUES										
Municipal income tax	\$ 8,300,977	\$ 8,378,103	\$ 7,338,490	\$ 7,364,357	\$ 6,913,931	\$ 7,075,879	\$ 7,409,129	\$ 7,487,702	\$ 7,005,992	\$ 6,839,527
Property taxes	1,505,317	1,525,944	1,452,019	1,503,856	1,464,328	1,462,538	1,499,439	1,469,581	1,229,611	1,240,051
State shared revenues	3,192,533	3,086,008	2,440,954	2,309,931	2,428,657	2,627,852	2,430,990	2,301,013	2,147,881	2,032,154
Locally levied taxes	1,309,110	1,249,360	1,095,211	1,057,683	1,084,235	651,078	-	-	-	-
Licenses and permits, fees	574,837	314,412	358,178	282,538	351,468	354,595	327,355	304,077	363,713	258,282
Grants: capital	208,958	713,537	402,414	665,148	-	2,039,813	1,614,613	880,809	1,094,497	1,526,890
Grants: operating	600,798	713,537	714,033	623,044	3,053,192	-	-	-	-	-
Investment income	420,761	249,393	150,072	176,014	241,329	445,017	687,936	558,012	566,713	522,244
Increase in fair market value of investments	18,769	(33,256)	(29,936)	(78,911)	8,739	58,807	114,247	(157,684)	63,436	-
Donations: capital	650,347	57,122	193,680	72,075	73,627	-	-	-	-	-
Donations: operating	2,607,444	26,321	28,595	17,656	343	-	-	-	-	-
Other fines, rents, and reimbursements	1,518,010	444,458	367,119	271,811	249,637	538,842	458,497	601,684	425,665	387,400
Total revenues	\$ 20,907,861	\$ 16,014,767	\$ 14,510,829	\$ 14,265,202	\$ 15,869,486	\$ 15,254,421	\$ 14,542,206	\$ 13,445,194	\$ 12,897,508	\$ 12,806,548
EXPENDITURES										
General government administration	\$ 1,356,040	\$ 1,115,766	\$ 1,147,891	\$ 1,109,423	\$ 1,258,233	\$ 1,211,362	\$ 1,315,007	\$ 1,147,344	\$ 1,032,623	\$ 1,042,598
Public safety	7,567,735	7,117,151	7,134,397	6,442,819	6,142,233	6,038,913	5,970,936	5,815,958	5,707,040	5,409,549
Public health	393,863	331,834	318,869	301,939	273,225	342,946	311,693	205,183	200,097	177,773
Street repairs and maintenance	1,936,590	2,591,792	1,941,396	1,680,773	2,260,992	1,567,061	1,523,071	1,445,511	1,196,073	1,275,005
Parks and recreation	661,920	637,044	573,008	509,630	514,476	628,026	417,271	416,879	335,587	345,985
Community planning and development	749,395	1,281,353	703,930	593,528	637,002	639,101	493,558	516,879	509,232	582,004
Other	106,092	160,982	103,674	142,634	65,991	95,230	26,252	1,834	2,853	2,744
Debt principal payment	524,404	805,840	448,413	415,805	381,299	353,333	32,783	44,072	45,778	53,188
Debt interest payment	184,195	217,845	231,512	248,143	268,308	51,448	34,012	14,927	18,696	21,410
Payment of pension liability	-	-	-	-	-	-	533,877	-	-	-
Capital costs	1,991,144	1,306,288	2,407,139	2,105,214	4,516,303	9,557,507	6,811,701	2,674,455	3,481,646	3,079,709
Total expenditures	\$ 15,471,378	\$ 15,565,895	\$ 15,010,229	\$ 13,549,908	\$ 16,318,062	\$ 20,484,927	\$ 17,570,399	\$ 12,283,434	\$ 12,529,625	\$ 11,989,965
Excess (deficiency) of revenues over expenditures	\$ 5,436,483	\$ 448,872	\$ (499,400)	\$ 715,294	\$ (448,576)	\$ (5,230,506)	\$ (3,028,193)	\$ 1,161,760	\$ 367,883	\$ 816,583
OTHER FINANCING SOURCES (USES):										
Issuance of debt	\$ -	\$ 474,842	\$ 236,037	\$ 99,155	\$ -	\$ -	\$ 4,552,939	\$ -	\$ -	\$ -
Disposal of capital assets	6,383	385,572	73,018	93,971	-	-	-	-	-	-
Transfers in	657,677	899,980	1,258,438	2,430,459	4,931,844	3,640,573	5,955,341	954,315	689,384	1,192,338
Transfers out	(854,780)	(1,036,588)	(1,489,298)	(1,490,406)	(4,983,125)	(3,835,315)	(6,028,220)	(1,049,833)	(1,004,757)	(1,239,437)
Total other financing sources (uses)	\$ (190,720)	\$ 723,806	\$ 78,195	\$ 1,133,179	\$ (51,281)	\$ (194,742)	\$ 4,480,060	\$ (95,518)	\$ (315,373)	\$ (47,099)
Net change in fund balances	\$ 5,245,763	\$ 1,172,678	\$ (421,205)	\$ 1,848,473	\$ (499,857)	\$ (5,425,248)	\$ 1,451,867	\$ 1,066,242	\$ 52,510	\$ 769,484
Debt service as a percentage of Noncapital expenditures	5.3%	7.2%	5.4%	5.8%	5.5%	3.7%	0.6%	0.6%	0.7%	0.8%

CITY OF PIQUA, OHIO

Table 5

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

Tax Year	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes from Individuals	Percentage of Taxes from Individuals
2006	1.75%	\$ 8,304,428	\$ 6,300,579	76%	\$ 1,458,825	18%	\$ 545,024	6%
2005	1.75%	8,285,031	6,394,175	77%	1,316,266	16%	574,590	7%
2004	1.75%	7,291,145	5,858,601	80%	872,733	12%	559,811	8%
2003	1.75%	7,377,796	5,773,887	78%	1,030,707	14%	573,202	8%
2002	1.75%	6,987,530	5,911,906	85%	594,701	9%	480,923	6%
2001	1.75%	7,080,816	5,836,282	82%	655,647	9%	588,887	9%
2000	1.75%	7,473,123	5,938,145	79%	1,017,625	14%	517,353	7%
1999	1.75%	7,350,955	5,728,286	78%	1,045,726	14%	576,943	8%
1998	1.75%	7,030,731	5,742,933	82%	800,165	11%	487,633	7%
1997	1.75%	6,789,431	5,568,822	82%	735,147	11%	485,462	7%

Source: City of Piqua Income Tax Department

CITY OF PIQUA, OHIO

Table 6

INCOME TAX COLLECTIONS BY INCOME RANGE
LAST FIVE YEARS

Tax Year	Income Range (Dollars)	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
2005	0-20,000	2,840	43.57%	23,206,195	8.58%
2005	20,001-40,000	1,655	25.39%	48,441,662	17.92%
2005	40,001-60,000	941	14.43%	46,343,589	17.14%
2005	60,001-80,000	517	7.93%	35,318,776	13.06%
2005	80,001-100,000	262	4.02%	23,149,682	8.56%
2005	over 100,000	304	4.66%	93,934,318	34.74%
	Total	6,519		270,394,223	
2004	0-20,000	2,917	42.98%	24,164,308	8.07%
2004	20,001-40,000	1,793	26.41%	52,604,328	17.56%
2004	40,001-60,000	975	14.36%	48,039,364	16.03%
2004	60,001-80,000	558	8.22%	38,117,997	12.72%
2004	80,001-100,000	260	3.83%	23,025,891	7.68%
2004	over 100,000	285	4.20%	113,682,534	37.94%
	Total	6,788		299,634,422	
2003	0-20,000	2,837	42.30%	22,995,807	8.57%
2003	20,001-40,000	1,777	26.49%	51,317,780	19.12%
2003	40,001-60,000	1,045	15.58%	51,539,737	19.21%
2003	60,001-80,000	547	8.16%	37,477,454	13.97%
2003	80,001-100,000	247	3.68%	21,891,662	8.16%
2003	over 100,00	254	3.79%	83,115,946	30.97%
	Total	6,707		268,338,386	
2002	0-20,000	2,653	41.70%	22,104,265	8.80%
2002	20,001-40,000	1,696	26.66%	49,156,152	19.58%
2002	40,001-60,000	997	15.67%	49,182,057	19.59%
2002	60,001-80,000	540	8.49%	36,984,022	14.73%
2002	80,001-100,000	222	3.49%	19,694,871	7.85%
2002	over 100,00	254	3.99%	73,924,095	29.45%
	Total	6,362		251,045,462	
2001	0-20,000	2644	42.42%	21,199,824	8.69%
2001	20,001-40,000	1615	25.91%	47,033,837	19.27%
2001	40,001-60,000	981	15.74%	48,149,341	19.72%
2001	60,001-80,000	538	8.63%	37,022,896	15.17%
2001	80,001-100,000	212	3.40%	18,732,153	7.67%
2001	over 100,000	243	3.90%	71,968,191	29.48%
	Total	6233		244,106,242	

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

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

Tax Year Collection Year	Total Levy	Current Collection	Percent of Total Levy Collected	Delinquent Collection	Total Collection	Total Collection as Percent of Total Levy	Cumulative Delinquency	Real Property Assessed Value	Personal and Utilities Property Assessed Value	Total Assessed Value
2005/2006	1,550,670	1,512,109	97.51	63,082	1,575,191	101.58	92,928	296,243,040	\$63,527,520	359,770,560
2004/2005	1,581,499	1,544,095	97.63	69,912	1,614,007	102.06	91,922	291,828,330	65,159,360	356,987,690
2003/2004	1,533,847	1,492,929	97.33	41,058	1,533,987	100.01	80,678	277,754,750	70,142,460	347,897,210
2002/2003	1,543,196	1,501,773	97.32	42,463	1,544,236	100.07	80,815	275,053,010	76,389,910	351,442,920
2001/2002	1,549,860	1,511,981	97.56	38,347	1,550,328	100.03	69,998	270,749,680	73,192,390	343,942,070
2000/2001	1,487,288	1,430,444	96.18	26,364	1,456,808	97.95	79,820	256,052,460	72,293,270	328,345,730
1999/2000	1,427,572	1,376,907	96.45	100,749	1,477,656	103.51	68,162	247,132,470	77,189,310	324,321,780
1998/1999	1,457,727	1,382,089	94.81	72,483	1,454,572	99.78	42,953	235,594,180	69,491,010	305,085,190
1997/1998	1,278,385	1,265,662	99.00	33,239	1,298,901	101.60	46,585	206,442,250	65,914,170	272,356,420
1996/1997	\$ 1,193,069	\$ 1,173,640	98.37	\$ 32,019	\$ 1,205,659	101.06	\$ 33,510	\$ 199,918,260	\$ 53,033,330	\$ 252,951,590

Source: Miami County Auditor's Office

CITY OF PIQUA, OHIO

Table 8

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

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General obligation bonds	\$ 5,660,001	\$ 6,755,000	\$ 7,820,000	\$ 8,950,000	\$ 9,515,000	\$ 10,410,000	\$ 11,265,000	\$ 7,795,000	\$ 8,305,000	\$ 8,795,000
Special assessment bonds	136,090	175,961	193,654	186,042	180,571	171,664	200,464	130,775	103,325	140,522
Pension refunding bonds	375,000	390,000	405,000	420,000	435,000	450,000	460,000	-	-	-
Promissory Notes	149,000	149,000	-	-	-	80,000	1,055,000	1,055,000	1,055,000	975,000
Capital Leases	106,814	173,393	179,127	-	-	-	-	-	-	-
Total gross indebtedness	\$ 6,426,905	\$ 7,643,354	\$ 8,597,781	\$ 9,556,042	\$ 10,130,571	\$ 11,111,664	\$ 12,980,464	\$ 8,980,775	\$ 9,463,325	\$ 9,910,522
Percent of estimated assessed property value	1.79%	2.14%	2.47%	2.72%	2.95%	3.38%	4.00%	2.94%	3.47%	3.92%
Per capita	\$ 310	\$ 369	\$ 415	\$ 461	\$ 489	\$ 536	\$ 626	\$ 436	\$ 459	\$ 481
Less debt outside limitations:										
Less debt service fund balance	77,135	66,779	63,193	49,208	50,472	55,885	50,607	1,549	1,639	1,547
Exempt self-supporting obligation debt:	3,775,001	4,465,000	5,145,000	5,870,000	6,140,000	6,715,000	7,265,000	7,795,000	8,305,000	8,795,000
Special assessment bonds	136,090	175,961	193,654	186,042	180,571	171,664	200,464	130,775	103,325	140,522
Pension refunding bonds	375,000	390,000	405,000	420,000	435,000	450,000	460,000	-	-	-
Net debt within limitation for both										
Voted and Unvoted debt	\$ 2,063,679	\$ 2,545,614	\$ 2,790,934	\$ 3,030,792	\$ 3,324,528	\$ 3,719,115	\$ 5,004,393	\$ 1,053,451	\$ 1,053,361	\$ 973,453
Percent of estimated assessed property value	0.57%	0.71%	0.80%	0.86%	0.97%	1.13%	1.54%	0.35%	0.39%	0.38%
Per capita	\$ 100	\$ 123	\$ 135	\$ 146	\$ 160	\$ 179	\$ 241	\$ 51	\$ 51	\$ 47
Debt limitation for both voted and unvoted debt										
10.5% of assessed valuation	\$ 37,775,909	\$37,483,707	\$36,529,207	\$36,901,507	\$36,113,917	\$34,476,302	\$34,053,787	\$32,033,945	\$ 28,597,424	\$27,229,607
Legal debt margin for voted and unvoted debt	\$ 35,712,230	\$34,938,093	\$33,738,273	\$33,870,715	\$32,789,389	\$30,757,187	\$29,049,394	\$30,980,494	\$ 27,544,063	\$26,256,154
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	5.46%	6.79%	7.64%	8.21%	9.21%	10.79%	14.70%	3.29%	3.68%	3.57%
Net debt within limitation for both voted and unvoted limitation										
Less voted debt	\$ 2,063,679	\$ 2,545,614	\$ 2,790,934	\$ 3,030,792	\$ 3,324,528	\$ 3,719,115	\$ 5,004,393	\$ 1,053,451	\$ 1,053,361	\$ 973,453
Net debt with limitation for unvoted debt	\$ 2,063,679	\$ 2,545,614	\$ 2,790,934	\$ 3,030,792	\$ 3,324,528	\$ 3,719,115	\$ 5,004,393	\$ 1,053,451	\$ 1,053,361	\$ 973,453
Debt limitation for Unvoted debt										
5.5% of assessed valuation	\$ 19,787,381	\$19,634,323	\$19,134,347	\$19,329,361	\$18,916,814	\$18,059,015	\$17,837,698	\$16,779,685	\$ 17,979,603	\$14,263,127
Legal debt margin for unvoted debt	\$ 17,723,702	\$17,088,709	\$16,343,413	\$16,298,569	\$15,592,286	\$14,339,900	\$12,833,305	\$15,726,234	\$ 16,926,242	\$13,289,674
Net debt within limitation for unvoted debt as a percentage of debt limit	10.43%	12.97%	14.59%	15.68%	17.57%	20.59%	28.06%	6.28%	5.86%	6.82%

Source: City of Piqua Finance Department

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2006**

	<u>Gross Debt</u>	<u>Debt Service</u>	<u>Net Debt</u>	<u>Percent Applicable to City (1)</u>	<u>City's Share</u>
Overlapping Debt (1)					
Piqua School District	\$11,812,431	\$ 477,451	\$ 11,334,980	81.73%	\$ 9,264,079
Upper Valley Joint Vocational School	3,850,000	347,876	3,502,124	15.77%	552,285
Miami County	<u>13,740,000</u>	<u>405,204</u>	<u>13,334,796</u>	16.97%	<u>2,262,915</u>
Total overlapping debt	<u>\$29,402,431</u>	<u>\$ 1,230,531</u>	<u>\$ 28,171,900</u>		<u>\$ 12,079,279</u>
Direct Debt					
City of Piqua	<u>2,140,814</u>	<u>77,135</u>	<u>2,063,679</u>	100.00%	<u>2,063,679</u>
Total net direct and overlapping debt	<u><u>\$31,543,245</u></u>	<u><u>\$ 1,307,666</u></u>	<u><u>\$ 30,235,579</u></u>		<u><u>\$ 14,142,958</u></u>

Source: Individual Jurisdictions

(1) Assessed valuation of City of Piqua divided by assessed valuation of each taxing district from Miami County Auditor's Office

CITY OF PIQUA, OHIO

Table 10

DEBT COVERAGE
BUSINESS TYPE ACTIVITIES
LAST TEN YEARS

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Power										
Gross revenues	\$ 18,725,494	\$ 18,393,373	\$16,768,510	\$ 16,872,661	\$ 17,648,101	\$ 17,411,299	\$ 17,125,470	\$16,851,349	\$ 16,690,016	\$ 16,142,720
Direct operating expenses	14,259,799	15,533,778	15,403,238	15,151,271	15,639,200	12,375,133	12,167,826	11,585,345	11,368,699	11,790,253
Net revenue available for debt service	4,465,695	2,859,595	1,365,272	1,721,390	2,008,901	5,036,166	4,957,644	5,266,004	5,321,317	4,352,467
General obligation debt service requirements	406,180	402,880	403,789	488,902	449,075	448,375	446,700	444,050	445,750	441,475
Revenue obligation debt service requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,031,230	\$ 1,037,510	\$ 1,035,605	\$ 1,035,050
Debt service coverage	1,099	705	338	352	447	1,123	335	355	359	295
Wastewater										
Gross revenues	\$ 2,730,291	\$ 2,690,664	\$ 2,650,812	\$ 2,640,767	\$ 2,673,074	\$ 2,675,182	\$ 2,759,431	\$ 2,715,283	\$ 2,696,766	\$ 2,632,243
Direct operating expenses	1,832,516	1,629,290	1,588,385	1,532,618	1,414,830	1,340,327	1,323,629	1,296,479	1,318,725	1,309,157
Net revenue available for debt service	897,775	1,061,374	1,062,427	1,108,150	1,258,244	1,334,855	1,435,802	1,418,804	1,378,041	1,323,086
General obligation debt service requirements	176,963	200,888	212,850	224,813	236,775	248,738	260,700	272,662	284,625	291,225
Revenue obligation debt service requirements	\$ 506,537	\$ 820,578	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628	\$ 824,628
Debt service coverage	131	104	102	106	119	124	132	129	124	119
Water										
Gross revenues	\$ 2,673,640	\$ 2,545,102	\$ 2,516,706	\$ 2,505,710	\$ 2,531,566	\$ 2,551,938	\$ 2,628,040	\$ 2,639,794	\$ 2,638,260	\$ 2,566,714
Direct operating expenses	2,109,256	2,185,363	2,025,244	1,845,434	2,116,968	1,896,951	1,584,915	1,630,867	1,532,711	1,621,471
Net revenue available for debt service	564,384	359,739	491,462	660,276	414,598	654,987	1,043,125	1,008,927	1,105,549	945,243
General obligation debt service requirements	52,910	50,238	48,281	50,468	52,578	51,003	52,785	54,498	52,582	50,444
Revenue obligation debt service requirements	\$ 223,753	\$ 66,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 665,190	\$ 659,570
Debt service coverage	204	308	1,018	1,308	789	1,284	1,976	1,851	154	133
Golf										
Gross revenues	\$ 600,967	\$ 625,511	\$ 594,655	\$ 562,643	\$ 504,753	\$ 564,183	\$ 583,356	\$ 612,365	\$ 567,804	\$ 547,176
Direct operating expenses	550,122	539,118	541,073	467,023	390,479	380,037	324,720	379,761	314,923	308,468
Net revenue available for debt service	50,845	86,393	53,582	95,620	114,274	184,146	258,636	232,604	252,881	238,708
General obligation debt service requirements	\$ 177,532	\$ 180,205	\$ 265,233	\$ 215,598	\$ 230,774	\$ 230,747	\$ 231,040	\$ 230,936	\$ 230,284	\$ 234,184
Debt service coverage	29	48	20	44	50	80	112	101	110	102
Pool										
Gross revenues	\$ 90,075	\$ 96,102	\$ 74,383	\$ 77,338	\$ 91,672	\$ 72,303	\$ 63,883	\$ 73,579	\$ 60,339	\$ 74,812
Direct operating expenses	130,650	134,709	120,242	118,075	116,283	119,179	106,287	121,457	81,249	92,565
Net revenue available for debt service	(40,575)	(38,607)	(45,859)	(40,737)	(24,611)	(46,876)	(42,404)	(47,878)	(20,910)	(17,753)
General obligation debt service requirements	\$ 8,493	\$ 8,603	\$ 12,932	\$ 10,410	\$ 11,156	\$ 11,169	\$ 11,168	\$ 11,155	\$ 11,132	\$ 11,348
Debt service coverage	(478)	(449)	(355)	(391)	(221)	(420)	(380)	(429)	(188)	(156)

Gross revenues include operating revenue plus interest income
Direct operating expenses exclude depreciation
Annual debt service requirement includes principal and interest

Source: City of Piqua Finance Department

**PRINCIPAL EMPLOYERS
DECEMBER 31, 2006**

<u>NAME OF EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL EMPLOYMENT</u>	<u>PERCENT OF TOTAL EMPLOYMENT</u>
Walmart Stores Inc.	Retail store	345	3.4%
Piqua City Schools	Public school district	332	3.2%
Spalding & Evenflo Company Inc.	Manufacturer of juvenile furniture	315	3.1%
Jackson Tube Service Inc.	Manufacturer of steel tubing	310	3.0%
Crane Pumps & Systems Inc.	Manufacturer of industrial, wastewater, water supply pumps and cleaning systems	300	2.9%
Charter Corporation	Manufacturer of aircraft propellers	293	2.9%
Industry Products	Manufacturer of die cutting equipment	283	2.8%
Upper Valley JVS	Regional joint vocational school	245	2.4%
City of Piqua	Municipal government	217	2.1%
Piqua Technologies Inc.	Manufacturer of automotive gaskets and insulating prod	200	1.9%
Edison Community College	State community college	200	1.9%
Total available employment		10,259	

**PRINCIPAL EMPLOYERS
DECEMBER 31, 1997**

<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	750	7.3%
Crane Pumps & Systems Inc.	Manufacturer of industrial, wastewater, water supply pumps and cleaning systems	400	3.9%
Piqua City Schools	Public school district	331	3.2%
Jackson Tube Service Inc.	Manufacturer of steel tubing	335	3.3%
Charter Corporation	Manufacturer of aircraft propellers	327	3.2%
Industry Products	Manufacturer of die cutting equipment	236	2.3%
Hartzell Industries Inc.	Manufacturer of industrial fans	236	2.3%
Valor Industries	Manufacturer of marine antennas	224	2.2%
City of Piqua	Municipal government	223	2.2%
Tri-Mark Industries	Manufacuter of tubular welding wire	189	1.8%
Total available employment		9,541	

Source: City of Piqua Income Tax Office

CITY OF PIQUA, OHIO

Table 12

PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2006
LAST SEVEN YEARS

Name of Taxpayer	Nature of Business	2006 Assessed Valuation	Percent of Total Assessed Valuation	2005 Assessed Valuation	2004 Assessed Valuation	2003 Assessed Valuation	2002 Assessed Valuation	2001 Assessed Valuation	2000 Assessed Valuation
Midameco	Shopping mall	\$ 8,819,110	2.45%	\$ 8,792,120	\$ 9,677,310	\$ 9,677,310	\$ 10,345,670	\$ 10,345,670	\$ 10,391,610
Jackson Tube Service Inc.	Manufacturer of steel tubing	8,455,350	2.35%	9,498,430	9,099,760	8,389,390	9,310,510	8,636,390	7,838,440
Spalding & Evenflo Co., Inc.	Manufacturer of juvenile furniture	6,838,690	1.90%	7,502,000	8,650,400	8,514,030	11,285,850	10,245,560	9,831,520
Crane Pumps & Systems Inc.	Manufacturer of industrial, wastewater, water supply pumps and cleaning systems	4,258,480	1.18%	4,258,480	3,578,640	4,271,600	4,309,900	3,672,460	3,703,230
Miami Valley Steel	Manufacturer of split rolled steel	4,086,600	1.14%	6,144,020	5,404,790	4,618,970	5,109,430	4,018,570	3,848,130
Paul Sherry Chevrolet/Chrysler	Automobile and recreation vehicle retailer	3,806,220	1.06%	5,770,180	5,787,900	4,745,020	4,389,380	4,854,920	5,111,840
Charter Corporation	Manufacturer of aircraft propellers	4,781,320	1.33%	4,781,320	4,722,390	5,213,170	5,726,630	5,180,430	5,596,900
Walmart Stores Inc.	Retailer of consumer goods	3,804,410	1.06%	-	-	-	-	-	-
Home Depot Inc.	Retailer of hardware	3,071,200	0.85%	3,240,210	3,240,210	-	-	-	-
Berwick Steele	Manufacturer of slit steel	2,902,460	0.81%	2,854,270	-	-	-	-	-
TOTAL		\$ 50,823,840	14.13%	\$ 52,841,030	\$ 50,161,400	\$ 45,429,490	\$ 50,477,370	\$ 46,954,000	\$ 46,321,670
TOTAL ASSESSED VALUATION		\$ 359,770,560		\$ 356,987,690	\$ 347,897,210	\$ 351,442,920	\$ 343,942,070	\$ 328,345,730	\$ 324,321,780

Source: Miami County Auditor's Office

**FULL TIME EQUIVALENT EMPLOYEES BY DEPARTMENT
LAST TEN YEARS**

DEPARTMENT	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
GOVERNMENTAL ACTIVITIES										
General Government:										
City Building	1.00	1.00	1.00	-	-	-	-	-	-	-
City Manager	3.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Law Department	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planning and Zoning	2.00	-	-	-	-	-	-	-	-	-
Prosecutor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Finance	20.00	20.00	20.00	20.00	21.00	21.00	21.00	21.00	20.00	20.00
Purchasing	1.00	1.00	1.00	-	-	1.00	1.00	1.00	1.00	-
Engineering	4.00	6.00	6.00	6.00	6.00	6.50	6.50	8.50	9.50	9.50
Hotel Project Manager	1.00	-	-	-	-	-	-	-	-	-
Health	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	4.00	4.00
Public Safety:										
Police	40.00	40.00	40.50	40.00	39.00	40.50	40.50	40.50	39.50	37.00
Fire	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Streets:	17.00	17.00	16.00	17.50	19.00	21.00	18.50	17.50	17.50	17.50
Parks:	12.50	9.75	9.75	13.00	13.00	15.00	15.00	15.00	11.00	10.50
Community Development:	3.00	3.00	3.00	3.00	2.00	3.50	-	-	-	-
Total governmental activities	143.50	138.75	138.25	141.50	142.00	151.50	145.50	146.50	139.50	135.50
BUSINESS-TYPE ACTIVITIES										
Power	37.00	37.00	37.00	37.00	38.00	39.00	39.00	40.00	41.00	45.00
Wastewater	14.00	14.00	14.00	14.00	15.50	15.50	15.50	15.50	14.00	14.00
Water	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50	18.50
Refuse	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Golf	13.00	13.00	14.00	14.00	10.50	10.50	10.50	9.00	11.50	11.50
Pool	15.00	15.00	15.00	15.50	16.50	16.50	17.50	15.00	18.50	18.50
Total business-type activities	54.50	54.50	55.50	56.00	53.50	53.50	54.50	50.50	56.50	56.50
Internal Service:										
Information Technology	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Totals	201.00	196.25	196.75	200.50	198.50	208.00	203.00	200.00	199.00	195.00

Source: City of Piqua 2007-1997 annual budgets

Method: Using 1.0 for each full-time employee and increments of 0.50 for each part-time employee.
Count taken at December 31 of each year.

CITY OF PIQUA, OHIO

Table 14

OPERATING INDICATORS AND
CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Health Department										
Restaurant inspections	702	688	501	789	697	305	408	383	361	320
Swimming pool inspections	60	42	31	66	61	33	26	22	33	n/a
Nuisance consultations	3,447	2,235	1,753	1,891	1,898	1,430	1,100	916	720	685
Housing/Property maintenance enforcements	2,501	1,395	1,333	1,441	1,248	1,391	1,145	n/a	n/a	n/a
Public Works										
Right of way opening permits	77	87	52	26	0	0	0	0	0	0
Subdivision construction plan approvals	2	2	0	4	n/a	n/a	n/a	n/a	n/a	n/a
Area of City (in square miles)	11.4	11.4	11.3	11.3	11.3	11.3	11.1	11	10.7	10.7
Street Maintenance										
Miles of streets	100.4	100.4	103.3	103	100.3	99	99	99	88.2	86
Miles of streets repaved	2.5	4.2	3.9	1.9	2.5	3.6	4.2	n/a	n/a	n/a
Cubic yards of leaves disposed of	1555	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tons of salt used	450	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Parks District										
Number of parks	19	19	19	19	19	18	16	16	16	16
Acreage in parks	441.8	441.8	441.8	441.8	429	422	330	330	330	330
Fountain Park pool attendance	5015	n/a	n/a	n/a	n/a	5013	n/a	3526	n/a	n/a
Building rentals-Mote Park	340	311	301	320	329	398	363	248	105	105
Building rentals-All other parks	200	199	189	186	129	189	154	134	122	122
Fire Department										
Fire calls	500	466	450	475	489	526	528	512	538	569
EMS Response calls	3,120	2,990	3,083	2,787	2,551	2,571	2,638	2,567	2,467	2,208
Number of sworn officers	29	29	29	29	29	29	29	29	29	28
Number of fire houses	1	1	1	1	1	1	1	1	1	1
Number of ambulances and fire response vehicles	13	13	12	11	11	11	10	10	10	10
Police Department										
Calls for service	24,627	28,895	31,318	31,103	33,393	36,740	37,176	34,402	32,362	32,176
Traffic citations	2,182	1,737	1,978	1,931	2,144	2,650	2,681	2,215	2,368	2,254
Number of sworn officers	34	34	34	34	33	33	33	32	32	31
Number of police response vehicles	26	26	24	24	24	24	24	24	24	24
Planning & Zoning Department										
Commercial construction permits	62	37	18	16	8	23	15	20	17	22
Commercial construction value (in thousands)	\$ 7,244	\$ 11,774	\$ 12,619	\$ 7,939	\$ 2,681	\$ 9,486	\$ 15,054	\$ 4,937	\$ 18,310	\$ 6,991
Residential construction permits	107	44	50	34	56	50	59	56	66	49
Residential construction value (in thousands)	\$ 4,807	\$ 8,195	\$ 8,558	\$ 5,284	\$ 8,244	\$ 7,979	\$ 9,153	\$ 8,545	\$ 9,256	\$ 6,897
General government information										
Number of street lights	2,938	2,943	2,918	2,899	2,902	2,889	2,739	2,773	2,644	2,623
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Volumes of books in public libraries	136,023	137,389	136,096	165,179	107,000	124,032	127,394	107,593	107,593	103,743
Population	20,738	20,738	20,738	20,738	20,738	20,738	20,738	20,612	20,612	20,612
High school enrollment	3,792	3,922	3,932	3,861	3,861	3,846	3,911	4,015	3,937	4,092
Miami county unemployment rate	5.4%	5.4%	6.4%	5.8%	6.1%	4.8%	2.8%	3.2%	3.0%	4.3%
Household median income	\$ 43,861	\$ 42,378	\$ 40,945	\$ 39,560	\$ 38,222	\$ 36,930	\$ 35,681	\$ 33,438	\$ 32,623	\$ 31,846
Income per capita	\$ 23,014	\$ 22,235	\$ 21,483	\$ 20,757	\$ 20,055	\$ 19,377	\$ 18,719	\$ 17,545	\$ 17,117	\$ 16,709
Estimated total property value of city (in thousands)	\$ 1,100,519	\$ 1,069,733	\$ 1,069,733	\$ 1,086,863	\$ 1,061,860	\$ 1,013,309	\$ 1,006,266	\$ 942,874	\$ 845,408	\$ 800,741

CITY OF PIQUA, OHIO

Table 14

OPERATING INDICATORS AND
CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Power utility										
Residential KWH billed (in thousands)	91,042	93,113	86,429	86,476	89,791	82,742	79,886	n/a	n/a	n/a
Residential billed revenue (in thousands)	\$ 5,675	\$ 5,824	\$ 5,198	\$ 5,211	\$ 5,534	\$ 5,186	\$ 4,988	n/a	n/a	n/a
Commercial KWH billed (in thousands)	119,563	118,880	114,671	108,145	110,991	106,599	109,611	n/a	n/a	n/a
Commercial billed revenue (in thousands)	\$ 6,670	\$ 6,719	\$ 6,258	\$ 5,921	\$ 6,233	\$ 6,296	\$ 6,344	n/a	n/a	n/a
Industrial KWH billed (in thousands)	105,373	96,145	91,083	93,246	95,461	92,111	96,428	n/a	n/a	n/a
Industrial billed revenue (in thousands)	\$ 5,141	\$ 4,853	\$ 4,380	\$ 4,559	\$ 4,816	\$ 4,773	\$ 4,861	n/a	n/a	n/a
Customer base	11,081	11,124	11,072	11,015	10,941	10,474	10,431	10,319	10,224	10,054
Construction line vehicles	25	25	25	25	25	25	25	25	25	25
Water utility										
Residential gallons billed (in thousands)	437,129	462,664	456,342	455,804	466,323	445,323	452,296	n/a	n/a	n/a
Residential billed revenue (in thousands)	\$ 1,871	\$ 1,856	\$ 1,834	\$ 1,830	\$ 1,855	\$ 1,796	\$ 1,810	\$ 1,808	n/a	n/a
Commercial gallons billed (in thousands)	156,082	160,263	155,211	148,757	159,680	160,346	166,404	n/a	n/a	n/a
Commercial billed revenue (in thousands)	\$ 517	\$ 500	\$ 491	\$ 480	\$ 499	\$ 502	\$ 517	\$ 533	n/a	n/a
Industrial gallons billed (in thousands)	41,575	39,167	41,267	38,294	46,166	46,456	53,810	n/a	n/a	n/a
Industrial billed revenue (in thousands)	\$ 120	\$ 111	\$ 115	\$ 110	\$ 125	\$ 126	\$ 140	\$ 154	n/a	n/a
Customer base	8,892	8,828	8,811	8,733	8,670	8,635	8,556	8,475	8,387	8,270
Vehicles in repair fleet	10	10	10	10	10	10	10	10	10	10
Wastewater utility										
Residential gallons billed (in thousands)	427,332	452,488	443,564	446,267	448,764	436,989	437,877	n/a	n/a	n/a
Residential billed revenue (in thousands)	\$ 1,960	\$ 2,035	\$ 2,003	\$ 2,006	\$ 2,014	\$ 1,974	\$ 1,965	\$ 1,956	n/a	n/a
Commercial gallons billed (in thousands)	134,651	135,340	133,097	129,590	135,082	139,986	154,794	n/a	n/a	n/a
Commercial billed revenue (in thousands)	\$ 438	\$ 438	\$ 434	\$ 425	\$ 440	\$ 455	\$ 500	\$ 490	n/a	n/a
Industrial gallons billed (in thousands)	57,949	53,457	49,427	44,058	56,070	49,580	57,554	n/a	n/a	n/a
Industrial billed revenue (in thousands)	\$ 183	\$ 171	\$ 161	\$ 147	\$ 175	\$ 162	\$ 178	\$ 183	n/a	n/a
Vehicles in repair fleet	9	8	8	8	8	8	8	8	8	8
Refuse utility										
Residential customers billed	7,652	7,648	7,594	7,490	7,465	7,407	7,359	n/a	n/a	n/a
Commercial customers billed	74	75	78	77	76	66	67	n/a	n/a	n/a
Residential & commercial revenue billed (in thousands)	\$ 1,108	\$ 1,082	\$ 1,037	\$ 1,023	\$ 1,031	\$ 1,036	\$ 1,030	\$ 1,023	\$ 1,124	\$ 1,112
Tons of refuse collected	9,375	9,271	9,476	9,656	9,256	9,165	9,088	8,684	7,968	8,027
Tons of recycled refuse collected	1,192	1,069	912	1,079	1,043	1,009	999	1,009	1,083	1,098
Recycling fees collected	224	219	212	209	169	113	113	112	n/a	n/a
Vehicles in service	7	7	7	7	7	7	7	7	7	7
Golf Course										
Annual memberships	153	256	131	154	384	488	554	556	509	521
Rounds of golf played	22,965	25,033	24,151	22,230	28,262	33,235	36,942	38,304	38,304	n/a
Revenue collected (in thousands)	\$ 597	\$ 623	\$ 593	\$ 562	\$ 501	\$ 558	\$ 573	\$ 605	\$ 561	\$ 540
continued										
Municipal swimming pool										
Annual attendance	20,435	21,439	24,670	25,283	25,552	23,108	22,475	23,128	18,589	21,500
Revenue collected (in thousands)	\$ 89	\$ 95	\$ 74	\$ 77	\$ 91	\$ 70	\$ 60	\$ 70	\$ 57	\$ 71