

City of Piqua, Ohio

*Financial Statements and Single Audit Reports for
the Year Ended December 31, 2001 and
Independent Auditors' Report*



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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The Honorable Mayor, City Commission
and Citizens of the City of Piqua
201 West Water Street
Piqua, Ohio 45356

We have reviewed the Independent Auditor's Report of the City of Piqua, Miami County, prepared by Deloitte & Touche LLP, for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 20, 2002

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CITY OF PIQUA, OHIO

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor Frank H. Barhorst and
City Commission Members, Citizens of the City of Piqua, Ohio
and Mr. Jim Petro, Auditor of State of Ohio:

We have audited the accompanying general purpose financial statements of the City of Piqua, Ohio, as of December 31, 2001, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City of Piqua, Ohio. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. The prior year summarized comparative financial information has been derived from the City of Piqua's December 31, 2000 financial statements and, in our report dated April 27, 2001, we expressed an unqualified opinion on those financial statements.

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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City of Piqua, Ohio, at December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Piqua, Ohio, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. This schedule is the responsibility of the management of the City of Piqua, Ohio. Such information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2002, on our consideration of the City of Piqua'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.

DELOITTE & TOUCHE LLP

April 18, 2002

**Deloitte
Touche
Tohmatsu**

CITY OF PIQUA, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS DECEMBER 31, 2001

ASSETS AND OTHER DEBITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Equity in pooled cash and cash equivalents	\$ 2,226,301	\$ 635,070	\$	\$
Equity in pooled investments	3,027,767	512,501		
Accounts receivable, primarily municipal income taxes, state shared taxes, property taxes, and utility charges	3,404,498	2,532,096	209,457	371,650
Allowance for uncollectible accounts				
Inventories	19,901			
Due from other funds	4,724	21,065		
Prepaid items and other assets	44,420	9,513		
Amount to be provided for general long-term obligations				
Amount available in debt service funds				
Property and equipment, at cost:				
In-service	_____	_____	_____	_____
Construction in progress	_____	_____	_____	_____
Less accumulated depreciation	_____	_____	_____	_____
Property and equipment, net	_____	_____	_____	_____
Total unrestricted	8,727,611	3,710,245	209,457	371,650
Restricted:				
Equity in pooled cash and cash equivalents			132,031	
Equity in pooled investments				
Accrued interest receivable			635	
City bonds and notes			159,033	
Unamortized debt issuance costs			<u>12,916</u>	
Total restricted			<u>304,615</u>	
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 8,727,611</u>	<u>\$ 3,710,245</u>	<u>\$ 514,072</u>	<u>\$ 371,650</u>

See notes to combined financial statements.

EXHIBIT I

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>(Memorandum Only)</u>	
					<u>2001</u>	<u>2000</u>
\$ 3,057,493	\$ 749,786	\$223,866	\$	\$	\$ 6,892,516	\$ 9,506,215
6,171,374	3,737,772				13,449,414	14,146,975
3,232,949	167,093	48,744			9,966,487	8,887,304
(373,043)	(80,000)				(453,043)	(256,223)
809,553					829,454	784,919
	119,591				145,380	73,691
126,954	18,919				199,806	605,662
				5,154,050	5,154,050	5,383,116
				304,615	304,615	272,982
109,140,772	251,956		20,713,374		130,106,102	117,382,791
<u>571,556</u>	<u> </u>	<u> </u>	<u>320,626</u>	<u> </u>	<u>892,182</u>	<u>4,857,005</u>
109,712,328	251,956		21,034,000		130,998,284	122,239,796
<u>(49,648,917)</u>	<u>(89,185)</u>	<u> </u>	<u> </u>	<u> </u>	<u>(49,738,102)</u>	<u>(47,116,937)</u>
<u>60,063,411</u>	<u>162,771</u>	<u> </u>	<u>21,034,000</u>	<u> </u>	<u>81,260,182</u>	<u>75,122,859</u>
73,088,691	4,875,932	272,610	21,034,000	5,458,665	117,748,861	114,527,500
618,229					750,260	606,498
						1,787,300
					635	8,461
					159,033	182,730
					<u>12,916</u>	<u>14,166</u>
<u>618,229</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>922,844</u>	<u>2,599,155</u>
<u>\$ 73,706,920</u>	<u>\$4,875,932</u>	<u>\$272,610</u>	<u>\$21,034,000</u>	<u>\$5,458,665</u>	<u>\$118,671,705</u>	<u>\$117,126,655</u>

(Continued)

CITY OF PIQUA, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS DECEMBER 31, 2001

LIABILITIES, OTHER CREDITS AND FUND EQUITY	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES:				
Accounts payable	\$ 82,114	\$ 470,085	\$	\$371,650
Accrued expenses and deposits	803,582	65,363		
Accrued vacation and sick pay	454,109	53,327		
Homeowners advances		1,153,891		
Due to other funds	59,794	37,198		
Deferred revenue	1,630,581	472,966	209,457	
General obligation bonds payable				
Revenue bonds payable				
Ohio Water Development Authority note payable				
Special assessment bonds with governmental commitment				
General obligation bonds				
Utility improvement notes				
Total liabilities	<u>3,030,180</u>	<u>2,252,830</u>	<u>209,457</u>	<u>371,650</u>
OTHER CREDITS AND FUND EQUITY:				
Investment in general fixed assets				
Fund equity:				
Contributed capital				
Retained earnings - unreserved				
Fund balances:				
Reserved for:				
Emcumbrances	74,676	775,858		7,651
Inventories	19,901			
Prepaid items	44,420	8,551		
Unreserved:				
Designated for safety equipment	568,612			
Undesignated	<u>4,989,822</u>	<u>673,006</u>	<u>304,615</u>	<u>(7,651)</u>
Total other credits and fund equity	<u>5,697,431</u>	<u>1,457,415</u>	<u>304,615</u>	
TOTAL LIABILITIES, OTHER CREDITS AND FUND EQUITY	<u>\$8,727,611</u>	<u>\$3,710,245</u>	<u>\$514,072</u>	<u>\$371,650</u>

See notes to combined financial statements.

EXHIBIT I

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>(Memorandum Only)</u>	
					<u>2001</u>	<u>2000</u>
\$ 1,086,340	\$ 170,646	\$	\$	\$	\$ 2,180,835	\$ 2,316,867
274,275	8,575	185,981			1,337,776	1,056,536
1,135,294	20,887			1,072,407	2,736,024	2,443,618
					1,153,891	1,028,458
46,486	1,902				145,380	73,691
2,900		48,744			2,364,648	1,700,710
6,645,406					6,645,406	7,185,873
						1,610,000
5,794,594					5,794,594	6,251,489
					171,664	200,464
					4,214,594	4,539,127
80,000					80,000	1,055,000
<u>15,065,295</u>	<u>202,010</u>	<u>234,725</u>		<u>5,458,665</u>	<u>26,824,812</u>	<u>29,461,833</u>
			21,034,000		21,034,000	15,179,346
6,697,046	2,122,151				8,819,197	8,740,219
51,944,579	2,551,771				54,496,350	50,726,185
					858,185	5,435,745
					19,901	31,408
					52,971	65,112
					568,612	1,062,475
		<u>37,885</u>			<u>5,997,677</u>	<u>6,424,332</u>
<u>58,641,625</u>	<u>4,673,922</u>	<u>37,885</u>	<u>21,034,000</u>		<u>91,846,893</u>	<u>87,664,822</u>
<u>\$73,706,920</u>	<u>\$4,875,932</u>	<u>\$272,610</u>	<u>\$21,034,000</u>	<u>\$5,458,665</u>	<u>\$118,671,705</u>	<u>\$117,126,655</u>

(Concluded)

CITY OF PIQUA, OHIO

EXHIBIT II

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUND TYPE
 YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types				Fiduciary Fund Type	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only) 2001	2000
REVENUES:							
Municipal taxes	\$ 4,932,680	\$2,143,199	\$	\$	\$	\$ 7,075,879	\$ 7,409,129
Property taxes	1,196,982	194,106	62,896		48,526	1,502,510	1,416,096
State shared taxes	1,903,063	724,789				2,627,852	2,430,990
Kwh tax	651,078					651,078	
Special assessment		8,554				8,554	117,464
Intergovernmental grants	440,472	1,599,341				2,039,813	1,614,613
Fines, costs, forfeitures, licenses and permits	349,620	4,975				354,595	327,430
Interest income	331,718	85,802	27,497		220	445,237	687,958
Net increase in fair value of investments	53,866	4,941				58,807	114,247
Other income	294,343	244,499			138	538,980	460,372
Total revenues	<u>10,153,822</u>	<u>5,010,206</u>	<u>90,393</u>		<u>48,884</u>	<u>15,303,305</u>	<u>14,578,299</u>
EXPENDITURES:							
Current:							
Public safety	6,141,505					6,141,505	5,972,147
Public health and welfare	345,999					345,999	311,729
General government administration	1,224,797					1,224,797	1,315,166
Highways and streets		1,553,053				1,553,053	1,523,890
Parks and recreation	631,079					631,079	517,545
Community planning and development		639,101				639,101	493,558
Other	9,427	27,146	4,370	54,287	37,237	132,467	59,895
Capital outlay	1,133,986	3,385,679		5,037,842		9,557,507	6,811,701
Debt service:							
Principal retirement			353,333			353,333	32,783
Interest			51,448			51,448	34,012
Payment of pension liability							533,877
Total expenditures	<u>9,486,793</u>	<u>5,604,979</u>	<u>409,151</u>	<u>5,092,129</u>	<u>37,237</u>	<u>20,630,289</u>	<u>17,606,303</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	667,029	(594,773)	(318,758)	(5,092,129)	11,647	(5,326,984)	(3,028,004)
OTHER FINANCING SOURCES (USES):							
Proceeds from debt issuances							4,552,939
Operating transfers in	117,000	188,478	593,322	2,741,773		3,640,573	5,955,341
Operating transfers, out	(3,268,059)	(324,325)	(242,931)			(3,835,315)	(6,028,643)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(2,484,030)	(730,620)	31,633	(2,350,356)	11,647	(5,521,726)	1,451,633
FUND BALANCE - Beginning of year	8,181,461	2,188,035	272,982	2,350,356	26,238	13,019,072	11,567,213
RESIDUAL EQUITY TRANSFER, IN							226
FUND BALANCE - End of year	<u>\$ 5,697,431</u>	<u>\$1,457,415</u>	<u>\$ 304,615</u>	<u>\$</u>	<u>\$37,885</u>	<u>\$ 7,497,346</u>	<u>\$13,019,072</u>

See notes to combined financial statements.

CITY OF PIQUA, OHIO

EXHIBIT III

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (GAAP BASIS) - ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED DECEMBER 31, 2001

	General Fund			Special Revenue Funds			Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Municipal income taxes	\$5,039,521	\$4,932,680	\$(106,841)	\$2,189,613	\$2,143,199	\$ (46,414)	\$	\$	\$
Property taxes	1,186,521	1,196,982	10,461	193,438	194,106	668	62,896	62,896	
State shared taxes	1,999,147	1,903,063	(96,084)	705,644	724,789	19,145			
Kwh tax	673,430	651,078	(22,352)						
Special assessments				10,777	8,554	(2,223)			
Intergovernmental grants	542,854	440,472	(102,382)	1,906,841	1,599,341	(307,500)			
Fines, costs, forfeitures, licenses and permits	349,564	349,620	56	4,500	4,975	475			
Interest income	335,467	331,718	(3,749)	97,876	85,802	(12,074)	28,686	27,497	(1,189)
Net increase in fair value of investments		53,866	53,866		4,941	4,941			
Other income	<u>331,041</u>	<u>294,343</u>	<u>(36,698)</u>	<u>191,297</u>	<u>244,499</u>	<u>53,202</u>			
Total revenues	<u>10,457,545</u>	<u>10,153,822</u>	<u>(303,723)</u>	<u>5,299,986</u>	<u>5,010,206</u>	<u>(289,780)</u>	<u>91,582</u>	<u>90,393</u>	<u>(1,189)</u>
EXPENDITURES:									
Current:									
Public safety	6,179,426	6,141,505	37,921						
Public health and welfare	310,977	345,999	(35,022)						
General government administration	1,230,217	1,224,797	5,420						
Highways and streets				1,612,594	1,553,053	59,541			
Parks and recreation	600,316	631,079	(30,763)						
Community planning and development				756,697	639,101	117,596			
Other		9,427	(9,427)	3,100	27,146	(24,046)	3,120	4,370	(1,250)
Capital outlay	1,143,389	1,133,986	9,403	3,265,013	3,385,679	(120,666)			
Debt service:									
Principal retirement							353,334	353,333	1
Interest							<u>290,248</u>	<u>51,448</u>	<u>238,800</u>
Total expenditures	9,464,325	9,486,793	(22,468)	5,637,404	5,604,979	32,425	646,702	409,151	237,551
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	993,220	667,029	(326,191)	(337,418)	(594,773)	(257,355)	(555,120)	(318,758)	236,362
OTHER FINANCING SOURCES (USES):									
Operating transfers, in	117,000	117,000		78,211	188,478	110,267	706,226	593,322	(112,904)
Operating transfers, out	(2,875,977)	(3,268,059)	(392,082)	(324,152)	(324,325)	(173)	(128,327)	(242,931)	(114,604)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER OVER FINANCING (USES)	(1,765,757)	(2,484,030)	(718,273)	(583,359)	(730,620)	(147,261)	22,779	31,633	8,854
FUND BALANCE - Beginning of year	<u>8,181,461</u>	<u>8,181,461</u>		<u>2,188,035</u>	<u>2,188,035</u>		<u>272,982</u>	<u>272,982</u>	
FUND BALANCE - End of year	<u>\$6,415,704</u>	<u>\$5,697,431</u>	<u>\$(718,273)</u>	<u>\$1,604,676</u>	<u>\$1,457,415</u>	<u>\$(147,261)</u>	<u>\$ 295,761</u>	<u>\$ 304,615</u>	<u>\$ 8,854</u>

See notes to combined financial statements.

(Continued)

CITY OF PIQUA, OHIO

EXHIBIT III

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (GAAP BASIS) - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 2001**

	Capital Projects			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Municipal income taxes	\$	\$	\$	\$ 7,229,134	\$ 7,075,879	\$ (153,255)
Property taxes				1,442,855	1,453,984	11,129
State shared taxes				2,704,791	2,627,852	(76,939)
Kwh tax				673,430	651,078	(22,352)
Special assessments				10,777	8,554	(2,223)
Intergovernmental grants				2,449,695	2,039,813	(409,882)
Fines, costs, forfeitures, licenses and permits				354,064	354,595	531
Interest income	47,500		(47,500)	509,529	445,017	(64,512)
Net increase in fair value of investments					58,807	58,807
Other income				522,338	538,842	16,504
Total revenues	<u>47,500</u>		<u>(47,500)</u>	<u>15,896,613</u>	<u>15,254,421</u>	<u>(642,192)</u>
EXPENDITURES:						
Current:						
Public safety				6,179,426	6,141,505	37,921
Public health and welfare				310,977	345,999	(35,022)
General government administration				1,230,217	1,224,797	5,420
Highways and streets				1,612,594	1,553,053	59,541
Parks and recreation				600,316	631,079	(30,763)
Community planning and development				756,697	639,101	117,596
Other		54,287	(54,287)	6,220	95,230	(89,010)
Capital outlay	5,202,862	5,037,842	165,020	9,611,264	9,557,507	53,757
Debt service:						
Principal retirement				353,334	353,333	1
Interest				290,248	51,448	238,800
Total expenditures	<u>5,202,862</u>	<u>5,092,129</u>	<u>110,733</u>	<u>20,951,293</u>	<u>20,593,052</u>	<u>358,241</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,155,362)	(5,092,129)	63,233	(5,054,680)	(5,338,631)	(283,951)
OTHER FINANCING SOURCES (USES):						
Operating transfers, in	2,444,273	2,741,773	297,500	3,345,710	3,640,573	294,863
Operating transfers, out	<u>(5,000)</u>		<u>5,000</u>	<u>(3,333,456)</u>	<u>(3,835,315)</u>	<u>(501,859)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(2,716,089)	(2,350,356)	365,733	(5,042,426)	(5,533,373)	(490,947)
FUND BALANCE - Beginning of year	<u>2,350,356</u>	<u>2,350,356</u>		<u>12,992,834</u>	<u>12,992,834</u>	
FUND BALANCE - End of year	<u>\$ (365,733)</u>	<u>\$</u>	<u>\$ 365,733</u>	<u>\$ 7,950,408</u>	<u>\$ 7,459,461</u>	<u>\$ (490,947)</u>

See notes to combined financial statements.

CITY OF PIQUA, OHIO

EXHIBIT IV

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED
EARNINGS - ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 2001**

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>	
	<u>Enterprise</u>	<u>Internal Service</u>	<u>2001</u>	<u>2000</u>
OPERATING REVENUES:				
Customer services	\$23,544,147	\$	\$23,544,147	\$23,485,534
Charges and fees		1,650,425	1,650,425	1,698,156
Penalty charges	<u>186,858</u>	<u></u>	<u>186,858</u>	<u>179,747</u>
Total operating revenues	<u>23,731,005</u>	<u>1,650,425</u>	<u>25,381,430</u>	<u>25,363,437</u>
OPERATING EXPENSES:				
Fuel oil	1,073,117		1,073,117	834,432
Purchased power	7,662,618		7,662,618	7,727,124
Salaries and employee benefits	4,373,769	1,645,208	6,018,977	5,494,744
Depreciation	2,955,827	17,064	2,972,891	2,910,048
Materials and supplies	525,041		525,041	561,187
Utilities	334,982		334,982	313,541
Contractual services	1,820,654		1,820,654	1,839,201
Billing costs	706,566		706,566	674,001
Chemicals	182,927		182,927	192,777
Other, net	<u>692,554</u>	<u></u>	<u>692,554</u>	<u>628,485</u>
Total operating expenses	<u>20,328,055</u>	<u>1,662,272</u>	<u>21,990,327</u>	<u>21,175,540</u>
Operating income (loss)	<u>3,402,950</u>	<u>(11,847)</u>	<u>3,391,103</u>	<u>4,187,897</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	568,665	257,777	826,442	844,895
Net increase in fair value of investments	164,457	44,241	208,698	154,885
Interest expense	(938,789)		(938,789)	(1,085,029)
Other, net	<u>87,969</u>	<u></u>	<u>87,969</u>	<u>89,281</u>
Total nonoperating revenues (expenses)	<u>(117,698)</u>	<u>302,018</u>	<u>184,320</u>	<u>4,032</u>
INCOME BEFORE OPERATING TRANSFERS	3,285,252	290,171	3,575,423	4,191,929
Operating transfers, in	5,403,029		5,403,029	4,117,301
Operating transfers, out	<u>(5,053,497)</u>	<u>(154,790)</u>	<u>(5,208,287)</u>	<u>(4,043,999)</u>
NET INCOME	3,634,784	135,381	3,770,165	4,265,231
RETAINED EARNINGS - Beginning of year	48,309,795	2,416,390	50,726,185	46,460,954
RETAINED EARNINGS - End of year	<u>\$51,944,579</u>	<u>\$2,551,771</u>	<u>\$54,496,350</u>	<u>\$50,726,185</u>

See notes to combined financial statements.

CITY OF PIQUA, OHIO

EXHIBIT V

COMBINED STATEMENTS OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 3,402,950	\$ (11,847)	\$ 3,391,103	\$ 4,187,897
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	2,955,827	17,064	2,972,891	2,910,048
Other, net	87,969		87,969	89,281
Change in assets and liabilities:				
(Increase) decrease in receivables	(82,972)	248,941	165,969	(117,557)
(Increase) decrease in inventory	(56,042)		(56,042)	21,567
(Increase) decrease in due from other funds	67,223	(119,591)	(52,368)	22,140
(Increase) decrease in prepaid items and other assets	110,428	(3,156)	107,272	22,040
Decrease in interest receivable	7,730		7,730	
Increase (decrease) in accounts payable	(132,685)	(42,092)	(174,777)	200,385
Increase (decrease) in accrued expenses and deposits	42,207	2,231	44,438	(23,663)
Increase in accrued vacation and sick pay	25,298	3,083	28,381	10,591
(Increase) decrease in due to other funds	(20,737)	1,902	(18,835)	(22,140)
Increase (decrease) in deferred revenue	<u>(2,245)</u>		<u>(2,245)</u>	<u>3,145</u>
Net cash provided by operating activities	6,404,951	96,535	6,501,486	7,303,734
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers, in	5,403,029		5,403,029	4,117,301
Operating transfers, out	(5,053,497)	(154,790)	(5,208,287)	(4,043,999)
Residual equity transfer, in	168,178		168,178	159
Residual equity transfer, out		<u>(168,178)</u>	<u>(168,178)</u>	<u>(385)</u>
Net cash provided by (used in) noncapital financing activities	517,710	(322,968)	194,742	73,076
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on bonds and notes	(3,582,362)		(3,582,362)	(2,478,902)
Interest paid on bonds and notes	(938,789)		(938,789)	(1,085,029)
Acquisition and construction of capital assets	(3,241,521)	(9,438)	(3,250,959)	(2,628,917)
Disposals of capital assets	<u>74,377</u>		<u>74,377</u>	<u>135,502</u>
Net cash (used in) capital and related financing activities	(7,688,295)	(9,438)	(7,697,733)	(6,057,346)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of investment securities	(4,200,728)	(1,938,488)	(6,139,216)	(3,015,653)
Sale or maturity of investment securities	4,296,207	1,921,398	6,217,605	7,502
Interest received	<u>568,665</u>	<u>257,777</u>	<u>826,442</u>	<u>844,895</u>
Net cash provided by (used in) investing activities	<u>664,144</u>	<u>240,687</u>	<u>904,831</u>	<u>(2,163,256)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(101,490)	4,816	(96,674)	(843,792)
UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS - Beginning of year	<u>3,777,212</u>	<u>744,970</u>	<u>4,522,182</u>	<u>5,365,974</u>
UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS - End of year	<u>\$ 3,675,722</u>	<u>\$ 749,786</u>	<u>\$ 4,425,508</u>	<u>\$ 4,522,182</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES CASH FLOW INFORMATION:				
Contributed capital for the acquisition and construction of capital assets	<u>\$ 78,978</u>	<u>\$ _____</u>	<u>\$ 78,978</u>	<u>\$ 18,320</u>
Net increase in fair value of investments	<u>\$ 164,457</u>	<u>\$ 44,241</u>	<u>\$ 208,698</u>	<u>\$ 154,885</u>

See notes to combined financial statements.

CITY OF PIQUA, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2001

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, steam, hot water, water, wastewater, sanitation, parks and recreation, public improvements, planning and zoning and general governmental administrative services.

The “reporting entity” for the accompanying financial statements consists of all funds, account groups, agencies, boards, commissions and departments.

Accounting Policies and Fund Accounting – The following is a summary of the more significant policies of the City. Such policies conform to accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as prescribed by the Governmental Accounting Standards Board

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

The 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.

Special Revenue Funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinances or by federal and state statutes or grant provisions.

Debt Service Funds are used to account for the resources received and used to pay principal and interest on bonds reported in the General Long-Term Obligations Account Group. Revenues and financing resources are derived primarily from property taxes.

Capital Projects Funds are used to account for the acquisition or construction of capital assets other than those financed by enterprise and internal service fund operations. Revenues and financing resources are derived primarily from the issuance of bonds and receipt of grants.

Proprietary Fund Types

Enterprise 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.

Internal Service Funds are used to account for the goods or services provided to certain City departments on a cost reimbursement basis.

Fiduciary Fund Types

Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in the same manner as governmental fund types.

Account Groups

Account Groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. Because these assets and obligations are long-term, they are neither spendable resources nor require current appropriation.

The General Fixed Asset Account Group is used to present the general fixed assets of the City utilized in its general operations, exclusive of those used in enterprise and internal service funds. General fixed assets include property and equipment owned by the City.

The General Long-Term Obligations Account Group is used to account for long-term obligations of the City, except those to be retired from proprietary fund resources. This account group also includes long-term obligations of the City for certain employee benefits and contingent liabilities.

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.

The measurement focus of governmental funds and expendable trust funds is based upon the flow of current financial resources. Governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available and measurable. Revenues that do not meet the available criteria are classified as deferred revenue on the balance sheet. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed and the revenue is recognized. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period which, for the City's purposes, is considered to be approximately 60 days after year-end. Revenues considered susceptible to accrual are delinquent property taxes, income taxes and interest on investments.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except principal and interest on debt which is recognized when due. Prepaid items are recorded as expenditures when used. A portion of the fund balance is reserved in governmental funds for the amount of prepaid expenditures.

The proprietary fund measurement focus is upon determination of net income, financial position and cash flows. Proprietary funds account for all assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi-business activities where net income and capital maintenance are measured. In accordance with Governmental Accounting Standards Board Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the City has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The City will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board. The proprietary funds are accounted for using the accrual basis of accounting.

The agency funds are merely "assets equal liabilities," and thus do not involve the measurement of results of operations. The agency funds are accounted for using the modified accrual basis of accounting.

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 reappropriated 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 the general fund by object at the level of personal services, operating expenditures and capital outlay. In all other funds the appropriations ordinance controls expenditures by fund at the level of functional expenditures. Amendments to object or functional totals of appropriations require Commission approval. In 2001, amendments to the appropriations ordinance were not material in relation to the original appropriations. 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 (Electric, Steam and Hot Water) and the Water and Wastewater 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.

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 balances 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 Combined Balance Sheet - All Fund Types and Account Groups as “cash and cash equivalents” and “investments”. For purposes of the statement of cash flows, the proprietary 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.

Inventory – Inventory is valued at average cost. The Proprietary 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. Reported inventories for governmental funds are equally offset by a fund balance reserve which indicates they do not constitute “available spendable resources” and are not available for appropriation.

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

Fixed Assets – Fixed assets are recorded based on historical cost, or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value at the date of donation. Public domain assets (“infrastructure”) such as roads, bridges, curbs and gutters, streets and sidewalks are not capitalized. Depreciation is not provided in the General Fixed Assets Account Group.

Fixed assets associated with the enterprise funds are accounted for in those funds. Depreciation is calculated using the straight line method over the assets’ estimated useful life. The assets of the enterprise funds are depreciated on the following basis:

Buildings	34 – 50 years
Land improvements other than buildings	25 – 75 years
Machinery and equipment	10 – 30 years
Vehicles	7 – 10 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 expenditures/expense.

Homeowners’ Advances – These advances represent amounts funded to homeowners upon satisfaction of specific grant requirements.

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 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.

Total Columns on Combined Statements and Other – Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with GAAP nor is such data comparable to a consolidation. Interfund eliminations have not been made in aggregating this data.

Accumulated Unpaid Vacation and Sick Pay – Accumulated unpaid vacation and sick pay are accounted for using the modified accrual basis of accounting in all governmental fund types. The City accrues vacation benefits as earned by its employees and vested and non-vested portion of accumulated sick leave benefits payable upon retirement. Only those amounts estimated to be paid within the next twelve months are accrued at year-end and the remaining estimated balance is placed in General Long-Term Obligations Account Group. Accumulated unpaid vacation and sick pay in the Proprietary funds are accounted for using the accrual basis of accounting.

Comparative Data – Comparative total data for the prior year have been presented in the accompanying financial statements and schedules in order to provide an understanding of changes in the City's financial position and operations.

Reclassification – Certain prior year balances have been reclassified in order to conform with current year classifications.

Accounting Pronouncements – The Governmental Accounting Standards Board ("GASB") has recently issued GASB Statement No. 33, "Accounting for Non-Exchange Transactions", GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues." The City implemented Statements No. 33 and No. 36 in 2001, and will implement Statement No. 34 by 2003. The adoption of Statements No. 33 and No. 36 did not have a significant impact on the 2001 financial statements. The implementation of Statement No. 34 will significantly change certain accounting and financial reporting standards for the City. The new standard is designed to provide financial information that responds to the needs of primary users of general purpose financial statements. It is expected that the adoption of Statement No. 34 will have a material effect on the City's combined financial statements. Among other things, net assets (currently referred to as fund balances) will be reduced due to the requirement of this statement to recognize depreciation on all capital assets. Additionally, the content and presentation of the basic combined financial statements will be significantly revised under this statement, including the adoption of management's discussion and analysis as required supplementary information.

B. POOLED CASH DEPOSITS AND INVESTMENTS

Risk Categorization – For purposes of defining risk, City funds are classified as either deposits or investments. Deposits consist of demand deposits and investments with financial institutions subject to FDIC coverage, while investments include all other City funds. Because these categorizations are different than those used to prepare the general purpose financial statements (“GPFS”), the amounts listed below do not agree individually to the GPFS; however, they do agree in aggregate.

Cash Deposits – At December 31, 2001, the carrying amount of the City’s cash deposits was \$332,341 while the balance as shown by the bank statements was \$587,831. Of the bank balance, \$100,000 was classified in the “Level 1” risk category since this amount was fully covered by federal depository insur

risk category includes deposits that are insured or collateralized with securities held by the City or its agent in the City’s name. The remaining \$487,831 was classified in the “Level 3” uncollateralized risk category. tegory includes uninsured and uncollateralized deposits, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City’s name.

Investments – Investments are carried at fair value. The City’s investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City’s name. 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. Deposits in pooled funds, such as STAR Ohio, are not required to be categorized under GASB 3. The \$6,988,253 on deposit at STAR Ohio is valued at the pool’s share price which is the price for which the investment could be sold on December 31, 2001. A summary of the fair/carrying value of investments held at December 31, 2001, and an indication of the related credit risk is as follows:

	Fair/Carrying Value	Risk Category
City of Piqua Bonds and Notes	\$ 701,664	1
U.S. Government Securities	<u>12,906,783</u>	1
	13,608,447	
Money Market Mutual Fund	320,440	
STAR Ohio Investment Pool	<u>6,988,253</u>	
Total investments	<u>\$20,917,140</u>	

C. STATUTORY COMPLIANCE

The following funds had an excess of expenditures over appropriations for the year ended December 31, 2001:

GENERAL FUND:	
Health Department	\$ 35,022
Office of City Manager	3,330
Purchase Department	802
Law Department	858
Finance Department	6,303
Income Tax Department	4,807
Parks & Recreation	30,763
Other	9,554
SPECIAL REVENUE FUND:	
Street Construction and Maintenance	\$ 61,125
Economic Development Fund	7,327
Enterprise Zone Application	500
DEBT SERVICE FUND -	
Pension Expenditures	\$ 251

D. 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, 2000
Lien date	January 1, 2001
Tax bill mailed	January 20, 2001
First installment payment due	February 20, 2001
Second installment payment due	July 20, 2001

The assessed values for the City at January 1, 2001 were as follows:

Real estate	\$ 256,052,460
Tangible personal property	<u>72,293,270</u>
Total	<u>\$ 328,345,730</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, 2001, nor are they intended to finance 2001 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 2001, the City also received an additional 0.60 mills to fund the Pension Refunding Bonds, and 0.15 mills for costs of the Miami Conservancy District.

E. INCOME AND OTHER 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. Additional Kwh tax revenues in 2001 are recognized based upon sales of electrical services by the City.

F. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains enterprise funds which provide power and heat (electric, steam and hot water), water, disposal of sewage, refuse collection, a golf course and a swimming pool. Segment information for the year ended December 31, 2001, for the enterprise funds is summarized as follows:

	Electric	Steam	Wastewater	Garbage and Refuse	Golf Course	Hot Water	Swimming Pool	Water	Total
Operating revenue	\$16,487,577	\$ 298,852	\$ 2,615,496	\$ 1,171,680	\$ 558,122	\$ 54,164	\$ 70,083	\$ 2,475,031	\$23,731,005
Depreciation	1,503,262	40,856	905,958	28,196	120,302	41,514	37,438	278,301	2,955,827
Operating income (loss)	3,511,592	(512,117)	374,046	(47,797)	57,783	(153,755)	(86,534)	259,732	3,402,950
Operating transfers:									
In	1,208,145	754,864	1,429,669		436,249	305,841	70,327	1,197,934	5,403,029
Out	(2,008,145)	(124,864)	(1,274,879)		(289,945)	(135,841)	(21,889)	(1,197,934)	(5,053,497)
Net income (loss)	3,064,141	116,544	112,833	(13,933)	93,245	(224)	(41,424)	303,602	3,634,784
Contributed capital	162,973	10,000	5,469,394	12	6	136,215	2	918,444	6,697,046
Property, plant and equipment additions, net of disposals	2,085,207	289	290,808	181,525	31,078		4,749	573,488	3,167,144
Net working capital	9,547,603	(31,183)	245,697	373,414	(13,399)	24,240	35,904	455,879	10,638,155
Total assets	43,184,969	712,048	15,545,794	818,770	2,447,834	793,666	623,818	9,580,021	73,706,920
Long-term portion of bonds and other liabilities	3,261,646		6,198,931	50,945	1,941,871	211,400	95,280	384,356	12,144,429
Total equity	38,615,665	602,211	8,516,180	661,859	356,912	563,901	521,085	8,803,812	58,641,625

G. DEBT (WITHIN THE ENTERPRISE FUNDS)

The following is a summary of debt transactions of the City (within the Enterprise funds) for the year ended December 31, 2001:

	General Obligation	Mortgage Revenue	Ohio Water Development Authority Note Payable	Utility Improvement Notes	Total
Bonds and notes payable, January 1, 2001	\$ 7,185,873	\$ 1,610,000	\$ 6,251,489	\$ 1,055,000	\$ 16,102,362
Bonds and notes retired	<u>540,467</u>	<u>1,610,000</u>	<u>456,895</u>	<u>975,000</u>	<u>3,582,362</u>
Bonds and notes payable, December 31, 2001	<u>\$ 6,645,406</u>	<u>\$</u>	<u>\$ 5,794,594</u>	<u>\$ 80,000</u>	<u>\$ 12,520,000</u>

Bonds and notes payable at December 31, 2001 consisted of the following individual issues:

General Obligation:

Wastewater Funds - Wastewater Plant General Obligation Bonds, 7.25%, payable in installments through 2007 \$ 990,000

Golf Course and Water Funds - Public Improvement General Obligation Bonds, 3.0% - 6.2%, payable in installments through 2007 295,406

Electric Interconnect Construction and Hot Water General Obligation Bond, 6.5% - 6.6%, payable in installments through 2011 3,255,000

Golf Course and Swimming Pool Funds - Recreation Facility General Obligation Bonds, 4.5% - 5.5%, payable in installments through 2014 2,105,000

Ohio Water Development Authority Note Payable:

Ohio Water Development Authority Wastewater Sewer Project Loan, 8.38%, payable in installments through 2006 1,044,716

Ohio Water Development Authority Loan, 4.56%, payable in installments through 2015 (net of deferred loss on bond refinancing of \$205,428) 4,749,878

Utility Improvement Notes:

Utility Improvement Notes, Series 1998, 5.00%, payable 2002 80,000

Total bonds and notes payable and OWDA loan \$ 12,520,000

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.

Annual requirements to pay debt service on long-term debt at December 31, 2001 are:

Year Ending December 31	<u>General Obligation Bonds</u>		<u>Ohio Water Development Authority</u>		<u>Utility Improvement Note</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 564,513	\$ 416,379	\$ 515,624	\$ 309,004	\$80,000	\$ 4,000
2003	584,513	380,349	548,092	276,536		
2004	609,513	342,992	582,784	241,844		
2005	642,607	304,028	619,857	213,750		
2006	672,607	262,682	341,423	165,114		
Thereafter	3,571,653	786,088	3,186,814	688,409		
Total	<u>\$6,645,406</u>	<u>\$2,492,518</u>	<u>\$5,794,594</u>	<u>\$1,894,657</u>	<u>\$80,000</u>	<u>\$ 4,000</u>

H. OTHER DEBT

The following is a summary of other debt outstanding by fund category/account group at December 31, 2001:

General Long-Term Obligations:	
Pension Refunding Bonds, 6.25%, payable in installments through 2020	<u>\$ 450,000</u>
Street Improvement, Public Improvement General Obligation Bonds, 3.0% - 6.2%, payable in installments through 2007	<u>\$ 69,594</u>
Building Facility, General Obligation Bonds, 5.97%, payable in installments through 2010	<u>\$3,695,000</u>
Special Assessment Bonds, 9.0%, payable in installments through 2010	<u>\$ 171,664</u>

Annual requirements to pay debt service on general long-term obligations at December 31, 2001 are:

Year Ending December 31	<u>Pension Refunding Bonds</u>		<u>Street Improvement Bonds</u>		<u>Building Facility Bonds</u>		<u>Special Assessment Bonds</u>	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 15,000	\$ 28,125	\$10,487	\$ 4,142	\$ 320,000	\$ 220,592	\$ 35,812	\$15,450
2003	15,000	27,188	10,487	3,554	340,000	201,488	34,110	12,228
2004	15,000	26,250	10,487	2,946	360,000	181,190	29,378	9,157
2005	15,000	25,313	12,393	2,327	385,000	159,698	28,530	6,513
2006	15,000	24,375	12,393	1,583	405,000	136,713	17,831	3,945
Thereafter	375,000	197,500	13,347	827	1,885,000	289,842	26,003	6,654
Total	<u>\$450,000</u>	<u>\$328,751</u>	<u>\$69,594</u>	<u>\$15,379</u>	<u>\$3,695,000</u>	<u>\$1,189,523</u>	<u>\$171,664</u>	<u>\$53,947</u>

The above 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.

I. GENERAL LONG-TERM OBLIGATIONS

Long-term obligations in the General Long-Term Obligations Account Group are:

	Accrued Vacation and Sick Pay	Pension Refunding Bonds Obligation Police/Fire Pension	Street Improvement Bonds	Building Bonds	Special Assessment Bonds
Balance at January 1, 2001	\$ 916,507	\$460,000	\$79,127	\$4,000,000	\$200,464
Additions	155,900				
Reductions		<u>(10,000)</u>	<u>(9,533)</u>	<u>(305,000)</u>	<u>(28,800)</u>
Balance at December 31, 2001	<u>\$ 1,072,407</u>	<u>\$450,000</u>	<u>\$69,594</u>	<u>\$3,695,000</u>	<u>\$171,664</u>

J. FIXED ASSETS

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

	Balance January 1, 2001	Additions	Disposals	Construction In in Progress Placed in Service	Balance December 31, 2001
Land	\$ 1,415,215	\$ 17,950	\$ (5,000)	\$ 1,184,603	\$ 2,612,768
Buildings	2,476,905	54,881	(2,000)	8,511,600	11,041,386
Furniture, fixtures and equipment	6,970,803	616,935	(814,682)	286,164	7,059,220
Construction in progress:					
Parks and recreation	499,471	786,239		(1,184,603)	101,107
General government administration	3,772,418	5,025,346		(8,797,764)	
Highways and streets	<u>44,534</u>	<u>174,985</u>			<u>219,519</u>
Total	<u>\$15,179,346</u>	<u>\$6,676,336</u>	<u>\$(821,682)</u>	<u>\$</u>	<u>\$21,034,000</u>

A summary of proprietary fund-type fixed assets at December 31, 2001 follows:

	Enterprise Funds			
	Electric	Steam	Wastewater	Garbage and Refuse
Land and land improvements	\$ 62,412	\$	\$ 33,775	\$ 17,949
Buildings	3,369,148		23,189,893	78,498
Furniture, fixtures and equipment	53,334,148	1,228,971	4,165,231	430,819
Intangible assets	<u>3,038,157</u>			
Total fixed assets	59,803,865	1,228,971	27,388,899	527,266
Less accumulated depreciation	<u>(27,994,669)</u>	<u>(595,577)</u>	<u>(12,959,301)</u>	<u>(187,876)</u>
Net fixed assets	31,809,196	633,394	14,429,598	339,390
Construction in progress	<u>508,016</u>			
	<u>\$ 32,317,212</u>	<u>\$ 633,394</u>	<u>\$ 14,429,598</u>	<u>\$ 339,390</u>

Enterprise Funds (Continued)

	Golf Course	Hot Water	Swimming Pool	Water	Total
Land and land improvements	\$ 365,022	\$	\$	\$ 1,562,715	\$ 2,041,873
Buildings	2,315,984		1,053,660	1,852,272	31,859,455
Furniture, fixtures and equipment	472,672	1,410,534	43,094	11,115,818	72,201,287
Intangible assets	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>3,038,157</u>
Total fixed assets	3,153,678	1,410,534	1,096,754	14,530,805	109,140,772
Less accumulated depreciation	<u>(867,980)</u>	<u>(660,414)</u>	<u>(517,597)</u>	<u>(5,865,503)</u>	<u>(49,648,917)</u>
Net fixed assets	2,285,698	750,120	579,157	8,665,302	59,491,855
Construction in progress	<u> </u>	<u> </u>	<u> </u>	<u>63,540</u>	<u>571,556</u>
	<u>\$2,285,698</u>	<u>\$ 750,120</u>	<u>\$ 579,157</u>	<u>\$ 8,728,842</u>	<u>\$60,063,411</u>
					Internal Service Funds Total
					\$ 251,956
					<u>(89,185)</u>
					<u>\$ 162,771</u>

K. INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions among funds, most of which are accounted for as transfers among funds, with the exception of internal service funds. These funds are used to account for various supplies and services which are charged back to the appropriate fund on an “as used” basis. The internal service funds record such charges as operating revenues. City funds record payments to internal service funds as operating expenditures or expenses. Current portion of long-term interfund loans are classified as “interfund receivables/payables.”

Interfund receivable and payable balances at December 31, 2001 are as follows:

	Due From Other Funds	Due To Other Funds
General	\$ 4,724	\$ 59,794
Special Revenue Fund:		
Street Construction and Maintenance	19,096	11,755
Community Development Block Grant	1,190	24,598
Economic Development Funds	779	845
Enterprise Fund:		
Electric		21,553
Wastewater		8,029
Garbage and Refuse		4,437
Golf Course		1,902
Water		10,565
Internal Service Fund:		
Information Technology		1,902
City Health Insurance	<u>119,591</u>	<u> </u>
	<u>\$ 145,380</u>	<u>\$ 145,380</u>

L. PENSION PLAN OBLIGATIONS

Substantially all City employees are covered by one of two defined benefit cost-sharing multiple-employer public employee retirement systems, namely, the Police and Fire Disability Pension Fund Plan (“PFDPF”) or the Public Employees Retirement System of Ohio (“PERS”). The systems provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The payroll for employees covered by the PFDPF was \$3,625,941 in 2001 and \$3,457,213 in 2000 and the payroll for employees covered by PERS was \$6,743,998 in 2001 and \$6,335,819 in 2000. The City’s total payroll was \$10,369,939 in 2001 and \$10,236,571 in 2000.

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 PFDPF 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 PFDPF, 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% for police officers and firefighters, respectively, for 2001, 2000 and 1999. The contribution requirements for the years ended December 31, 2001, 2000, and 1999 were \$1,109,667, \$1,092,791 and \$1,015,781, which consisted of \$758,649, \$747,068 and \$694,803 from the City and \$351,018, \$345,723 and \$320,978 from the employees, respectively, equal to the required contributions for each year.

Public Employees Retirement System – All employees are required to be members of the PERS. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. The PERS 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) 466-2085 or (800) 222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5% for City employees. The City is required by the same statute to contribute 13.55% in 2001, 10.84% in 2000 and 13.55% in 1999 of the covered employees' gross wages, of which 9.25% (2001), 6.54% (2000) and 9.35% (1999) was used to fund the pension obligations. The difference between the total employer rate and the portion used to fund pension obligations is the amount used to fund the health care program for retirees. The contribution requirements for the years ended December 31, 2001, 2000 and 1999 were \$1,438,203, \$1,220,072 and \$1,320,534 which consisted of \$883,790, \$681,525 and \$811,481 from the City and \$554,413, \$538,546 and \$509,053 from the employees, respectively. Required contributions are equal to 100% of the dollar amount billed.

M. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Both the PERS and the PFDPF provide postretirement health care coverage commonly referred to as OPEB. For both systems, the Ohio Revised Code provides the 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.

Health care funding and accounting is on a pay-as-you-go basis. The Ohio Revised Code provides that health care costs paid shall be included in the employer's contribution rate. The 2001 contribution rate was 7.5% of covered payroll which resulted in a contribution of \$139,798 for police and \$123,804 for firemen to pay postemployment benefits.

The number of participants eligible to receive health care benefits statewide as of December 31, 2000, the date of the last actuarial valuation available, was 12,853 for police and 10,037 for firemen. PFDPF's total health care expense for the year ending December 31, 2001 was \$106,160,054, which was net of member contributions of \$5,657,431.

Public Employees Retirement System OPEB – PERS 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. A portion of each employer's contribution to PERS (4.3% of the total 13.55% contribution – See Note L) is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund pension and post-retirement health care through their contributions to PERS.

OPEB is financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

As of December 31, 2001 the unaudited estimated net assets available for future OPEB payments is \$11,735.9 million. The number of benefits recipients eligible for OPEB at December 31, 2001 was 411,076.

N. 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.

O. INTERNAL SERVICE FUNDS

City Health Insurance Fund – The City is self-insured for medical benefits and claims subject to certain stop-loss limits which are insured by a third party. The transfer of money from the various funds to the City Health Insurance fund is accounted for as operating revenues and expenses or expenditures up to the sum total of the claims filed during the year adjusted by a provision for claims incurred but not filed as of year-end. Transfer of money in excess of (less than) this amount is accounted for as a residual equity transfer-out (transfer-in) in the fund making the payment and as an increase (decrease) to contributed capital in the City Health Insurance Fund.

Liability Insurance Reserve Fund – This fund was established to accumulate monies for claims against the City not covered by City insurance policies. The accounting treatment of the transfer of monies is as described for the City Health Insurance Fund. As of December 31, 2001, liabilities were either covered by past insurance coverage or were immaterial in the opinion of the City’s attorney and underwriter; therefore, no liability was required at year end.

Liability for medical benefits and claims for the 2001 plan year were as follows:

	Per Person	In Aggregate
Self-insured by the City	\$0 - \$50,000	\$0 - \$1,099,257
Insured by a third party	\$50,000 - \$2,000,000	\$1,099,257 - \$2,099,257

Medical benefits and claims did not exceed the amounts covered by the third-party insurer during 2001, 2000 and 1999.

The following is a reconciliation of the City’s claims liability:

	2001	2000
Accrued self-insurance - beginning	\$ 211,084	\$ 161,262
Claims expense	1,160,822	1,238,001
Claims paid	<u>(1,202,536)</u>	<u>(1,188,179)</u>
Accrued self-insurance - ending	<u>\$ 169,370</u>	<u>\$ 211,084</u>

P. CHANGES IN CONTRIBUTED CAPITAL

The following table shows the changes in contributed capital during 2001 for all proprietary funds:

	<u>Proprietary Fund Types</u>	
	Enterprise	Internal Service
Contributed capital, beginning of year	\$6,449,890	\$2,290,329
Assets contributed in 2001 (non-cash)	78,978	
Residual equity transfers	<u>168,178</u>	<u>(168,178)</u>
Contributed capital, end of year	<u>\$6,697,046</u>	<u>\$2,122,151</u>

Q. CONTINGENCIES

The City is exposed to various risks of loss including employee health care costs and accidents, costs and legal judgments, damage or destruction of assets, and acts of nature. The City has a casualty insurance package with general liability limits of \$12,000,000 with no deductible for an event up to \$2,000,000, and a \$10,000 deductible for an event up to \$12,000,000. In addition, the City has a Property Damage Policy covering up to \$64,549,000 with a \$10,000 deductible. The City also maintains various other policies such as employee bonding, general and environmental liability insurance, auto and airport coverage. The amounts of risk retention (deductibles) are consistent with governmental and industry standards, as well as the City's fiscal capacity. The total amount of settlements did not exceed insurance coverage in any of the past three years.

Medical claims and benefits amounting to approximately \$110,000 were paid by the City prior to 1998 but have not yet been reimbursed by the third party insurer. The City has retained outside counsel to assist in the collection process and believes that the recorded allowance of \$80,000 is adequate to reserve for any potential loss.

Certain other 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.

R. COMMITMENTS

Cinergy (Public Service Company of Indiana) Power Contract

On May 17, 1993, the City of Piqua and the Public Service Company of Indiana (Cinergy) signed an agreement for the City to purchase 15 MW of limited term power for a period of 20 years. This agreement expires December 31, 2013.

The purchase was made to provide the City an economical alternative to the construction of the cooling tower for its generating facilities.

The contract defines and includes an escape clause for the City in the event energy costs unreasonably exceed estimates or the supply source becomes unreliable.

Future year demand obligations of the City, based on 15 MW purchase levels:

Year	Amount	
2002	\$ 0	* See Below (A)
2003	0	* See Below (A)
2004	0	* See Below (A)
2005	0	* See Below (A)
2006	0	* See Below (A)
2007	2,196,000	
2008	2,196,000	
2009	2,520,000	
2010	2,520,000	
2011	2,700,000	
2012	2,880,000	
2013	<u>2,880,000</u>	
	<u>\$ 17,892,000</u>	

(A) On October 18, 2000, the City and Cinergy agreed to suspend and supercede this agreement for the period of January 1, 2002 through December 31, 2006. Under the new agreement, dated October 31, 2000, the city agreed to purchase from Cinergy all energy requirements in excess of those supplied by the New York Power Authority (NYPA) for the duration of the agreement. The new contract results in a “take and pay” arrangement with no minimum obligations to the City. The original agreement, dated May 17, 1993, will remain effective from January 1, 2007 through December 31, 2013.

Cinergy (Cincinnati Gas and Electric Company) Power Contract

On July 1, 1991 the City of Piqua and the Cincinnati Gas and Electric Company (Cinergy) signed an agreement for the purchase of short-term power by the City for a period of 15 years. This agreement became effective January 1, 1992 and expires December 31, 2006.

The purchase was made to provide the City an economical source of power to complement internal generation and to accommodate projected load growth of the City. The initial maximum purchase level of 11MW in 1992 is increased by one (1) MW a year throughout the life of the contract to a minimum purchase level of 25 MW in 2006. Currently, the minimum purchase level is 19MW for the 2001 calendar year. The City has the option, on a weekly basis, to purchase up to two-and-a-half (2-1/2) times the annual minimum levels.

The contract defines and includes an escape clause for the City in the event energy costs unreasonably exceed estimates or the supply source becomes unreliable.

Future year demand obligations of the City, based on annual minimum contract requirements:

Year	Amount	
2002	\$ 0	* See Below (A) contract terminated
2003	0	* See Below (A) contract terminated
2004	0	* See Below (A) contract terminated
2005	0	* See Below (A) contract terminated
2006	0	* See Below (A) contract terminated

- (A) On October 18, 2000, the City and Cinergy agreed to terminate this agreement effective January 1, 2002, and to replace it with a new contract, effective January 1, 2002 through December 31, 2006. Under the new agreement, the City will purchase from Cinergy all energy requirements in excess of those supplied by the New York Power Authority (NYPA) for the duration of the agreement. The new contract results in a “take and pay” arrangement with no minimum obligations to the City.

* * * * *

CITY OF PIQUA, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2001

Federal Grant or Pass-Through Grant or Program Title	Federal CFDA Number	Pass-Through Grant Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD):			
Community Development Block Grant/States Loan Program:			
1999 Formula Allocation Program	14.228	A-F-99-165-1	\$ 6,568
2000 Formula Allocation Program	14.228	A-F-00-165-1	127,500
2001 Formula Allocation Program	14.288	A-F-01-165-1	1,000
1999 Community Housing Improvement Program	14.228	A-C-99-165-1	77,806
1999 Community Housing Improvement Program	14.239	A-C-99-165-2	263,203
2001 Community Housing Improvement Program	14.228	A-C-01-165-1	5,350
2001 Community Housing Improvement Program	14.139	1-C-01-165-2	2,532
2000 Downtown Revitalization Program	14.228	A-T-00-1650-1	<u>82,465</u>
Total HUD/Community Development Block Grant/States Loan Program			<u>566,424</u>
U.S. DEPARTMENT OF JUSTICE -			
COPS Universal Hiring	16.710	96-UM-WX-0633	<u>45,000</u>
U.S. DEPARTMENT OF TRANSPORTATION -			
Highway Planning and Construction (Path Phase II)	20.205	LPA-9766	<u>355,024</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$966,448</u>

BASIS OF PRESENTATION – The accompanying Schedule of Expenditures of Federal Awards reflects the expenditures of the City of Piqua, Ohio under programs financed by the U.S. government for the year ended December 31, 2001 and is prepared on the accrual basis of accounting. Because the schedule presents only a selected portion of the operations included in the City’s financial statements, it is not intended to, and does not, present the financial position, changes in fund balance and current funds revenues, expenditures and other changes. For the purposes of the Schedule, Federal Awards includes:

- Pass-through funds received from Ohio Department of Development.
- Direct Federal Awards

FEDERAL LOAN PROGRAMS – The City administers the Community Development Block Grant/States Loan Program. At December 31, 2001 outstanding homeowner advances related to this program were approximately \$1,117,000.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor Frank H. Barhorst
and City Commission Members, Citizens of the City of Piqua, Ohio
and Mr. Jim Petro, Auditor of State of Ohio:

We have audited the financial statements of the City of Piqua, Ohio, as of and for the year ended December 31, 2001, and have issued our report thereon dated April 18, 2002. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the City of Piqua, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

DELOITTE & TOUCHE LLP

April 18, 2002

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM

The Honorable Mayor Frank H. Barhorst and
City Commission Members, Citizens of the City of Piqua, Ohio
and Mr. Jim Petro, Auditor of State of Ohio:

Compliance

We have audited the compliance of the City of Piqua, Ohio, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The City of Piqua, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Piqua, Ohio's management. Our responsibility is to express an opinion on ased 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Piqua, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believed that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Piqua, Ohio's compliance with those requirements.

In our opinion, the City of Piqua, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133, and which is described in the accompanying Schedule of Findings and Questioned Costs as item 01-1.

Internal Control Over Compliance

The management of the City of Piqua, Ohio, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Piqua, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the City of Piqua, Ohio's internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

DELOITTE & TOUCHE LLP

April 18, 2002

CITY OF PIQUA, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2001

PART I - SUMMARY OF AUDITOR'S RESULTS

1. The independent auditors' report on the financial statements expressed an unqualified opinion.
2. No reportable conditions considered to be material weaknesses in internal control over financial reporting were identified.
3. No instance of noncompliance considered material to the financial statements was disclosed by the audit.
4. No reportable conditions considered to be material weaknesses in internal control over compliance with requirements applicable to major federal awards programs were identified.
5. The independent auditors' report on compliance with requirements applicable to the major federal award program expressed an unqualified opinion.
6. The audit disclosed a finding required to be reported by OMB Circular A-133 and is included in Part III.
7. The City of Piqua's major program was:

Name of Federal Program

CFDA Number

Ohio Department of Transportation – Highway Planning
and Construction Grant

20.205

8. A threshold of \$300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The Organization did qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable matters

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

Reference Number

01-1 Federal Program:

Highway Planning and Construction Grant , CFDA # 20.205

Requirement:

Under the Special Tests and Provisions requirement (Sampling Program), the City must have a sampling and testing program for projects (funded wholly or in part with this grant) to ensure that materials and workmanship generally conform to approved plans and specifications (23 CFR Section 637.205).

Condition:

During testing of this grant, we noted that the City had not performed any sampling and testing of materials & workmanship as required under the Special Tests and Provisions requirement of OMB Circular A-133, for projects funded by the Highway Planning and Construction Grant.

Context:

The City indicated that inspections performed met the necessary requirements.

Cause:

The City did not use a sampling and testing program for the project (Bike Path) that would ensure materials and workmanship generally conform to approved plans and specifications as required by 23 CFR Section 637.205.

Recommendation:

The City should develop a sampling and testing program, and with the help of an independent third party lab or consultants, test on a sample basis the materials and workmanship used in the Bike Path project by the vendor/contractor, to assure themselves that the quality of the materials and workmanship conform to the approved plans and specifications.

Management's Response:

The City believed that the sampling and testing requirements for the Bike Path project met all applicable standards, but in the future, all sampling and testing standards required by 23 CFR will be specifically incorporated in construction contracts.

CITY OF PIQUA, OHIO

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2001

Issue 01-01	Action Step	Individual Responsible	Estimated Completion Date
1. The City did not use a sampling and testing program for the Bike Path Project that would ensure materials and workmanship generally conform to approved plans and specifications.	<ul style="list-style-type: none">• All sampling and testing standards required by 23 CFR will be specifically incorporated in construction contracts.	T. R. Zechman	2002

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CITY OF PIQUA, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended December 31, 2001

Prepared by:

**Department of Finance
Robert N. Slagle, Director**

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CITY OF PIQUA, OHIO

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CITY OF PIQUA, OHIO

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April 18, 2002

Honorable Mayor Frank H. Barhorst, City Commission Members
and Citizens of the City of Piqua, Ohio:

This Comprehensive Annual Financial Report is for the year ended December 31, 2001. 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. We believe the 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.

The Comprehensive Annual Financial Report is presented in three sections: the Introductory Section, which contains the table of contents, this transmittal letter, Certificate of Achievement, a listing of City officials and the organizational structure; the Financial Section, which consists of the independent auditors' report, general purpose financial statements, notes to the combined financial statements and more detailed combining and individual fund and account groups financial statements and schedules; and 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 enterprise 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.

Major Initiatives

Current Year Projects: During 2001 the City continued efforts to enhance and expand services provided to local residents.

The income tax street rehabilitation program was renewed for 10 years and provides for continuation of the upgrading and improving city streets. During the year the Public Works Department managed numerous projects and obtained \$581,000 of State Issue II funds.

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).

Economic development activities formerly performed by the Piqua Improvement Corporation for the City were incorporated into the local government by creating a new city department.

Federal and state grants totaling \$254,000 provided local housing rehabilitation to fifteen qualified low and moderate income property owners.

A new \$8 million municipal government complex was completed to house the city's combined administrative services. As part of this project the fire station was remodeled. These additions were part of the *LOOP* construction project, which includes other community improvements.

Another completed portion of the *LOOP* construction project consisted of 5 ½ miles of pathway and downtown streetscaping developments in the business area.

Elements of the strategic planning process "Future Piqua II" were completed. This is a planning process designed to provide a 10-year local plan for the community and the city government.

During 2001 the Piqua Municipal Power System saved the community more than \$5 million by providing low cost electric service.

The income tax department provided internet availability for tax forms, tax ordinance and associated rules and regulations which completed the second implementation phase of state House Bill 477.

Future Projects: With adoption of "Future Piqua II" the City continues to implement its stated goals and objectives.

The Fort Piqua Hotel restoration and reuse project continues which includes the seeking of financing sources, such as grant funding and combined public/private participation.

Piqua's community development department will be developing a residential improvement program, which will coordinate public and private resources to assist low and moderate homeowners.

Another phase of the *LOOP* construction project to beautify and improve the community will be undertaken.

The electric system will develop new rates to absorb a purchase power contract increase that is effective the first of the year. This is in conjunction with an overall five-year rate plan designed to enhance the system's operations with a minimum cost to the customers.

An elevated water tank construction project will proceed through the design and financial planning phases in order to begin a \$1.8 million improvement to the city's water storage system.

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, 2001, 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 for the general fund (personnel, operation and maintenance, debt service and capital expenditures) and at a functional level for all other funds. Lower levels within each object or functional 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 or functional 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.

General Government

General Fund Revenues:

The 2001 revenues and other financing sources increased 1.6% over 2000. The new Kwh tax imposed upon electric sales largely offsets the decline in local income taxes (due primarily to the economy), grants, interest income and other revenues.

	2001	% of	2000	% of	Increase (Decrease) Over 2000
	Actual	Total	Actual	Total	
Revenues and other financing sources:					
Municipal income taxes	\$ 4,932,680	48.0	\$ 5,165,239	51.1	\$ (232,559)
Property taxes	1,196,982	11.7	1,147,717	11.4	49,265
State shared taxes	1,903,063	18.5	1,727,862	17.1	175,201
Kwh tax revenues	651,078	6.3			651,078
Intergovernmental grants	440,472	4.3	578,824	5.7	(138,352)
Fines, costs, forfeitures, licenses, and permits	349,620	3.4	322,300	3.2	27,320
Interest income	331,718	3.2	433,511	4.3	(101,793)
Net increase in fair value of investments	53,866	0.5	96,636	0.9	(42,770)
Other income	294,343	2.9	414,960	4.1	(120,617)
Operating transfers, in	<u>117,000</u>	<u>1.2</u>	<u>220,289</u>	<u>2.2</u>	<u>(103,289)</u>
Total revenue and other financing sources	<u>\$ 10,270,822</u>	<u>100.0 %</u>	<u>\$ 10,107,338</u>	<u>100.0 %</u>	<u>\$ 163,484</u>

General Fund Expenditures: The 2001 General Fund expenditures and other financing uses increased 30.7% compared with 2000. General fund expenditures increased due to transfers for completion of the new municipal complex. Capital outlay increased due to the expansion of the parks system.

	2001	% of	2000	% of	Increase (Decrease) Over 2000
	Actual	Total	Actual	Total	
Expenditures and other financing uses:					
Public safety	\$ 6,141,505	48.2	\$ 5,972,147	61.2	\$ 169,358
Public health and welfare	345,999	2.7	311,729	3.2	34,270
General government administration	1,224,797	9.6	1,315,166	13.5	(90,369)
Parks and recreation	631,079	4.9	517,545	5.3	113,534
Capital outlay	1,133,986	8.9	961,304	9.8	172,682
Other	9,427	0.1			9,427
Operating transfers, out	<u>3,268,059</u>	<u>25.6</u>	<u>682,159</u>	<u>7.0</u>	<u>2,585,900</u>
Total expenditures and other financing uses	<u>\$ 12,754,852</u>	<u>100.0 %</u>	<u>\$ 9,760,050</u>	<u>100.0 %</u>	<u>\$ 2,994,802</u>

General Fund Balances: Current year activity decreased the undesignated fund balance by 20.8%.

Special Revenue Funds: Fund revenues and other financing sources decreased 4.5% from 2000 because of reduced state/federal grant receipts. Expenditures and other financing uses increased 8.3% and undesignated fund balance decreased 56.1%.

Debt Administration

General obligation bonds are recorded in the general long-term debt group except those applicable to the proprietary funds. The major portion of long-term debt for the proprietary funds consists of general obligation bonds and Ohio Water Department loans, and are recorded in the applicable enterprise fund. User charges finance 74.1% of the City's debt requirements reflecting the extensive capital needs to support the proprietary funds. The bonds and loan principal amounts outstanding as of December 31, 2001 follow:

	Balance January 1, 2001	Debt Issued	Debt Retired	Balance December 31, 2001	% of Total Debt
General long-term debt - general obligation bonds	\$ 4,739,591	\$	\$ 353,333	\$ 4,386,258	25.9
Proprietary fund debt:					
General obligation bonds	7,185,873		540,467	6,645,406	39.3
Revenue bonds payable	1,610,000		1,610,000		
Ohio Water Development loan payable	6,251,489		456,895	5,794,594	34.3
Utility improvement notes	<u>1,055,000</u>	<u> </u>	<u>975,000</u>	<u>80,000</u>	<u>0.5</u>
 Total Debt	 <u>\$20,841,953</u>	 <u>\$</u>	 <u>\$ 3,935,695</u>	 <u>\$ 16,906,258</u>	 <u>100.0</u> %

The City maintains a Moody's Investor Service General Obligation Bond rating of A-1.

Enterprise Funds

The City's utility operations, consisting of a power system (including electric, steam and hot water), 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.

Power System: Kilowatt hours of sales decreased 0.9% and total customer revenues were \$16.4 million. Industrial and commercial kilowatt sales declined 2.7% and the residential class of trade increased 3.6%. Net income was \$3,064,000 or \$32,000 below the prior year.

The system supplies electricity to more than 10,500 accounts within its service area. The power system, established in the 1930's, uses fuel oil as its principal fuel, when generating, and operates with a maximum capacity of 83.5 megawatts. Presently, the United States E.P.A. Clean Air Standards are met by emission control equipment which became operational in 1984. The system is responsible for purchasing and generating power, transmitting and distributing electricity and providing all related services. The power system furnishes steam and hot water services for heating and processing uses, primarily to industrial customers located near the generating facility.

Two long-term contracts from Cinergy Corporation will ensure an economical and reliable supply source through the end of years 2006 and 2013, respectively. 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.

Water System: Customer revenues declined 2.2% and gallons sold decreased 3.0%. Operating expenses increased 19.5%. The increase in operating expense is due to repairs to the canal system. Net income of \$303,602 was a 54.4% decrease from the prior year. More than 8,500 accounts are serviced by Piqua's municipal water system.

Wastewater System: System revenues of \$2.6 million decreased \$69,000 compared with the previous year. Operating expenses rose 0.7% and the net income was \$113,000.

General Fixed Assets

The general fixed assets of the City as of December 31, 2001 totaled \$21,034,000 and included all assets of the City, except those recorded in the proprietary fund types and infrastructure assets such as streets and bridges (which the City does not record).

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 2001, the City's return on average investment balances equaled 5.0%, a 0.6% decrease from 2000.

Risk Management

The City's assets are protected by insurance from commercial carriers for general liability, public officials' liability, fire and casualty, police professional liability, boiler and machinery fleet liability, employee security bonds, employee life insurance, State of Ohio Workers' Compensation, and numerous small specialty policies.

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 2001 audit was completed by Deloitte & Touche LLP and represents the twenty-third 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 eleventh 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, 2000. 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 eleven 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

Preparation of this report on a timely basis was accomplished by the conscientious efforts and contributions of the entire Finance Department working jointly with the engagement team representing the independent public accounting firm of Deloitte & Touche LLP.

Robert N. Slagle
Director of Finance

Department of Finance Staff

Judith A. Painter	- Accounting Manager
Michael J. Fischbach	- Accountant
Kimberly A. Maniaci	- Staff
Candace L. Etter	- Staff
Marilyn S. Helman	- Staff

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CITY OF PIQUA, OHIO

CITY OFFICIALS

Frank H. Barhorst, Mayor
Lloyd E. Shoemaker, Commissioner
Robert L. DeBrosse, Commissioner
James F. Garrity, Commissioner
David A. Martin, Commissioner

CITY MANAGER

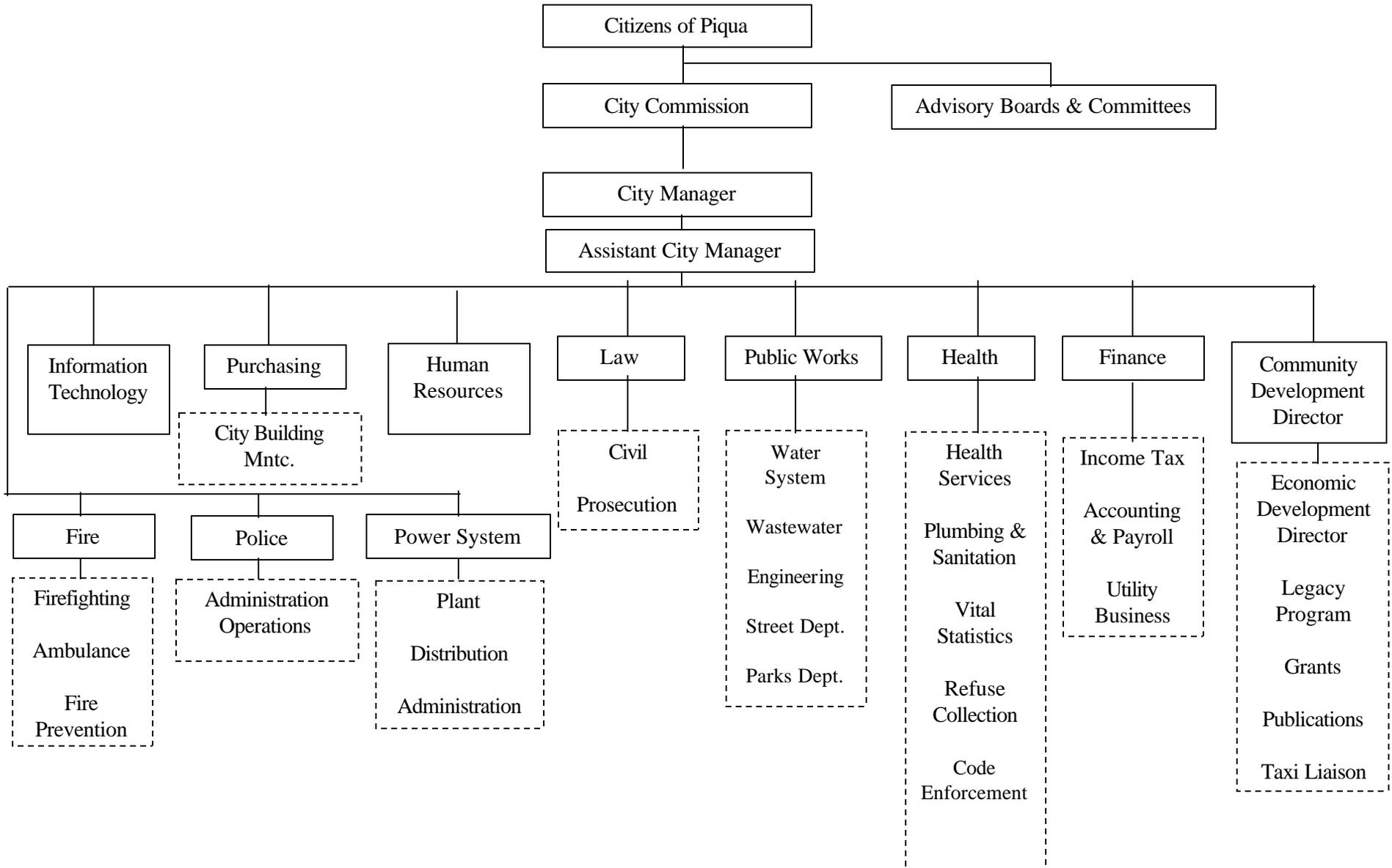
R. Mark Rohr

INDEPENDENT AUDITORS

Deloitte & Touche LLP

CITY OF PIQUA, OHIO

CITY ORGANIZATION CHART



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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor Frank H. Barhorst,
City Commission Members, Citizens of the City of Piqua, Ohio,
and Mr. Jim Petro, Auditor of State of Ohio:

We have audited the accompanying general purpose financial statements of the City of Piqua, Ohio (the "City"), as of December 31, 2001, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. The prior year summarized comparative financial information has been derived from the City of Piqua's December 31, 2000 financial statements and, in our report dated April 27, 2001, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 opinion.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City, at December 31, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical data on pages 78 – 95 is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and accordingly, we express no opinion on it.

DELOITTE & TOUCHE LLP

April 18, 2002

CITY OF PIQUA, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS DECEMBER 31, 2001

ASSETS AND OTHER DEBITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Equity in pooled cash and cash equivalents	\$ 2,226,301	\$ 635,070	\$	\$
Equity in pooled investments	3,027,767	512,501		
Accounts receivable, primarily municipal income taxes, state shared taxes, property taxes, and utility charges	3,404,498	2,532,096	209,457	371,650
Allowance for uncollectible accounts				
Inventories	19,901			
Due from other funds	4,724	21,065		
Prepaid items and other assets	44,420	9,513		
Amount to be provided for general long-term obligations				
Amount available in debt service funds				
Property and equipment, at cost:				
In-service	_____	_____	_____	_____
Construction in progress	_____	_____	_____	_____
Less accumulated depreciation	_____	_____	_____	_____
Property and equipment, net	_____	_____	_____	_____
Total unrestricted	8,727,611	3,710,245	209,457	371,650
Restricted:				
Equity in pooled cash and cash equivalents			132,031	
Equity in pooled investments				
Accrued interest receivable			635	
City bonds and notes			159,033	
Unamortized debt issuance costs	_____	_____	12,916	_____
Total restricted	_____	_____	304,615	_____
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 8,727,611</u>	<u>\$ 3,710,245</u>	<u>\$ 514,072</u>	<u>\$ 371,650</u>

See notes to combined financial statements.

EXHIBIT I

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>(Memorandum Only)</u>	
					<u>2001</u>	<u>2000</u>
\$ 3,057,493	\$ 749,786	\$223,866	\$	\$	\$ 6,892,516	\$ 9,506,215
6,171,374	3,737,772				13,449,414	14,146,975
3,232,949	167,093	48,744			9,966,487	8,887,304
(373,043)	(80,000)				(453,043)	(256,223)
809,553					829,454	784,919
	119,591				145,380	73,691
126,954	18,919				199,806	605,662
				5,154,050	5,154,050	5,383,116
				304,615	304,615	272,982
109,140,772	251,956		20,713,374		130,106,102	117,382,791
<u>571,556</u>	<u> </u>	<u> </u>	<u>320,626</u>	<u> </u>	<u>892,182</u>	<u>4,857,005</u>
109,712,328	251,956		21,034,000		130,998,284	122,239,796
<u>(49,648,917)</u>	<u>(89,185)</u>	<u> </u>	<u> </u>	<u> </u>	<u>(49,738,102)</u>	<u>(47,116,937)</u>
<u>60,063,411</u>	<u>162,771</u>	<u> </u>	<u>21,034,000</u>	<u> </u>	<u>81,260,182</u>	<u>75,122,859</u>
73,088,691	4,875,932	272,610	21,034,000	5,458,665	117,748,861	114,527,500
618,229					750,260	606,498
						1,787,300
					635	8,461
					159,033	182,730
					<u>12,916</u>	<u>14,166</u>
<u>618,229</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>922,844</u>	<u>2,599,155</u>
<u>\$ 73,706,920</u>	<u>\$4,875,932</u>	<u>\$272,610</u>	<u>\$21,034,000</u>	<u>\$5,458,665</u>	<u>\$118,671,705</u>	<u>\$117,126,655</u>

(Continued)

CITY OF PIQUA, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS DECEMBER 31, 2001

LIABILITIES, OTHER CREDITS AND FUND EQUITY	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES:				
Accounts payable	\$ 82,114	\$ 470,085	\$	\$371,650
Accrued expenses and deposits	803,582	65,363		
Accrued vacation and sick pay	454,109	53,327		
Homeowners advances		1,153,891		
Due to other funds	59,794	37,198		
Deferred revenue	1,630,581	472,966	209,457	
General obligation bonds payable				
Revenue bonds payable				
Ohio Water Development Authority note payable				
Special assessment bonds with governmental commitment				
General obligation bonds				
Utility improvement notes				
Total liabilities	<u>3,030,180</u>	<u>2,252,830</u>	<u>209,457</u>	<u>371,650</u>
OTHER CREDITS AND FUND EQUITY:				
Investment in general fixed assets				
Fund equity:				
Contributed capital				
Retained earnings - unreserved				
Fund balances:				
Reserved for:				
Emcumbrances	74,676	775,858		7,651
Inventories	19,901			
Prepaid items	44,420	8,551		
Unreserved:				
Designated for safety equipment	568,612			
Undesignated	<u>4,989,822</u>	<u>673,006</u>	<u>304,615</u>	<u>(7,651)</u>
Total other credits and fund equity	<u>5,697,431</u>	<u>1,457,415</u>	<u>304,615</u>	
TOTAL LIABILITIES, OTHER CREDITS AND FUND EQUITY	<u>\$ 8,727,611</u>	<u>\$ 3,710,245</u>	<u>\$ 514,072</u>	<u>\$ 371,650</u>

See notes to combined financial statements.

EXHIBIT I

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals</u>	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>(Memorandum Only)</u>	
					<u>2001</u>	<u>2000</u>
\$ 1,086,340	\$ 170,646	\$	\$	\$	\$ 2,180,835	\$ 2,316,867
274,275	8,575	185,981			1,337,776	1,056,536
1,135,294	20,887			1,072,407	2,736,024	2,443,618
					1,153,891	1,028,458
46,486	1,902				145,380	73,691
2,900		48,744			2,364,648	1,700,710
6,645,406					6,645,406	7,185,873
						1,610,000
5,794,594					5,794,594	6,251,489
						171,664
					4,214,594	200,464
80,000					4,214,594	4,539,127
					80,000	1,055,000
<u>15,065,295</u>	<u>202,010</u>	<u>234,725</u>		<u>5,458,665</u>	<u>26,824,812</u>	<u>29,461,833</u>
			21,034,000		21,034,000	15,179,346
6,697,046	2,122,151				8,819,197	8,740,219
51,944,579	2,551,771				54,496,350	50,726,185
					858,185	5,435,745
					19,901	31,408
					52,971	65,112
					568,612	1,062,475
		<u>37,885</u>			<u>5,997,677</u>	<u>6,424,332</u>
<u>58,641,625</u>	<u>4,673,922</u>	<u>37,885</u>	<u>21,034,000</u>		<u>91,846,893</u>	<u>87,664,822</u>
<u>\$73,706,920</u>	<u>\$4,875,932</u>	<u>\$272,610</u>	<u>\$21,034,000</u>	<u>\$5,458,665</u>	<u>\$118,671,705</u>	<u>\$117,126,655</u>

(Concluded)

CITY OF PIQUA, OHIO

EXHIBIT II

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES AND FIDUCIARY FUND TYPE
 YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types				Fiduciary Fund Type	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only) 2001	2000
REVENUES:							
Municipal taxes	\$ 4,932,680	\$2,143,199	\$	\$	\$	\$ 7,075,879	\$ 7,409,129
Property taxes	1,196,982	194,106	62,896		48,526	1,502,510	1,416,096
State shared taxes	1,903,063	724,789				2,627,852	2,430,990
Kwh tax	651,078					651,078	
Special assessment		8,554				8,554	117,464
Intergovernmental grants	440,472	1,599,341				2,039,813	1,614,613
Fines, costs, forfeitures, licenses and permits	349,620	4,975				354,595	327,430
Interest income	331,718	85,802	27,497		220	445,237	687,958
Net increase in fair value of investments	53,866	4,941				58,807	114,247
Other income	<u>294,343</u>	<u>244,499</u>			<u>138</u>	<u>538,980</u>	<u>460,372</u>
Total revenues	<u>10,153,822</u>	<u>5,010,206</u>	<u>90,393</u>		<u>48,884</u>	<u>15,303,305</u>	<u>14,578,299</u>
EXPENDITURES:							
Current:							
Public safety	6,141,505					6,141,505	5,972,147
Public health and welfare	345,999					345,999	311,729
General government administration	1,224,797					1,224,797	1,315,166
Highways and streets		1,553,053				1,553,053	1,523,890
Parks and recreation	631,079					631,079	517,545
Community planning and development		639,101				639,101	493,558
Other	9,427	27,146	4,370	54,287	37,237	132,467	59,895
Capital outlay	1,133,986	3,385,679		5,037,842		9,557,507	6,811,701
Debt service:							
Principal retirement			353,333			353,333	32,783
Interest			51,448			51,448	34,012
Payment of pension liability							<u>533,877</u>
Total expenditures	9,486,793	5,604,979	409,151	5,092,129	37,237	20,630,289	17,606,303
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	667,029	(594,773)	(318,758)	(5,092,129)	11,647	(5,326,984)	(3,028,004)
OTHER FINANCING SOURCES (USES):							
Proceeds from debt issuances							4,552,939
Operating transfers, in	117,000	188,478	593,322	2,741,773		3,640,573	5,955,341
Operating transfers, out	<u>(3,268,059)</u>	<u>(324,325)</u>	<u>(242,931)</u>			<u>(3,835,315)</u>	<u>(6,028,643)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(2,484,030)	(730,620)	31,633	(2,350,356)	11,647	(5,521,726)	1,451,633
FUND BALANCE - Beginning of year	8,181,461	2,188,035	272,982	2,350,356	26,238	13,019,072	11,567,213
RESIDUAL EQUITY TRANSFER, IN							<u>226</u>
FUND BALANCE - End of year	<u>\$ 5,697,431</u>	<u>\$1,457,415</u>	<u>\$ 304,615</u>	<u>\$</u>	<u>\$37,885</u>	<u>\$ 7,497,346</u>	<u>\$13,019,072</u>

See notes to combined financial statements.

CITY OF PIQUA, OHIO

EXHIBIT III

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (GAAP BASIS) - ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED DECEMBER 31, 2001

	General Fund			Special Revenue Funds			Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:									
Municipal income taxes	\$5,039,521	\$4,932,680	\$(106,841)	\$2,189,613	\$2,143,199	\$ (46,414)	\$	\$	\$
Property taxes	1,186,521	1,196,982	10,461	193,438	194,106	668	62,896	62,896	
State shared taxes	1,999,147	1,903,063	(96,084)	705,644	724,789	19,145			
Kwh tax	673,430	651,078	(22,352)						
Special assessments				10,777	8,554	(2,223)			
Intergovernmental grants	542,854	440,472	(102,382)	1,906,841	1,599,341	(307,500)			
Fines, costs, forfeitures, licenses and permits	349,564	349,620	56	4,500	4,975	475			
Interest income	335,467	331,718	(3,749)	97,876	85,802	(12,074)	28,686	27,497	(1,189)
Net increase in fair value of investments		53,866	53,866		4,941	4,941			
Other income	331,041	294,343	(36,698)	191,297	244,499	53,202			
Total revenues	10,457,545	10,153,822	(303,723)	5,299,986	5,010,206	(289,780)	91,582	90,393	(1,189)
EXPENDITURES:									
Current:									
Public safety	6,179,426	6,141,505	37,921						
Public health and welfare	310,977	345,999	(35,022)						
General government administration	1,230,217	1,224,797	5,420						
Highways and streets				1,612,594	1,553,053	59,541			
Parks and recreation	600,316	631,079	(30,763)						
Community planning and development				756,697	639,101	117,596			
Other		9,427	(9,427)	3,100	27,146	(24,046)	3,120	4,370	(1,250)
Capital outlay	1,143,389	1,133,986	9,403	3,265,013	3,385,679	(120,666)			
Debt service:									
Principal retirement							353,334	353,333	1
Interest							290,248	51,448	238,800
Total expenditures	9,464,325	9,486,793	(22,468)	5,637,404	5,604,979	32,425	646,702	409,151	237,551
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	993,220	667,029	(326,191)	(337,418)	(594,773)	(257,355)	(555,120)	(318,758)	236,362
OTHER FINANCING SOURCES (USES):									
Operating transfers, in	117,000	117,000		78,211	188,478	110,267	706,226	593,322	(112,904)
Operating transfers, out	(2,875,977)	(3,268,059)	(392,082)	(324,152)	(324,325)	(173)	(128,327)	(242,931)	(114,604)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER OVER FINANCING (USES)	(1,765,757)	(2,484,030)	(718,273)	(583,359)	(730,620)	(147,261)	22,779	31,633	8,854
FUND BALANCE - Beginning of year	8,181,461	8,181,461		2,188,035	2,188,035		272,982	272,982	
FUND BALANCE - End of year	\$6,415,704	\$5,697,431	\$(718,273)	\$1,604,676	\$1,457,415	\$(147,261)	\$ 295,761	\$ 304,615	\$ 8,854

See notes to combined financial statements.

(Continued)

CITY OF PIQUA, OHIO

EXHIBIT III

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (GAAP BASIS) - ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED DECEMBER 31, 2001

	Capital Projects			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Municipal income taxes	\$	\$	\$	\$ 7,229,134	\$ 7,075,879	\$ (153,255)
Property taxes				1,442,855	1,453,984	11,129
State shared taxes				2,704,791	2,627,852	(76,939)
Kwh tax				673,430	651,078	(22,352)
Special assessments				10,777	8,554	(2,223)
Intergovernmental grants				2,449,695	2,039,813	(409,882)
Fines, costs, forfeitures, licenses and permits				354,064	354,595	531
Interest income	47,500		(47,500)	509,529	445,017	(64,512)
Net increase in fair value of investments					58,807	58,807
Other income				522,338	538,842	16,504
Total revenues	<u>47,500</u>		<u>(47,500)</u>	<u>15,896,613</u>	<u>15,254,421</u>	<u>(642,192)</u>
EXPENDITURES:						
Current:						
Public safety				6,179,426	6,141,505	37,921
Public health and welfare				310,977	345,999	(35,022)
General government administration				1,230,217	1,224,797	5,420
Highways and streets				1,612,594	1,553,053	59,541
Parks and recreation				600,316	631,079	(30,763)
Community planning and development				756,697	639,101	117,596
Other		54,287	(54,287)	6,220	95,230	(89,010)
Capital outlay	5,202,862	5,037,842	165,020	9,611,264	9,557,507	53,757
Debt service:						
Principal retirement				353,334	353,333	1
Interest				290,248	51,448	238,800
Total expenditures	<u>5,202,862</u>	<u>5,092,129</u>	<u>110,733</u>	<u>20,951,293</u>	<u>20,593,052</u>	<u>358,241</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,155,362)	(5,092,129)	63,233	(5,054,680)	(5,338,631)	(283,951)
OTHER FINANCING SOURCES (USES):						
Operating transfers, in	2,444,273	2,741,773	297,500	3,345,710	3,640,573	294,863
Operating transfers, out	<u>(5,000)</u>		<u>5,000</u>	<u>(3,333,456)</u>	<u>(3,835,315)</u>	<u>(501,859)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(2,716,089)	(2,350,356)	365,733	(5,042,426)	(5,533,373)	(490,947)
FUND BALANCE - Beginning of year	<u>2,350,356</u>	<u>2,350,356</u>		<u>12,992,834</u>	<u>12,992,834</u>	
FUND BALANCE - End of year	<u>\$ (365,733)</u>	<u>\$</u>	<u>\$ 365,733</u>	<u>\$ 7,950,408</u>	<u>\$ 7,459,461</u>	<u>\$ (490,947)</u>

See notes to combined financial statements.

CITY OF PIQUA, OHIO

EXHIBIT IV

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED
EARNINGS - ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 2001**

	<u>Proprietary Fund Types</u>		<u>Totals (Memorandum Only)</u>	
	<u>Enterprise</u>	<u>Internal Service</u>	<u>2001</u>	<u>2000</u>
OPERATING REVENUES:				
Customer services	\$23,544,147	\$	\$23,544,147	\$23,485,534
Charges and fees		1,650,425	1,650,425	1,698,156
Penalty charges	<u>186,858</u>	<u></u>	<u>186,858</u>	<u>179,747</u>
Total operating revenues	<u>23,731,005</u>	<u>1,650,425</u>	<u>25,381,430</u>	<u>25,363,437</u>
OPERATING EXPENSES:				
Fuel oil	1,073,117		1,073,117	834,432
Purchased power	7,662,618		7,662,618	7,727,124
Salaries and employee benefits	4,373,769	1,645,208	6,018,977	5,494,744
Depreciation	2,955,827	17,064	2,972,891	2,910,048
Materials and supplies	525,041		525,041	561,187
Utilities	334,982		334,982	313,541
Contractual services	1,820,654		1,820,654	1,839,201
Billing costs	706,566		706,566	674,001
Chemicals	182,927		182,927	192,777
Other, net	<u>692,554</u>	<u></u>	<u>692,554</u>	<u>628,485</u>
Total operating expenses	<u>20,328,055</u>	<u>1,662,272</u>	<u>21,990,327</u>	<u>21,175,540</u>
Operating income (loss)	<u>3,402,950</u>	<u>(11,847)</u>	<u>3,391,103</u>	<u>4,187,897</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	568,665	257,777	826,442	844,895
Net increase in fair value of investments	164,457	44,241	208,698	154,885
Interest expense	(938,789)		(938,789)	(1,085,029)
Other, net	<u>87,969</u>	<u></u>	<u>87,969</u>	<u>89,281</u>
Total nonoperating revenues (expenses)	<u>(117,698)</u>	<u>302,018</u>	<u>184,320</u>	<u>4,032</u>
INCOME BEFORE OPERATING TRANSFERS	3,285,252	290,171	3,575,423	4,191,929
Operating transfers, in	5,403,029		5,403,029	4,117,301
Operating transfers, out	<u>(5,053,497)</u>	<u>(154,790)</u>	<u>(5,208,287)</u>	<u>(4,043,999)</u>
NET INCOME	3,634,784	135,381	3,770,165	4,265,231
RETAINED EARNINGS - Beginning of year	48,309,795	2,416,390	50,726,185	46,460,954
RETAINED EARNINGS - End of year	<u>\$51,944,579</u>	<u>\$2,551,771</u>	<u>\$54,496,350</u>	<u>\$50,726,185</u>

See notes to combined financial statements.

CITY OF PIQUA, OHIO

EXHIBIT V

COMBINED STATEMENTS OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
YEAR ENDED DECEMBER 31, 2001

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 3,402,950	\$ (11,847)	\$ 3,391,103	\$ 4,187,897
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	2,955,827	17,064	2,972,891	2,910,048
Other, net	87,969		87,969	89,281
Change in assets and liabilities:				
(Increase) decrease in receivables	(82,972)	248,941	165,969	(117,557)
(Increase) decrease in inventory	(56,042)		(56,042)	21,567
(Increase) decrease in due from other funds	67,223	(119,591)	(52,368)	22,140
(Increase) decrease in prepaid items and other assets	110,428	(3,156)	107,272	22,040
Decrease in interest receivable	7,730		7,730	
Increase (decrease) in accounts payable	(132,685)	(42,092)	(174,777)	200,385
Increase (decrease) in accrued expenses and deposits	42,207	2,231	44,438	(23,663)
Increase in accrued vacation and sick pay	25,298	3,083	28,381	10,591
(Increase) decrease in due to other funds	(20,737)	1,902	(18,835)	(22,140)
Increase (decrease) in deferred revenue	(2,245)		(2,245)	3,145
Net cash provided by operating activities	6,404,951	96,535	6,501,486	7,303,734
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers, in	5,403,029		5,403,029	4,117,301
Operating transfers, out	(5,053,497)	(154,790)	(5,208,287)	(4,043,999)
Residual equity transfer, in	168,178		168,178	159
Residual equity transfer, out		(168,178)	(168,178)	(385)
Net cash provided by (used in) noncapital financing activities	517,710	(322,968)	194,742	73,076
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on bonds and notes	(3,582,362)		(3,582,362)	(2,478,902)
Interest paid on bonds and notes	(938,789)		(938,789)	(1,085,029)
Acquisition and construction of capital assets	(3,241,521)	(9,438)	(3,250,959)	(2,628,917)
Disposals of capital assets	74,377		74,377	135,502
Net cash (used in) capital and related financing activities	(7,688,295)	(9,438)	(7,697,733)	(6,057,346)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of investment securities	(4,200,728)	(1,938,488)	(6,139,216)	(3,015,653)
Sale or maturity of investment securities	4,296,207	1,921,398	6,217,605	7,502
Interest received	568,665	257,777	826,442	844,895
Net cash provided by (used in) investing activities	664,144	240,687	904,831	(2,163,256)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(101,490)	4,816	(96,674)	(843,792)
UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS - Beginning of year				
	3,777,212	744,970	4,522,182	5,365,974
UNRESTRICTED AND RESTRICTED CASH AND CASH EQUIVALENTS - End of year				
	\$ 3,675,722	\$ 749,786	\$ 4,425,508	\$ 4,522,182
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES CASH FLOW INFORMATION:				
Contributed capital for the acquisition and construction of capital assets	\$ 78,978	\$	\$ 78,978	\$ 18,320
Net increase in fair value of investments	\$ 164,457	\$ 44,241	\$ 208,698	\$ 154,885

See notes to combined financial statements.

CITY OF PIQUA, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2001

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, steam, hot water, water, wastewater, sanitation, parks and recreation, public improvements, planning and zoning and general governmental administrative services.

The “reporting entity” for the accompanying financial statements consists of all funds, account groups, agencies, boards, commissions and departments.

Accounting Policies and Fund Accounting – The following is a summary of the more significant policies of the City. Such policies conform to accounting principles generally accepted in the United States of America (“GAAP”) applicable to governments as prescribed by the Governmental Accounting Standards Board (“GASB”).

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

The 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.

Special Revenue Funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinances or by federal and state statutes or grant provisions.

Debt Service Funds are used to account for the resources received and used to pay principal and interest on bonds reported in the General Long-Term Obligations Account Group. Revenues and financing resources are derived primarily from property taxes.

Capital Projects Funds are used to account for the acquisition or construction of capital assets other than those financed by enterprise and internal service fund operations. Revenues and financing resources are derived primarily from the issuance of bonds and receipt of grants.

Proprietary Fund Types

Enterprise 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.

Internal Service Funds are used to account for the goods or services provided to certain City departments on a cost reimbursement basis.

Fiduciary Fund Types

Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in the same manner as governmental fund types.

Account Groups

Account Groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. Because these assets and obligations are long-term, they are neither spendable resources nor require current appropriation.

The General Fixed Asset Account Group is used to present the general fixed assets of the City utilized in its general operations, exclusive of those used in enterprise and internal service funds. General fixed assets include property and equipment owned by the City.

The General Long-Term Obligations Account Group is used to account for long-term obligations of the City, except those to be retired from proprietary fund resources. This account group also includes long-term obligations of the City for certain employee benefits and contingent liabilities.

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.

The measurement focus of governmental funds and expendable trust funds is based upon the flow of current financial resources. Governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available and measurable. Revenues that do not meet the available criteria are classified as deferred revenue on the balance sheet. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed and the revenue is recognized. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period which, for the City's purposes, is considered to be approximately 60 days after year-end. Revenues considered susceptible to accrual are delinquent property taxes, income taxes and interest on investments.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except principal and interest on debt which is recognized when due. Prepaid items are recorded as expenditures when used. A portion of the fund balance is reserved in governmental funds for the amount of prepaid expenditures.

The proprietary fund measurement focus is upon determination of net income, financial position and cash flows. Proprietary funds account for all assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi-business activities where net income and capital maintenance are measured. In accordance with Governmental Accounting Standards Board Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the City has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The City will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board. The proprietary funds are accounted for using the accrual basis of accounting.

The agency funds are merely "assets equal liabilities," and thus do not involve the measurement of results of operations. The agency funds are accounted for using the modified accrual basis of accounting.

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 reappropriated 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 the general fund by object at the level of personal services, operating expenditures and capital outlay. In all other funds the appropriations ordinance controls expenditures by fund at the level of functional expenditures. Amendments to object or functional totals of appropriations require Commission approval. In 2001, amendments to the appropriations ordinance were not material in relation to the original appropriations. 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 (Electric, Steam and Hot Water) and the Water and Wastewater 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.

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 balances 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 Combined Balance Sheet - All Fund Types and Account Groups as “cash and cash equivalents” and “investments”. For purposes of the statement of cash flows, the proprietary 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.

Inventory – Inventory is valued at average cost. The Proprietary 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. Reported inventories for governmental funds are equally offset by a fund balance reserve which indicates they do not constitute “available spendable resources” and are not available for appropriation.

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

Fixed Assets – Fixed assets are recorded based on historical cost, or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value at the date of donation. Public domain assets (“infrastructure”) such as roads, bridges, curbs and gutters, streets and sidewalks are not capitalized. Depreciation is not provided in the General Fixed Assets Account Group.

Fixed assets associated with the enterprise funds are accounted for in those funds. Depreciation is calculated using the straight line method over the assets’ estimated useful life. The assets of the enterprise funds are depreciated on the following basis:

Buildings	34 – 50 years
Land improvements other than buildings	25 – 75 years
Machinery and equipment	10 – 30 years
Vehicles	7 – 10 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 expenditures/expense.

Homeowners’ Advances – These advances represent amounts funded to homeowners upon satisfaction of specific grant requirements.

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 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.

Total Columns on Combined Statements and Other – Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with GAAP nor is such data comparable to a consolidation. Interfund eliminations have not been made in aggregating this data.

Accumulated Unpaid Vacation and Sick Pay – Accumulated unpaid vacation and sick pay are accounted for using the modified accrual basis of accounting in all governmental fund types. The City accrues vacation benefits as earned by its employees and vested and non-vested portion of accumulated sick leave benefits payable upon retirement. Only those amounts estimated to be paid within the next twelve months are accrued at year-end and the remaining estimated balance is placed in General Long-Term Obligations Account Group. Accumulated unpaid vacation and sick pay in the Proprietary funds are accounted for using the accrual basis of accounting.

Comparative Data – Comparative total data for the prior year have been presented in the accompanying financial statements and schedules in order to provide an understanding of changes in the City's financial position and operations.

Reclassification – Certain prior year balances have been reclassified in order to conform with current year classifications.

Accounting Pronouncements – The Governmental Accounting Standards Board ("GASB") has recently issued GASB Statement No. 33, "Accounting for Non-Exchange Transactions", GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues." The City implemented Statements No. 33 and No. 36 in 2001, and will implement Statement No. 34 by 2003. The adoption of Statements No. 33 and No. 36 did not have a significant impact on the 2001 financial statements. The implementation of Statement No. 34 will significantly change certain accounting and financial reporting standards for the City. The new standard is designed to provide financial information that responds to the needs of primary users of general purpose financial statements. It is expected that the adoption of Statement No. 34 will have a material effect on the City's combined financial statements. Among other things, net assets (currently referred to as fund balances) will be reduced due to the requirement of this statement to recognize depreciation on all capital assets. Additionally, the content and presentation of the basic combined financial statements will be significantly revised under this statement, including the adoption of management's discussion and analysis as required supplementary information.

B. POOLED CASH DEPOSITS AND INVESTMENTS

Risk Categorization – For purposes of defining risk, City funds are classified as either deposits or investments. Deposits consist of demand deposits and investments with financial institutions subject to FDIC coverage, while investments include all other City funds. Because these categorizations are different than those used to prepare the general purpose financial statements (“GPFS”), the amounts listed below do not agree individually to the GPFS; however, they do agree in aggregate.

Cash Deposits – At December 31, 2001, the carrying amount of the City’s cash deposits was \$332,341 while the balance as shown by the bank statements was \$587,831. Of the bank balance, \$100,000 was classified in the “Level 1” risk category since this amount was fully covered by federal depository insurance. “Level 1” risk category includes deposits that are insured or collateralized with securities held by the City or its agent in the City’s name. The remaining \$487,831 was classified in the “Level 3” uncollateralized risk category. “Level 3” risk category includes uninsured and uncollateralized deposits, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City’s name.

Investments – Investments are carried at fair value. The City’s investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City’s name. 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. Deposits in pooled funds, such as STAR Ohio, are not required to be categorized under GASB 3. The \$6,988,253 on deposit at STAR Ohio is valued at the pool’s share price which is the price for which the investment could be sold on December 31, 2001. A summary of the fair/carrying value of investments held at December 31, 2001, and an indication of the related credit risk is as follows:

	Fair/Carrying Value	Risk Category
City of Piqua Bonds and Notes	\$ 701,664	1
U.S. Government Securities	<u>12,906,783</u>	1
	13,608,447	
Money Market Mutual Fund	320,440	
STAR Ohio Investment Pool	<u>6,988,253</u>	
Total investments	<u>\$20,917,140</u>	

C. STATUTORY COMPLIANCE

The following funds had an excess of expenditures over appropriations for the year ended December 31, 2001:

GENERAL FUND:	
Health Department	\$ 35,022
Office of City Manager	3,330
Purchase Department	802
Law Department	858
Finance Department	6,303
Income Tax Department	4,807
Parks & Recreation	30,763
Other	9,554
SPECIAL REVENUE FUND:	
Street Construction and Maintenance	\$ 61,125
Economic Development Fund	7,327
Enterprise Zone Application	500
DEBT SERVICE FUND -	
Pension Expenditures	\$ 251

D. 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, 2000
Lien date	January 1, 2001
Tax bill mailed	January 20, 2001
First installment payment due	February 20, 2001
Second installment payment due	July 20, 2001

The assessed values for the City at January 1, 2001 were as follows:

Real estate	\$ 256,052,460
Tangible personal property	<u>72,293,270</u>
Total	<u>\$ 328,345,730</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, 2001, nor are they intended to finance 2001 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 2001, the City also received an additional 0.60 mills to fund the Pension Refunding Bonds, and 0.15 mills for costs of the Miami Conservancy District.

E. INCOME AND OTHER 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. Additional Kwh tax revenues in 2001 are recognized based upon sales of electrical services by the City.

F. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains enterprise funds which provide power and heat (electric, steam and hot water), water, disposal of sewage, refuse collection, a golf course and a swimming pool. Segment information for the year ended December 31, 2001, for the enterprise funds is summarized as follows:

	Electric	Steam	Wastewater	Garbage and Refuse	Golf Course	Hot Water	Swimming Pool	Water	Total
Operating revenue	\$16,487,577	\$ 298,852	\$ 2,615,496	\$ 1,171,680	\$ 558,122	\$ 54,164	\$ 70,083	\$ 2,475,031	\$23,731,005
Depreciation	1,503,262	40,856	905,958	28,196	120,302	41,514	37,438	278,301	2,955,827
Operating income (loss)	3,511,592	(512,117)	374,046	(47,797)	57,783	(153,755)	(86,534)	259,732	3,402,950
Operating transfers:									
In	1,208,145	754,864	1,429,669		436,249	305,841	70,327	1,197,934	5,403,029
Out	(2,008,145)	(124,864)	(1,274,879)		(289,945)	(135,841)	(21,889)	(1,197,934)	(5,053,497)
Net income (loss)	3,064,141	116,544	112,833	(13,933)	93,245	(224)	(41,424)	303,602	3,634,784
Contributed capital	162,973	10,000	5,469,394	12	6	136,215	2	918,444	6,697,046
Property, plant and equipment additions, net of disposals	2,085,207	289	290,808	181,525	31,078		4,749	573,488	3,167,144
Net working capital	9,547,603	(31,183)	245,697	373,414	(13,399)	24,240	35,904	455,879	10,638,155
Total assets	43,184,969	712,048	15,545,794	818,770	2,447,834	793,666	623,818	9,580,021	73,706,920
Long-term portion of bonds and other liabilities	3,261,646		6,198,931	50,945	1,941,871	211,400	95,280	384,356	12,144,429
Total equity	38,615,665	602,211	8,516,180	661,859	356,912	563,901	521,085	8,803,812	58,641,625

G. DEBT (WITHIN THE ENTERPRISE FUNDS)

The following is a summary of debt transactions of the City (within the Enterprise funds) for the year ended December 31, 2001:

	General Obligation	Mortgage Revenue	Ohio Water Development Authority Note Payable	Utility Improvement Notes	Total
Bonds and notes payable, January 1, 2001	\$ 7,185,873	\$ 1,610,000	\$ 6,251,489	\$ 1,055,000	\$ 16,102,362
Bonds and notes retired	<u>540,467</u>	<u>1,610,000</u>	<u>456,895</u>	<u>975,000</u>	<u>3,582,362</u>
Bonds and notes payable, December 31, 2001	<u>\$ 6,645,406</u>	<u>\$</u>	<u>\$ 5,794,594</u>	<u>\$ 80,000</u>	<u>\$ 12,520,000</u>

Bonds and notes payable at December 31, 2001 consisted of the following individual issues:

General Obligation:

Wastewater Funds - Wastewater Plant General Obligation Bonds, 7.25%, payable in installments through 2007 \$ 990,000

Golf Course and Water Funds - Public Improvement General Obligation Bonds, 3.0% - 6.2%, payable in installments through 2007 295,406

Electric Interconnect Construction and Hot Water General Obligation Bond, 6.5% - 6.6%, payable in installments through 2011 3,255,000

Golf Course and Swimming Pool Funds - Recreation Facility General Obligation Bonds, 4.5% - 5.5%, payable in installments through 2014 2,105,000

Ohio Water Development Authority Note Payable:

Ohio Water Development Authority Wastewater Sewer Project Loan, 8.38%, payable in installments through 2006 1,044,716

Ohio Water Development Authority Loan, 4.56%, payable in installments through 2015 (net of deferred loss on bond refinancing of \$205,428) 4,749,878

Utility Improvement Notes:

Utility Improvement Notes, Series 1998, 5.00%, payable 2002 80,000

Total bonds and notes payable and OWDA loan \$12,520,000

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.

Annual requirements to pay debt service on long-term debt at December 31, 2001 are:

Year Ending December 31	<u>General Obligation Bonds</u>		<u>Ohio Water Development Authority</u>		<u>Utility Improvement Note</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 564,513	\$ 416,379	\$ 515,624	\$ 309,004	\$80,000	\$ 4,000
2003	584,513	380,349	548,092	276,536		
2004	609,513	342,992	582,784	241,844		
2005	642,607	304,028	619,857	213,750		
2006	672,607	262,682	341,423	165,114		
Thereafter	3,571,653	786,088	3,186,814	688,409		
Total	<u>\$6,645,406</u>	<u>\$2,492,518</u>	<u>\$5,794,594</u>	<u>\$1,894,657</u>	<u>\$80,000</u>	<u>\$ 4,000</u>

H. OTHER DEBT

The following is a summary of other debt outstanding by fund category/account group at December 31, 2001:

General Long-Term Obligations:	
Pension Refunding Bonds, 6.25%, payable in installments through 2020	<u>\$ 450,000</u>
Street Improvement, Public Improvement General Obligation Bonds, 3.0% - 6.2%, payable in installments through 2007	<u>\$ 69,594</u>
Building Facility, General Obligation Bonds, 5.97%, payable in installments through 2010	<u>\$3,695,000</u>
Special Assessment Bonds, 9.0%, payable in installments through 2010	<u>\$ 171,664</u>

Annual requirements to pay debt service on general long-term obligations at December 31, 2001 are:

Year Ending December 31	<u>Pension Refunding Bonds</u>		<u>Street Improvement Bonds</u>		<u>Building Facility Bonds</u>		<u>Special Assessment Bonds</u>	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 15,000	\$ 28,125	\$10,487	\$ 4,142	\$ 320,000	\$ 220,592	\$ 35,812	\$15,450
2003	15,000	27,188	10,487	3,554	340,000	201,488	34,110	12,228
2004	15,000	26,250	10,487	2,946	360,000	181,190	29,378	9,157
2005	15,000	25,313	12,393	2,327	385,000	159,698	28,530	6,513
2006	15,000	24,375	12,393	1,583	405,000	136,713	17,831	3,945
Thereafter	375,000	197,500	13,347	827	1,885,000	289,842	26,003	6,654
Total	<u>\$450,000</u>	<u>\$328,751</u>	<u>\$69,594</u>	<u>\$15,379</u>	<u>\$3,695,000</u>	<u>\$1,189,523</u>	<u>\$171,664</u>	<u>\$53,947</u>

The above 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.

I. GENERAL LONG-TERM OBLIGATIONS

Long-term obligations in the General Long-Term Obligations Account Group are:

	Accrued Vacation and Sick Pay	Pension Refunding Bonds Obligation Police/Fire Pension	Street Improvement Bonds	Building Bonds	Special Assessment Bonds
Balance at January 1, 2001	\$ 916,507	\$460,000	\$79,127	\$4,000,000	\$200,464
Additions	155,900				
Reductions	<u> </u>	<u>(10,000)</u>	<u>(9,533)</u>	<u>(305,000)</u>	<u>(28,800)</u>
Balance at December 31, 2001	<u>\$ 1,072,407</u>	<u>\$450,000</u>	<u>\$69,594</u>	<u>\$3,695,000</u>	<u>\$171,664</u>

J. FIXED ASSETS

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

	Balance January 1, 2001	Additions	Disposals	Construction In Progress Placed in Service	Balance December 31, 2001
Land	\$ 1,415,215	\$ 17,950	\$ (5,000)	\$ 1,184,603	\$ 2,612,768
Buildings	2,476,905	54,881	(2,000)	8,511,600	11,041,386
Furniture, fixtures and equipment	6,970,803	616,935	(814,682)	286,164	7,059,220
Construction in progress:					
Parks and recreation	499,471	786,239		(1,184,603)	101,107
General government administration	3,772,418	5,025,346		(8,797,764)	
Highways and streets	<u>44,534</u>	<u>174,985</u>	<u> </u>	<u> </u>	<u>219,519</u>
Total	<u>\$15,179,346</u>	<u>\$6,676,336</u>	<u>\$(821,682)</u>	<u> </u>	<u>\$21,034,000</u>

A summary of proprietary fund-type fixed assets at December 31, 2001 follows:

	Enterprise Funds			
	Electric	Steam	Wastewater	Garbage and Refuse
Land and land improvements	\$ 62,412	\$	\$ 33,775	\$ 17,949
Buildings	3,369,148		23,189,893	78,498
Furniture, fixtures and equipment	53,334,148	1,228,971	4,165,231	430,819
Intangible assets	<u>3,038,157</u>	<u></u>	<u></u>	<u></u>
Total fixed assets	59,803,865	1,228,971	27,388,899	527,266
Less accumulated depreciation	<u>(27,994,669)</u>	<u>(595,577)</u>	<u>(12,959,301)</u>	<u>(187,876)</u>
Net fixed assets	31,809,196	633,394	14,429,598	339,390
Construction in progress	<u>508,016</u>	<u></u>	<u></u>	<u></u>
	<u>\$ 32,317,212</u>	<u>\$ 633,394</u>	<u>\$ 14,429,598</u>	<u>\$ 339,390</u>

	Enterprise Funds (Continued)				
	Golf Course	Hot Water	Swimming Pool	Water	Total
Land and land improvements	\$ 365,022	\$	\$	\$ 1,562,715	\$ 2,041,873
Buildings	2,315,984		1,053,660	1,852,272	31,859,455
Furniture, fixtures and equipment	472,672	1,410,534	43,094	11,115,818	72,201,287
Intangible assets	<u></u>	<u></u>	<u></u>	<u></u>	<u>3,038,157</u>
Total fixed assets	3,153,678	1,410,534	1,096,754	14,530,805	109,140,772
Less accumulated depreciation	<u>(867,980)</u>	<u>(660,414)</u>	<u>(517,597)</u>	<u>(5,865,503)</u>	<u>(49,648,917)</u>
Net fixed assets	2,285,698	750,120	579,157	8,665,302	59,491,855
Construction in progress	<u></u>	<u></u>	<u></u>	<u>63,540</u>	<u>571,556</u>
	<u>\$ 2,285,698</u>	<u>\$ 750,120</u>	<u>\$ 579,157</u>	<u>\$ 8,728,842</u>	<u>\$ 60,063,411</u>

	Internal Service Funds Total
Furniture, fixtures and equipment	\$ 251,956
Less accumulated depreciation	<u>(89,185)</u>
Net fixed assets	<u>\$ 162,771</u>

K. INTERFUND TRANSACTIONS

During the course of normal operations, the City has numerous transactions among funds, most of which are accounted for as transfers among funds, with the exception of internal service funds. These funds are used to account for various supplies and services which are charged back to the appropriate fund on an “as used” basis. The internal service funds record such charges as operating revenues. City funds record payments to internal service funds as operating expenditures or expenses. Current portion of long-term interfund loans are classified as “interfund receivables/payables.”

Interfund receivable and payable balances at December 31, 2001 are as follows:

	Due From Other Funds	Due To Other Funds
General	\$ 4,724	\$ 59,794
Special Revenue Fund:		
Street Construction and Maintenance	19,096	11,755
Community Development Block Grant	1,190	24,598
Economic Development Funds	779	845
Enterprise Fund:		
Electric		21,553
Wastewater		8,029
Garbage and Refuse		4,437
Golf Course		1,902
Water		10,565
Internal Service Fund:		
Information Technology		1,902
City Health Insurance	<u>119,591</u>	<u> </u>
	<u>\$ 145,380</u>	<u>\$ 145,380</u>

L. PENSION PLAN OBLIGATIONS

Substantially all City employees are covered by one of two defined benefit cost-sharing multiple-employer public employee retirement systems, namely, the Police and Fire Disability Pension Fund Plan (“PFDPF”) or the Public Employees Retirement System of Ohio (“PERS”). The systems provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The payroll for employees covered by the PFDPF was \$3,625,941 in 2001 and \$3,457,213 in 2000 and the payroll for employees covered by PERS was \$6,743,998 in 2001 and \$6,335,819 in 2000. The City’s total payroll was \$10,369,939 in 2001 and \$10,236,571 in 2000.

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 PFDPF 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 PFDPF, 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% for police officers and firefighters, respectively, for 2001, 2000 and 1999. The contribution requirements for the years ended December 31, 2001, 2000, and 1999 were \$1,109,667, \$1,092,791 and \$1,015,781, which consisted of \$758,649, \$747,068 and \$694,803 from the City and \$351,018, \$345,723 and \$320,978 from the employees, respectively, equal to the required contributions for each year.

Public Employees Retirement System – All employees are required to be members of the PERS. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. The PERS 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) 466-2085 or (800) 222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5% for City employees. The City is required by the same statute to contribute 13.55% in 2001, 10.84% in 2000 and 13.55% in 1999 of the covered employees' gross wages, of which 9.25% (2001), 6.54% (2000) and 9.35% (1999) was used to fund the pension obligations. The difference between the total employer rate and the portion used to fund pension obligations is the amount used to fund the health care program for retirees. The contribution requirements for the years ended December 31, 2001, 2000 and 1999 were \$1,438,203, \$1,220,072 and \$1,320,534 which consisted of \$883,790, \$681,525 and \$811,481 from the City and \$554,413, \$538,546 and \$509,053 from the employees, respectively. Required contributions are equal to 100% of the dollar amount billed.

M. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Both the PERS and the PFDPF provide postretirement health care coverage commonly referred to as OPEB. For both systems, the Ohio Revised Code provides the 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.

Health care funding and accounting is on a pay-as-you-go basis. The Ohio Revised Code provides that health care costs paid shall be included in the employer's contribution rate. The 2001 contribution rate was 7.5% of covered payroll which resulted in a contribution of \$139,798 for police and \$123,804 for firemen to pay postemployment benefits.

The number of participants eligible to receive health care benefits statewide as of December 31, 2000, the date of the last actuarial valuation available, was 12,853 for police and 10,037 for firemen. PFDPF's total health care expense for the year ending December 31, 2001 was \$106,160,054, which was net of member contributions of \$5,657,431.

Public Employees Retirement System OPEB – PERS 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. A portion of each employer’s contribution to PERS (4.3% of the total 13.55% contribution – See Note L) is set aside for the funding of post-retirement health care. The Ohio Revised Code provides the statutory authority requiring public employers to fund pension and post-retirement health care through their contributions to PERS.

OPEB is financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

As of December 31, 2001 the unaudited estimated net assets available for future OPEB payments is \$11,735.9 million. The number of benefits recipients eligible for OPEB at December 31, 2001 was 411,076.

N. 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.

O. INTERNAL SERVICE FUNDS

City Health Insurance Fund – The City is self-insured for medical benefits and claims subject to certain stop-loss limits which are insured by a third party. The transfer of money from the various funds to the City Health Insurance fund is accounted for as operating revenues and expenses or expenditures up to the sum total of the claims filed during the year adjusted by a provision for claims incurred but not filed as of year-end. Transfer of money in excess of (less than) this amount is accounted for as a residual equity transfer-out (transfer-in) in the fund making the payment and as an increase (decrease) to contributed capital in the City Health Insurance Fund.

Liability Insurance Reserve Fund – This fund was established to accumulate monies for claims against the City not covered by City insurance policies. The accounting treatment of the transfer of monies is as described for the City Health Insurance Fund. As of December 31, 2001, liabilities were either covered by past insurance coverage or were immaterial in the opinion of the City’s attorney and underwriter; therefore, no liability was required at year end.

Liability for medical benefits and claims for the 2001 plan year were as follows:

	Per Person	In Aggregate
Self-insured by the City	\$0 - \$50,000	\$0 - \$1,099,257
Insured by a third party	\$50,000 - \$2,000,000	\$1,099,257 - \$2,099,257

Medical benefits and claims did not exceed the amounts covered by the third-party insurer during 2001, 2000 and 1999.

The following is a reconciliation of the City's claims liability:

	2001	2000
Accrued self-insurance - beginning	\$ 211,084	\$ 161,262
Claims expense	1,160,822	1,238,001
Claims paid	<u>(1,202,536)</u>	<u>(1,188,179)</u>
Accrued self-insurance - ending	<u>\$ 169,370</u>	<u>\$ 211,084</u>

P. CHANGES IN CONTRIBUTED CAPITAL

The following table shows the changes in contributed capital during 2001 for all proprietary funds:

	<u>Proprietary Fund Types</u>	
	Enterprise	Internal Service
Contributed capital, beginning of year	\$6,449,890	\$2,290,329
Assets contributed in 2001 (non-cash)	78,978	
Residual equity transfers	<u>168,178</u>	<u>(168,178)</u>
Contributed capital, end of year	<u>\$6,697,046</u>	<u>\$2,122,151</u>

Q. CONTINGENCIES

The City is exposed to various risks of loss including employee health care costs and accidents, costs and legal judgments, damage or destruction of assets, and acts of nature. The City has a casualty insurance package with general liability limits of \$12,000,000 with no deductible for an event up to \$2,000,000, and a \$10,000 deductible for an event up to \$12,000,000. In addition, the City has a Property Damage Policy covering up to \$64,549,000 with a \$10,000 deductible. The City also maintains various other policies such as employee bonding, general and environmental liability insurance, auto and airport coverage. The amounts of risk retention (deductibles) are consistent with governmental and industry standards, as well as the City's fiscal capacity. The total amount of settlements did not exceed insurance coverage in any of the past three years.

Medical claims and benefits amounting to approximately \$110,000 were paid by the City prior to 1998 but have not yet been reimbursed by the third party insurer. The City has retained outside counsel to assist in the collection process and believes that the recorded allowance of \$80,000 is adequate to reserve for any potential loss.

Certain other 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.

R. COMMITMENTS

Cinergy (Public Service Company of Indiana) Power Contract

On May 17, 1993, the City of Piqua and the Public Service Company of Indiana (Cinergy) signed an agreement for the City to purchase 15 MW of limited term power for a period of 20 years. This agreement expires December 31, 2013.

The purchase was made to provide the City an economical alternative to the construction of the cooling tower for its generating facilities.

The contract defines and includes an escape clause for the City in the event energy costs unreasonably exceed estimates or the supply source becomes unreliable.

Future year demand obligations of the City, based on 15 MW purchase levels:

Year	Amount	
2002	\$ 0	* See Below (A)
2003	0	* See Below (A)
2004	0	* See Below (A)
2005	0	* See Below (A)
2006	0	* See Below (A)
2007	2,196,000	
2008	2,196,000	
2009	2,520,000	
2010	2,520,000	
2011	2,700,000	
2012	2,880,000	
2013	<u>2,880,000</u>	
	<u>\$17,892,000</u>	

(A) On October 18, 2000, the City and Cinergy agreed to suspend and supercede this agreement for the period of January 1, 2002 through December 31, 2006. Under the new agreement, dated October 31, 2000, the city agreed to purchase from Cinergy all energy requirements in excess of those supplied by the New York Power Authority (NYPA) for the duration of the agreement. The new contract results in a “take and pay” arrangement with no minimum obligations to the City. The original agreement, dated May 17, 1993, will remain effective from January 1, 2007 through December 31, 2013.

Cinergy (Cincinnati Gas and Electric Company) Power Contract

On July 1, 1991 the City of Piqua and the Cincinnati Gas and Electric Company (Cinergy) signed an agreement for the purchase of short-term power by the City for a period of 15 years. This agreement became effective January 1, 1992 and expires December 31, 2006.

The purchase was made to provide the City an economical source of power to complement internal generation and to accommodate projected load growth of the City. The initial maximum purchase level of 11MW in 1992 is increased by one (1) MW a year throughout the life of the contract to a minimum purchase level of 25 MW in 2006. Currently, the minimum purchase level is 19MW for the 2001 calendar year. The City has the option, on a weekly basis, to purchase up to two-and-a-half (2-1/2) times the annual minimum levels.

The contract defines and includes an escape clause for the City in the event energy costs unreasonably exceed estimates or the supply source becomes unreliable.

Future year demand obligations of the City, based on annual minimum contract requirements:

Year	Amount
2002	\$ 0 * See Below (A) contract terminated
2003	0 * See Below (A) contract terminated
2004	0 * See Below (A) contract terminated
2005	0 * See Below (A) contract terminated
2006	0 * See Below (A) contract terminated

(A) On October 18, 2000, the City and Cinergy agreed to terminate this agreement effective January 1, 2002, and to replace it with a new contract, effective January 1, 2002 through December 31, 2006. Under the new agreement, the City will purchase from Cinergy all energy requirements in excess of those supplied by the New York Power Authority (NYPA) for the duration of the agreement. The new contract results in a “take and pay” arrangement with no minimum obligations to the City.

* * * * *

CITY OF PIQUA, OHIO

GENERAL FUND

COMPARATIVE FINANCIAL STATEMENTS

The General Fund was established to account for financial resources traditionally associated with government which are not required to be accounted for in another fund

CITY OF PIQUA, OHIO**A-1****COMPARATIVE BALANCE SHEETS - GENERAL FUND
DECEMBER 31, 2001 AND 2000**

ASSETS	2001	2000
Equity in pooled cash and cash equivalents	\$2,226,301	\$ 2,117,585
Equity in pooled investments	3,027,767	4,895,601
Accounts receivable	3,404,498	3,265,439
Inventories	19,901	31,408
Due from other funds	4,724	5,215
Prepaid items and other assets	<u>44,420</u>	<u>57,412</u>
Total unrestricted assets	<u>\$8,727,611</u>	<u>\$10,372,660</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 82,114	\$ 387,136
Accrued expenses	803,582	347,589
Accrued vacation and sick pay	454,109	331,976
Due to other funds	59,794	
Deferred revenue	<u>1,630,581</u>	<u>1,124,498</u>
Total liabilities	<u>3,030,180</u>	<u>2,191,199</u>
Fund balance:		
Reserved for:		
Encumbrances	74,676	724,654
Inventories	19,901	31,408
Prepaid items	44,420	62,627
Unreserved:		
Designated for safety equipment	568,612	1,062,475
Undesignated	<u>4,989,822</u>	<u>6,300,297</u>
Total fund balance	<u>5,697,431</u>	<u>8,181,461</u>
Total liabilities and fund balance	<u>\$8,727,611</u>	<u>\$10,372,660</u>

See independent auditors' report.

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GENERAL FUND
YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001	2000
REVENUES:		
Municipal income taxes	\$ 4,932,680	\$ 5,165,239
Property taxes	1,196,982	1,147,717
State shared taxes	1,903,063	1,727,862
Kwh tax	651,078	
Intergovernmental grants	440,472	578,824
Fines, costs, forfeitures, licenses and permits	349,620	322,300
Interest income	331,718	433,511
Net increase in fair value of investments	53,866	96,636
Other income	<u>294,343</u>	<u>414,960</u>
Total revenues	<u>10,153,822</u>	<u>9,887,049</u>
EXPENDITURES:		
Public safety	6,141,505	5,972,147
Public health and welfare	345,999	311,729
General government administration	1,224,797	1,315,166
Parks and recreation	631,079	517,545
Other	9,427	
Capital outlay	<u>1,133,986</u>	<u>961,304</u>
Total expenditures	<u>9,486,793</u>	<u>9,077,891</u>
EXCESS OF REVENUES OVER EXPENDITURES	667,029	809,158
OTHER FINANCING SOURCES (USES):		
Operating transfers, in	117,000	220,289
Operating transfers, out	<u>(3,268,059)</u>	<u>(682,159)</u>
EXCESS (DEFECIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(2,484,030)	347,288
FUND BALANCE - Beginning of year	8,181,461	7,833,978
RESIDUAL EQUITY TRANSFER, IN	<u> </u>	<u>195</u>
FUND BALANCE - End of year	<u>\$ 5,697,431</u>	<u>\$ 8,181,461</u>

See independent auditors' report.

CITY OF PIQUA, OHIO

A-3

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND - LEGAL APPROPRIATION LEVEL
YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED DECEMBER 31, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES:				
Municipal income taxes	\$ 5,039,521	\$ 4,932,680	\$ (106,841)	\$ 5,165,239
Property taxes	1,186,521	1,196,982	10,461	1,147,717
State shared taxes	1,999,147	1,903,063	(96,084)	1,727,862
Kwh tax	673,430	651,078	(22,352)	
Intergovernmental grants	542,854	440,472	(102,382)	578,824
Fines, costs, forfeitures, licenses and permits	349,564	349,620	56	322,300
Interest income	335,467	331,718	(3,749)	433,511
Net increase in fair value of investments		53,866	53,866	96,636
Other income	<u>331,041</u>	<u>294,343</u>	<u>(36,698)</u>	<u>414,960</u>
Total revenues	<u>\$ 10,457,545</u>	<u>\$ 10,153,822</u>	<u>\$ (303,723)</u>	<u>\$ 9,887,049</u>
EXPENDITURES:				
PUBLIC SAFETY:				
Fire department:				
Personal services	\$ 2,438,289	\$ 2,418,502	\$ 19,787	\$ 2,343,308
Operating expenditures	<u>270,326</u>	<u>252,271</u>	<u>18,055</u>	<u>241,103</u>
Total fire department	<u>2,708,615</u>	<u>2,670,773</u>	<u>37,842</u>	<u>2,584,411</u>
Police department:				
Personal services	2,968,214	2,974,208	(5,994)	2,760,392
Operating expenditures	<u>502,597</u>	<u>496,524</u>	<u>6,073</u>	<u>627,344</u>
Total police department	<u>3,470,811</u>	<u>3,470,732</u>	<u>79</u>	<u>3,387,736</u>
Total public safety	<u>\$ 6,179,426</u>	<u>\$ 6,141,505</u>	<u>\$ 37,921</u>	<u>\$ 5,972,147</u>
PUBLIC HEALTH AND WELFARE:				
Health department:				
Personal services	\$ 275,611	\$ 308,236	\$ (32,625)	\$ 253,840
Operating expenditures	<u>35,366</u>	<u>37,763</u>	<u>(2,397)</u>	<u>42,719</u>
Total health department	<u>310,977</u>	<u>345,999</u>	<u>(35,022)</u>	<u>296,559</u>
Welfare department - operating expenditures				15,170
Total public health and welfare	<u>\$ 310,977</u>	<u>\$ 345,999</u>	<u>\$ (35,022)</u>	<u>\$ 311,729</u>
GENERAL GOVERNMENT ADMINISTRATION:				
City commission:				
Personal services	\$ 33,734	\$ 33,202	\$ 532	\$ 32,384
Operating expenditures	<u>18,737</u>	<u>18,385</u>	<u>352</u>	<u>62,576</u>
Total city commission	<u>52,471</u>	<u>51,587</u>	<u>884</u>	<u>94,960</u>
Office of city manager:				
Personal services	59,852	61,219	(1,367)	67,350
Operating expenditures	<u>21,261</u>	<u>23,224</u>	<u>(1,963)</u>	<u>18,204</u>
Total office of city manager	<u>81,113</u>	<u>84,443</u>	<u>(3,330)</u>	<u>85,554</u>

See independent auditors' report.

(Continued)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND - LEGAL APPROPRIATION LEVEL
YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED DECEMBER 31, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)	2000 Actual
Purchasing department:				
Personal services	\$ 62,638	\$ 62,878	\$ (240)	\$ 57,847
Operating expenditures	<u>5,457</u>	<u>6,019</u>	<u>(562)</u>	<u>7,033</u>
Total purchasing department	<u>68,095</u>	<u>68,897</u>	<u>(802)</u>	<u>64,880</u>
Law department:				
Personal services	25,426	25,409	17	26,921
Operating expenditures	<u>3,935</u>	<u>4,810</u>	<u>(875)</u>	<u>9,261</u>
Total law department	<u>29,361</u>	<u>30,219</u>	<u>(858)</u>	<u>36,182</u>
Finance department:				
Personal services	78,993	85,948	(6,955)	78,219
Operating expenditures	<u>18,885</u>	<u>18,233</u>	<u>652</u>	<u>22,969</u>
Total finance department	<u>97,878</u>	<u>104,181</u>	<u>(6,303)</u>	<u>101,188</u>
Human resources department:				
Personal services	92,924	89,646	3,278	104,977
Operating expenditures	<u>21,115</u>	<u>21,992</u>	<u>(877)</u>	<u>21,520</u>
Total personnel department	<u>114,039</u>	<u>111,638</u>	<u>2,401</u>	<u>126,497</u>
Engineering department:				
Personal services	107,379	102,339	5,040	111,447
Operating expenditures	<u>44,535</u>	<u>45,547</u>	<u>(1,012)</u>	<u>49,363</u>
Total engineering department	<u>151,914</u>	<u>147,886</u>	<u>4,028</u>	<u>160,810</u>
Income tax department:				
Personal services	196,734	198,746	(2,012)	185,656
Operating expenditures	<u>77,248</u>	<u>80,043</u>	<u>(2,795)</u>	<u>77,657</u>
Total income tax department	<u>273,982</u>	<u>278,789</u>	<u>(4,807)</u>	<u>263,313</u>
Other general government - operating expenditures	<u>187,700</u>	<u>175,935</u>	<u>11,765</u>	<u>136,269</u>
Miscellaneous - operating expenditures	<u>173,664</u>	<u>171,222</u>	<u>2,442</u>	<u>245,513</u>
Total general government administration	<u>\$ 1,230,217</u>	<u>\$ 1,224,797</u>	<u>\$ 5,420</u>	<u>\$ 1,315,166</u>
PARKS AND RECREATION:				
Personal services	\$ 365,000	\$ 378,747	\$ (13,747)	\$ 319,723
Operating expenditures	<u>235,316</u>	<u>252,332</u>	<u>(17,016)</u>	<u>197,822</u>
Total parks and recreation	<u>\$ 600,316</u>	<u>\$ 631,079</u>	<u>\$ (30,763)</u>	<u>\$ 517,545</u>

See independent auditors' report.

(Continued)

CITY OF PIQUA, OHIO

A-3

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND - LEGAL APPROPRIATION LEVEL
YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE ACTUAL AMOUNTS
FOR YEAR ENDED DECEMBER 31, 2000**

	Budget	Actual	Variance Favorable (Unfavorable)	2000 Actual
OTHER:				
Operating expenditures	<u>\$</u>	<u>\$ 9,427</u>	<u>\$ (9,427)</u>	<u>\$</u>
CAPITAL OUTLAY:				
Public safety:				
Fire department	\$ 29,778	\$ 29,778	\$	\$ 84,583
Police department	<u>214,956</u>	<u>211,990</u>	<u>2,966</u>	<u>289,242</u>
Total public safety	<u>244,734</u>	<u>241,768</u>	<u>2,966</u>	<u>373,825</u>
Public health and welfare	<u>2,349</u>	<u>2,349</u>	<u></u>	<u>6,056</u>
General government:				
City commission	46	46		
Office of city manager	4,243	4,243		2,420
Finance department	2,914	2,814	100	1,799
Human resources department	153	152	1	1,500
Engineering	914	914		16,625
Income tax	274	274		2,548
Law department	61	61		1,421
Miscellaneous	<u>6,501</u>	<u>5,900</u>	<u>601</u>	<u>16,120</u>
Total general government	<u>15,106</u>	<u>14,404</u>	<u>702</u>	<u>42,433</u>
Parks and recreation	<u>881,200</u>	<u>875,465</u>	<u>5,735</u>	<u>538,990</u>
Total capital outlay	<u>\$ 1,143,389</u>	<u>\$ 1,133,986</u>	<u>\$ 9,403</u>	<u>\$ 961,304</u>
Total expenditures	<u>\$ 9,464,325</u>	<u>\$ 9,486,793</u>	<u>\$ (22,468)</u>	<u>\$ 9,077,891</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 993,220	\$ 667,029	\$ (326,191)	\$ 809,158
OTHER FINANCING SOURCES (USES):				
Operating transfers, in	117,000	117,000		220,289
Operating transfers, out	<u>(2,875,977)</u>	<u>(3,268,059)</u>	<u>(392,082)</u>	<u>(682,159)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(1,765,757)	(2,484,030)	(718,273)	347,288
FUND BALANCE - Beginning of year	8,181,461	8,181,461		7,833,978
RESIDUAL EQUITY TRANSFER, IN	<u></u>	<u></u>	<u></u>	<u>195</u>
FUND BALANCE - End of year	<u>\$ 6,415,704</u>	<u>\$ 5,697,431</u>	<u>\$ (718,273)</u>	<u>\$ 8,181,461</u>

See independent auditors' report.

(Concluded)

CITY OF PIQUA, OHIO

SPECIAL REVENUE FUNDS

COMBINING FINANCIAL STATEMENTS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

Demolition Defense	To account for claims against insurance for payment for repair or removal of property damaged by fire.
Street Construction and Maintenance	To account for motor vehicle license tax and gasoline excise tax and municipal income tax used for the repair and building of streets.
State Highway	To account for motor vehicle license tax and gasoline excise tax used for the repair and building of state highways within the City.
Mandatory Drug Fine	To account for mandatory drug fines from felony drug cases.
Micro-Enterprise Grant	To account for federal grants for working capital and training for Small Businesses.
Enterprise Zone Application	To account for application fees for enterprise zone participants.
Public Transit System	To account for the city subsidy for private operation of a taxi cab service.
Community Development Block Grant	To account for grant funds available for community development.
Economic Development Department	To account for specific grants and utility and general fund contributions to promote economic development activities.
Development Funds	To account for special economic development funds.
Police and Fire Pension Liability	To account for receipts and disbursements of the long-term pension liability.

CITY OF PIQUA, OHIO

B-1

COMBINING BALANCE SHEET SPECIAL REVENUE FUNDS
DECEMBER 31, 2001 WITH COMPARATIVE TOTALS AT DECEMBER 31, 2000

ASSETS	Demolition Defense	Street Construction and Maintenance	State Highway	Mandatory Drug Fine	Micro- Enterprise Grant	Enterprise Zone Application	Public Transit System	Community Development Block Grant	Economic Development Department	Development Funds	Police and Fire Pension Liability	Totals	
												2001	2000
Equity in pooled cash and cash equivalents	\$13,330	\$ 77,829	\$25,811	\$1,894	\$17,826	\$6,130	\$7,669	\$ 13,133	\$ 23,727	\$406,382	\$ 41,339	\$ 635,070	\$ 507,599
Equity in pooled investments		512,501										512,501	1,259,837
Accounts receivable		1,063,741	23,983		10,324			1,207,072		32,000	194,976	2,532,096	1,941,783
Due from other funds		19,096						1,190	779			21,065	1,253
Prepaid items and other assets		9,337							176			9,513	8,854
Total assets	<u>\$13,330</u>	<u>\$1,682,504</u>	<u>\$49,794</u>	<u>\$1,894</u>	<u>\$28,150</u>	<u>\$6,130</u>	<u>\$7,669</u>	<u>\$1,221,395</u>	<u>\$ 24,682</u>	<u>\$438,382</u>	<u>\$236,315</u>	<u>\$3,710,245</u>	<u>\$3,719,326</u>
LIABILITIES AND FUND BALANCES													
Liabilities:													
Accounts payable	\$	\$ 427,440	\$	\$	\$	\$	\$7,495	\$ 24,220	\$ 3,752	\$ 7,178	\$	\$ 470,085	\$ 132,235
Accrued expenses		56,573							8,790			65,363	36,619
Accrued vacation and sick pay		45,801							7,526			53,327	67,335
Homeowner advances								1,121,891		32,000		1,153,891	1,028,458
Due to other funds		11,755						24,598	845			37,198	6,468
Deferred revenue		250,482	17,184		10,324						194,976	472,966	260,176
Total liabilities		<u>792,051</u>	<u>17,184</u>		<u>10,324</u>		<u>7,495</u>	<u>1,170,709</u>	<u>20,913</u>	<u>39,178</u>	<u>194,976</u>	<u>2,252,830</u>	<u>1,531,291</u>
Fund balances:													
Reserved for:													
Encumbrances		691,203						68,590	9,225	6,840		775,858	648,855
Prepaid items		8,375							176			8,551	7,700
Unreserved and undesignated	<u>13,330</u>	<u>190,875</u>	<u>32,610</u>	<u>1,894</u>	<u>17,826</u>	<u>6,130</u>	<u>174</u>	<u>(17,904)</u>	<u>(5,632)</u>	<u>392,364</u>	<u>41,339</u>	<u>673,006</u>	<u>1,531,480</u>
Total fund balances	<u>13,330</u>	<u>890,453</u>	<u>32,610</u>	<u>1,894</u>	<u>17,826</u>	<u>6,130</u>	<u>174</u>	<u>50,686</u>	<u>3,769</u>	<u>399,204</u>	<u>41,339</u>	<u>1,457,415</u>	<u>2,188,035</u>
Total liabilities and fund balances	<u>\$13,330</u>	<u>\$1,682,504</u>	<u>\$49,794</u>	<u>\$1,894</u>	<u>\$28,150</u>	<u>\$6,130</u>	<u>\$7,669</u>	<u>\$1,221,395</u>	<u>\$ 24,682</u>	<u>\$438,382</u>	<u>\$236,315</u>	<u>\$3,710,245</u>	<u>\$3,719,326</u>

See independent auditors' report.

CITY OF PIQUA, OHIO

B-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS

YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000

	Demolition Defense	Street Construction and Maintenance	State Highway	Mandatory Drug Fine	Micro- Enterprise Grant	Enterprise Zone Application	Public Transit System	Community Development Block Grant	Economic Development Fund	Develop- ment Funds	Police and Fire Pension Liability	Totals		
												2001	2000	
REVENUES:														
Municipal income taxes	\$	\$2,143,199	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$2,143,199	\$2,243,890	
Property taxes											194,106	194,106	186,116	
State shared taxes		678,500	46,289									724,789	703,128	
Special assessments		8,554										8,554	117,464	
Intergovernmental grants		621,818						577,523		400,000		1,599,341	1,035,789	
Fines, costs, forfeitures, licenses and permits				800		3,125				1,050		4,975	5,055	
Interest income	803	79,750	677	18	1,636		304	266	438	256	1,654	85,802	137,979	
Net increase in fair value of investments		4,941										4,941	17,611	
Other income	<u>23,566</u>	<u>44,830</u>			<u>2,690</u>			<u>10,968</u>	<u>156,745</u>	<u>5,700</u>		<u>244,499</u>	<u>33,937</u>	
Total revenues	<u>24,369</u>	<u>3,581,592</u>	<u>46,966</u>	<u>818</u>	<u>4,326</u>	<u>3,125</u>	<u>304</u>	<u>588,757</u>	<u>157,183</u>	<u>407,006</u>	<u>195,760</u>	<u>5,010,206</u>	<u>4,480,969</u>	
EXPENDITURES:														
Current:														
Highways and streets		1,553,053										1,553,053	1,523,890	
Community planning and development					17		30,000	453,244	138,365	17,475		639,101	493,558	
Other	23,566					500					3,080	27,146	22,992	
Capital outlay		3,370,630							15,049			3,385,679	2,272,075	
Debt service - payment of pension liability													533,877	
Total expenditures	<u>23,566</u>	<u>4,923,683</u>			<u>17</u>	<u>500</u>	<u>30,000</u>	<u>453,244</u>	<u>153,414</u>	<u>17,475</u>	<u>3,080</u>	<u>5,604,979</u>	<u>4,846,392</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	803	(1,342,091)	46,966	818	4,309	2,625	(29,696)	135,513	3,769	389,531	192,680	(594,773)	(365,423)	
OTHER FINANCING SOURCES (USES):														
Operating transfers, in		157,036					29,690			1,752		188,478	962,762	
Operating transfers, out		(13,844)	(37,000)			(1,752)		(117,905)			(153,824)	(324,325)	(629,019)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	803	(1,198,899)	9,966	818	4,309	873	(6)	17,608	3,769	391,283	38,856	(730,620)	(31,680)	
FUND BALANCE - Beginning of year	12,527	2,089,352	22,644	1,076	13,517	5,257	180	33,078		7,921	2,483	2,188,035	2,219,684	
RESIDUAL EQUITY TRANSFER, IN													31	
FUND BALANCE - End of year	<u>\$13,330</u>	<u>\$ 890,453</u>	<u>\$ 32,610</u>	<u>\$ 1,894</u>	<u>\$17,826</u>	<u>\$ 6,130</u>	<u>\$ 174</u>	<u>\$ 50,686</u>	<u>\$ 3,769</u>	<u>\$399,204</u>	<u>\$ 41,339</u>	<u>\$ 1,457,415</u>	<u>\$ 2,188,035</u>	

See independent auditors' report.

CITY OF PIQUA, OHIO

B-3

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL (GAAP BASIS) - SPECIAL REVENUE FUNDS - LEGAL APPROPRIATION LEVEL
 YEAR ENDED DECEMBER 31, 2001

	Demolition Defense			Street Construction and Maintenance			State Highway			Mandatory Drug Fine		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:												
Municipal income taxes	\$	\$	\$	\$ 2,189,613	\$ 2,143,199	\$ (46,414)	\$	\$	\$	\$	\$	\$
Property taxes												
State shared taxes				660,221	678,500	18,279	45,423	46,289	866			
Special assessments				10,777	8,554	(2,223)						
Intergovernmental grants				881,240	621,818	(259,422)						
Fines, costs, expenditures, licenses and permits										1,000	800	(200)
Interest income	950	803	(147)	91,000	79,750	(11,250)	900	677	(223)		18	18
Net increase in fair value of investments					4,941	4,941						
Other income	<u>16,206</u>	<u>23,566</u>	<u>7,360</u>	<u>9,069</u>	<u>44,830</u>	<u>35,761</u>						
Total revenues	17,156	24,369	7,213	3,841,920	3,581,592	(260,328)	46,323	46,966	643	1,000	818	(182)
EXPENDITURES:												
Current:												
Highways and streets				1,612,594	1,553,053	59,541						
Community planning and development												
Other	23,566	23,566										
Capital outlay				<u>3,249,964</u>	<u>3,370,630</u>	<u>(120,666)</u>						
Total expenditures	<u>23,566</u>	<u>23,566</u>		<u>4,862,558</u>	<u>4,923,683</u>	<u>(61,125)</u>						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,410)	803	7,213	(1,020,638)	(1,342,091)	(321,453)	46,323	46,966	643	1,000	818	(182)
OTHER FINANCING SOURCES (USES):												
Operating transfers, in				42,000	157,036	115,036						
Operating transfers, out				<u>(14,226)</u>	<u>(13,844)</u>	<u>382</u>	<u>(37,000)</u>	<u>(37,000)</u>				
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(6,410)	803	7,213	(992,864)	(1,198,899)	(206,035)	9,323	9,966	643	1,000	818	(182)
FUND BALANCE - Beginning of year	12,527	12,527		2,089,352	2,089,352		22,644	22,644		1,076	1,076	
RESIDUAL EQUITY TRANSFER, IN												
FUND BALANCE - End of year	<u>\$ 6,117</u>	<u>\$ 13,330</u>	<u>\$ 7,213</u>	<u>\$ 1,096,488</u>	<u>\$ 890,453</u>	<u>\$(206,035)</u>	<u>\$ 31,967</u>	<u>\$ 32,610</u>	<u>\$ 643</u>	<u>\$ 2,076</u>	<u>\$ 1,894</u>	<u>\$(182)</u>

See independent auditors' report.

(Continued)

CITY OF PIQUA, OHIO

B-3

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL (GAAP BASIS) - SPECIAL REVENUE FUNDS - LEGAL APPROPRIATION LEVEL
 YEAR ENDED DECEMBER 31, 2001

	Micro-Enterprise Grant			Enterprise Zone Application			Public Transit System			Community Development Block Grant		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:												
Municipal income taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property taxes												
State shared taxes												
Special assessments												
Intergovernmental grants										625,601	577,523	(48,078)
Fines, costs, expenditures, licenses and permits				3,500	3,125	(375)						
Interest income	1,694	1,636	(58)				335	304	(31)	282	266	(16)
Net increase in fair value of investments												
Other income	<u>2,757</u>	<u>2,690</u>	<u>(67)</u>							<u>10,968</u>	<u>10,968</u>	
Total revenues	<u>4,451</u>	<u>4,326</u>	<u>(125)</u>	<u>3,500</u>	<u>3,125</u>	<u>(375)</u>	<u>335</u>	<u>304</u>	<u>(31)</u>	<u>636,851</u>	<u>588,757</u>	<u>(48,094)</u>
EXPENDITURES:												
Current:												
Highways and streets												
Community planning and development	731	17	714				30,000	30,000		546,165	453,244	92,921
Other					500	(500)						
Capital outlay												
Total expenditures	<u>731</u>	<u>17</u>	<u>714</u>		<u>500</u>	<u>(500)</u>	<u>30,000</u>	<u>30,000</u>		<u>546,165</u>	<u>453,244</u>	<u>92,921</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,720	4,309	589	3,500	2,625	(875)	(29,665)	(29,696)	(31)	90,686	135,513	44,827
OTHER FINANCING SOURCES (USES):												
Operating transfers, in							33,900	29,690	(4,210)			
Operating transfers, out				(2,811)	(1,752)	1,059				(116,000)	(117,905)	(1,905)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	3,720	4,309	589	689	873	184	4,235	(6)	(4,241)	(25,314)	17,608	42,922
FUND BALANCE - Beginning of year	13,517	13,517		5,257	5,257		180	180		33,078	33,078	
RESIDUAL EQUITY TRANSFER, IN												
FUND BALANCE - End of year	<u>\$17,237</u>	<u>\$17,826</u>	<u>\$ 589</u>	<u>\$5,946</u>	<u>\$6,130</u>	<u>\$ 184</u>	<u>\$ 4,415</u>	<u>\$ 174</u>	<u>\$(4,241)</u>	<u>\$ 7,764</u>	<u>\$ 50,686</u>	<u>\$42,922</u>

See independent auditors' report.

(Continued)

CITY OF PIQUA, OHIO

B-3

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES- BUDGET AND ACTUAL (GAAP BASIS) - SPECIAL REVENUE FUNDS - LEGAL APPROPRIATION LEVEL
 YEAR ENDED DECEMBER 31, 2001

	Economic Development Fund			Development Funds			Police and Fire Pension Liability			Combined Total		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:												
Municipal income taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 2,189,613	\$ 2,143,199	\$ (46,414)
Property taxes							193,438	194,106	668	193,438	194,106	668
State shared taxes										705,644	724,789	19,145
Special assessments										10,777	8,554	(2,223)
Intergovernmental grants				400,000	400,000					1,906,841	1,599,341	(307,500)
Fines, costs, expenditures, licenses and permits					1,050	1,050				4,500	4,975	475
Interest income	540	438	(102)	260	256	(4)	1,915	1,654	(261)	97,876	85,802	(12,074)
Net increase in fair value of investments											4,941	4,941
Other income	<u>145,547</u>	<u>156,745</u>	<u>11,198</u>	<u>6,750</u>	<u>5,700</u>	<u>(1,050)</u>				<u>191,297</u>	<u>244,499</u>	<u>53,202</u>
Total revenues	<u>146,087</u>	<u>157,183</u>	<u>11,096</u>	<u>407,010</u>	<u>407,006</u>	<u>(4)</u>	<u>195,353</u>	<u>195,760</u>	<u>407</u>	<u>5,299,986</u>	<u>5,010,206</u>	<u>(289,780)</u>
EXPENDITURES:												
Current:												
Highways and streets										1,612,594	1,553,053	59,541
Community planning and development	131,038	138,365	(7,327)	25,197	17,475	7,722				733,131	639,101	94,030
Other							3,100	3,080	20	26,666	27,146	(480)
Capital outlay	<u>15,049</u>	<u>15,049</u>								<u>3,265,013</u>	<u>3,385,679</u>	<u>(120,666)</u>
Total expenditures	<u>146,087</u>	<u>153,414</u>	<u>(7,327)</u>	<u>25,197</u>	<u>17,475</u>	<u>7,722</u>	<u>3,100</u>	<u>3,080</u>	<u>20</u>	<u>5,637,404</u>	<u>5,604,979</u>	<u>32,425</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		3,769	3,769	381,813	389,531	7,718	192,253	192,680	427	(337,418)	(594,773)	(257,355)
OTHER FINANCING SOURCES (USES):												
Operating transfers, in				2,311	1,752	(559)				78,211	188,478	110,267
Operating transfers, out							(154,115)	(153,824)	291	(324,152)	(324,325)	(173)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)		3,769	3,769	384,124	391,283	7,159	38,138	38,856	718	(583,359)	(730,620)	(147,261)
FUND BALANCE - Beginning of year				7,921	7,921		2,483	2,483		2,188,035	2,188,035	
RESIDUAL EQUITY TRANSFER, IN												
FUND BALANCE - End of year	\$	\$ 3,769	\$ 3,769	\$ 392,045	\$ 399,204	\$ 7,159	\$ 40,621	\$ 41,339	\$ 718	\$ 1,604,676	\$ 1,457,415	\$ (147,261)

See independent auditors' report.

(Concluded)

CITY OF PIQUA, OHIO

DEBT SERVICE FUND

COMPARATIVE FINANCIAL STATEMENTS

Pension	To account for resources to pay debt service for 20 year bonds used to prepay the police and fire long-term pension obligations.
High Street	To account for resources to pay debt service for High Street reconstruction costs.
Building	To account for resources to pay debt service for the Administration Building Complex.
Special Assessment	To account for resources to pay debt service for Street Reconstruction costs recovered through property tax assessments.

CITY OF PIQUA, OHIO

C-1

**COMPARATIVE BALANCE SHEETS - DEBT SERVICE FUND
DECEMBER 31, 2001 WITH COMPARATIVE TOTALS AT DECEMBER 31, 2000**

	Pension	High Street	Building	Special Assessment	Total	
					2001	2000
ASSETS						
SPECIAL ASSESSMENTS RECEIVABLE	\$	\$	\$	\$209,457	\$209,457	\$267,419
RESTRICTED:						
Equity in pooled cash and cash equivalents	4,171	1,481	54,404	71,975	132,031	75,355
Accrued interest receivable				635	635	731
City bonds and notes				159,033	159,033	182,730
Unamortized debt issuance costs	<u>4,583</u>	<u> </u>	<u>8,333</u>	<u> </u>	<u>12,916</u>	<u>14,166</u>
Total restricted	<u>8,754</u>	<u>1,481</u>	<u>62,737</u>	<u>231,643</u>	<u>304,615</u>	<u>272,982</u>
Total assets	<u>\$8,754</u>	<u>\$1,481</u>	<u>\$62,737</u>	<u>\$441,100</u>	<u>\$514,072</u>	<u>\$540,401</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES - Deferred revenue	\$	\$	\$	\$209,457	\$209,457	\$267,419
FUND BALANCE - Unreserved and undesignated	<u>8,754</u>	<u>1,481</u>	<u>62,737</u>	<u>231,643</u>	<u>304,615</u>	<u>272,982</u>
Total liabilities and fund balance	<u>\$8,754</u>	<u>\$1,481</u>	<u>\$62,737</u>	<u>\$441,100</u>	<u>\$514,072</u>	<u>\$540,401</u>

See independent auditors' report.

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
YEARS ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2000**

	Pension	High Street	Building	Special Assessment	Total	
					2001	2000
REVENUES:						
Property taxes	\$ 525	\$ 233	\$ 8,536	\$ 62,896	\$ 62,896	\$ 48,142
Interest income	<u>525</u>	<u>233</u>	<u>8,536</u>	<u>18,203</u>	<u>27,497</u>	<u>20,139</u>
Total revenues	525	233	8,536	81,099	90,393	68,281
EXPENDITURES:						
Current - other	251		1,000	3,119	4,370	3,260
Debt service:						
Principal retirement	10,000	9,533	305,000	28,800	353,333	32,783
Interest	<u>28,750</u>	<u>4,656</u>	<u> </u>	<u>18,042</u>	<u>51,448</u>	<u>34,012</u>
Total expenditures	<u>39,001</u>	<u>14,189</u>	<u>306,000</u>	<u>49,961</u>	<u>409,151</u>	<u>70,055</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(38,476)	(13,956)	(297,464)	31,138	(318,758)	(1,774)
OTHER FINANCING SOURCES (USES):						
Proceeds from debt issuances						4,552,939
Operating transfers, in	38,824	13,844	540,654		593,322	241,357
Operating transfers, out			(238,800)	(4,131)	(242,931)	(4,703,783)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND AND OTHER FINANCING (USES)	348	(112)	4,390	27,007	31,633	88,739
FUND BALANCE - Beginning of year	<u>8,406</u>	<u>1,593</u>	<u>58,347</u>	<u>204,636</u>	<u>272,982</u>	<u>184,243</u>
FUND BALANCE - End of year	<u>\$ 8,754</u>	<u>\$ 1,481</u>	<u>\$ 62,737</u>	<u>\$231,643</u>	<u>\$ 304,615</u>	<u>\$ 272,982</u>

See independent auditors' report.

CITY OF PIQUA, OHIO

C-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (GAAP BASIS) - DEBT SERVICE FUND - LEGAL APPROPRIATION LEVEL
 YEAR ENDED DECEMBER 31, 2001

	Pension			High Street			Building			Special Assessment			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:															
Property taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest income	552	525	(27)	276	233	(43)	9,085	8,536	(549)	18,773	18,203	(570)	28,686	27,497	(1,189)
Total revenues	552	525	(27)	276	233	(43)	9,085	8,536	(549)	81,669	81,099	(570)	91,582	90,393	(1,189)
EXPENDITURES:															
Current - other		251	(251)					1,000	(1,000)	3,120	3,119	1	3,120	4,370	(1,250)
Debt service:															
Principal retirement	10,000	10,000		9,533	9,533		305,000	305,000		28,801	28,800	1	353,334	353,333	1
Interest	28,750	28,750		4,656	4,656					18,042	18,042		51,448	51,448	
Total expenditures	38,750	39,001	(251)	14,189	14,189		305,000	306,000	(1,000)	49,963	49,961	2	407,902	409,151	(1,249)
EXCESS (DEFICIENCY) OF REVENUES															
OVER EXPENDITURES	(38,198)	(38,476)	(278)	(13,913)	(13,956)	(43)	(295,915)	(297,464)	(1,549)	31,706	31,138	(568)	(316,320)	(318,758)	(2,438)
OTHER FINANCING SOURCES (USES):															
Operating transfers, in	38,198	38,824	626	13,913	13,844	(69)	654,115	540,654	(113,461)				706,226	593,322	(112,904)
Operating transfers, out							(238,800)	(238,800)		(8,927)	(4,131)	4,796	(247,727)	(242,931)	4,796
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES:															
EXPENDITURES AND OTHER FINANCING (USES)		348	348		(112)	(112)	119,400	4,390	(115,010)	22,779	27,007	4,228	142,179	31,633	(110,546)
FUND BALANCE - Beginning of year	8,406	8,406		1,593	1,593		58,347	58,347		204,636	204,636		272,982	272,982	
FUND BALANCE - End of year	8,406	8,754	348	1,593	1,481	(112)	177,747	62,737	(115,010)	227,415	231,643	4,228	415,161	304,615	(110,546)

See independent auditors' report.

CITY OF PIQUA, OHIO
CAPITAL PROJECTS FUNDS

COMBINING FINANCIAL STATEMENTS

Capital Projects Funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**Administration Building
Construction**

**To account for the resources associated with
the City administration building construction.**

CITY OF PIQUA, OHIO

D-1

**COMBINING BALANCE SHEET - CAPITAL PROJECT FUNDS
DECEMBER 31, 2001 WITH COMPARATIVE TOTALS AT DECEMBER 31, 2000**

	Administration Building Construction	
	2001	2000
ASSETS		
Equity in pooled cash and cash equivalents	\$	\$ 2,716,089
Accounts receivable	<u>371,650</u>	<u> </u>
Total assets	<u><u>\$ 371,650</u></u>	<u><u>\$ 2,716,089</u></u>
LIABILITIES AND FUND BALANCE		
Accounts payable	<u>\$ 371,650</u>	<u>\$ 365,733</u>
Total liabilities	<u><u>371,650</u></u>	<u><u>365,733</u></u>
Fund balance:		
Reserved for encumbrances	7,651	4,062,236
Unreserved and undesignated	<u>(7,651)</u>	<u>(1,711,880)</u>
Total fund balance	<u> </u>	<u>2,350,356</u>
Total liabilities and fund balance	<u><u>\$ 371,650</u></u>	<u><u>\$ 2,716,089</u></u>

See independent auditors' report.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - CAPITAL PROJECT FUNDS
YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR
YEAR ENDED DECEMBER 31, 2000**

	<u>Administration Building Construction</u>	
	2001	2000
REVENUES:		
Other	\$	\$ 9,600
Interest income	<u> </u>	<u>96,307</u>
Total revenues	<u> </u>	<u>105,907</u>
EXPENDITURES:		
Current - Other	54,287	
Capital outlay	<u>5,037,842</u>	<u>3,578,322</u>
Total expenditures	<u>5,092,129</u>	<u>3,578,322</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(5,092,129)	(3,472,415)
OTHER FINANCING SOURCES (USES):		
Operating transfers, in	2,741,773	4,530,933
Operating transfers, out	<u> </u>	<u>(13,485)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(2,350,356)	1,045,033
FUND BALANCE - Beginning of year	<u>2,350,356</u>	<u>1,305,323</u>
FUND BALANCE - End of year	<u>\$ </u>	<u>\$ 2,350,356</u>

See independent auditors' report.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (GAAP BASIS) - CAPITAL PROJECT FUNDS -
LEGAL APPROPRIATION LEVEL YEAR ENDED DECEMBER 31, 2001**

	Adminstration Building Construction		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Other Interest income	\$ 47,500	\$ _____	\$ (47,500)
Total revenues	<u>47,500</u>	<u>_____</u>	<u>(47,500)</u>
EXPENDITURES:			
Current:			
Other Capital outlay	<u>5,202,862</u>	54,287 <u>5,037,842</u>	(54,287) <u>165,020</u>
Total expenditures	<u>5,202,862</u>	<u>5,092,129</u>	<u>110,733</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(5,155,362)	(5,092,129)	63,233
OTHER FINANCING SOURCES (USES):			
Operating transfers, in Operating transfers, out	2,444,273 <u>(5,000)</u>	2,741,773 <u>_____</u>	297,500 <u>5,000</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING (USES)	(2,716,089)	(2,350,356)	365,733
FUND BALANCE - Beginning of year	<u>2,350,356</u>	<u>2,350,356</u>	<u>_____</u>
FUND BALANCE - End of year	<u>\$ (365,733)</u>	<u>\$ _____</u>	<u>\$ 365,733</u>

See independent auditors' report.

CITY OF PIQUA, OHIO

ENTERPRISE FUNDS

COMBINING FINANCIAL STATEMENTS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges.

Electric Department	To account for the electrical services provided by and the costs of maintaining the system of the City.
Steam Fund	To account for the steam services provided by and the costs of maintaining the system of the City.
Wastewater Department	To account for the sewage services provided to customers and the costs of maintaining the local sewer system of the City.
Garbage and Refuse Department	To account for garbage services provided to customers.
Golf Course Fund	To account for the cost associated with providing the City with golfing facilities.
Hot Water Fund	To account for hot water services provided by and the costs of maintaining the system of the City.
Swimming Pool Fund	To account for the costs of providing the City with pool recreation facilities.
Water Department	To account for the costs of supplying water services to customers and maintaining the system of the City.

CITY OF PIQUA, OHIO

E-1

COMBINING BALANCE SHEET - ENTERPRISE FUNDS

DECEMBER 31, 2001 WITH COMPARATIVE TOTALS AT DECEMBER 31, 2000

ASSETS	Electric	Steam	Wastewater	Garbage and Refuse	Golf Course	Hot Water	Swimming Pool	Water	Totals	
									2001	2000
CURRENT:										
Equity in pooled cash and cash equivalents	\$ 2,224,847	\$ 2,279	\$ 452,740	\$ 231,251	\$ 7,526	\$ 5,508	\$	\$ 133,342	\$ 3,057,493	\$ 3,246,069
Equity in pooled investments	5,658,407		256,482	102,582				153,903	6,171,374	4,315,096
Accounts receivable	2,283,058	52,645	373,246	168,180	26	10,995		344,799	3,232,949	3,033,157
Allowance for uncollectible accounts	(252,110)		(48,703)	(23,758)				(48,472)	(373,043)	(256,223)
Inventories	687,286							122,267	809,553	753,511
Due from other funds										67,223
Prepaid items and other assets	<u>21,753</u>		<u>8,090</u>	<u>1,125</u>	<u>4,895</u>	<u>105</u>	<u>1,312</u>	<u>5,186</u>	<u>42,466</u>	<u>144,175</u>
Total unrestricted current assets	<u>10,623,241</u>	<u>54,924</u>	<u>1,041,855</u>	<u>479,380</u>	<u>12,447</u>	<u>16,608</u>	<u>1,312</u>	<u>711,025</u>	<u>12,940,792</u>	<u>11,303,008</u>
RESTRICTED:										
Equity in pooled cash and cash equivalents	232,020	23,730	34,525		123,205	25,997	42,045	136,707	618,229	531,143
Equity in pooled investments										1,787,300
Accrued interest receivable										<u>7,730</u>
Total restricted current assets	<u>232,020</u>	<u>23,730</u>	<u>34,525</u>		<u>123,205</u>	<u>25,997</u>	<u>42,045</u>	<u>136,707</u>	<u>618,229</u>	<u>2,326,173</u>
Total current assets	10,855,261	78,654	1,076,380	479,380	135,652	42,605	43,357	847,732	13,559,021	13,629,181
LONG-TERM:										
Prepaid items and other assets	12,496		39,816		26,484	941	1,304	3,447	84,488	93,207
Property and equipment, at cost:										
In-service	59,803,865	1,228,971	27,388,899	527,266	3,153,678	1,410,534	1,096,754	14,530,805	109,140,772	106,272,480
Construction in progress	<u>508,016</u>							<u>63,540</u>	<u>571,556</u>	<u>540,582</u>
Less accumulated depreciation	<u>60,311,881</u>	<u>1,228,971</u>	<u>27,388,899</u>	<u>527,266</u>	<u>3,153,678</u>	<u>1,410,534</u>	<u>1,096,754</u>	<u>14,594,345</u>	<u>109,712,328</u>	<u>106,813,062</u>
	<u>(27,994,669)</u>	<u>(595,577)</u>	<u>(12,959,301)</u>	<u>(187,876)</u>	<u>(867,980)</u>	<u>(660,414)</u>	<u>(517,597)</u>	<u>(5,865,503)</u>	<u>(49,648,917)</u>	<u>(47,039,946)</u>
Property and equipment, net	32,317,212	633,394	14,429,598	339,390	2,285,698	750,120	579,157	8,728,842	60,063,411	59,773,116
Total long-term assets	<u>32,329,708</u>	<u>633,394</u>	<u>14,469,414</u>	<u>339,390</u>	<u>2,312,182</u>	<u>751,061</u>	<u>580,461</u>	<u>8,732,289</u>	<u>60,147,899</u>	<u>59,866,323</u>
TOTAL ASSETS	<u>\$43,184,969</u>	<u>\$ 712,048</u>	<u>\$ 15,545,794</u>	<u>\$ 818,770</u>	<u>\$ 2,447,834</u>	<u>\$ 793,666</u>	<u>\$ 623,818</u>	<u>\$ 9,580,021</u>	<u>\$ 73,706,920</u>	<u>\$ 73,495,504</u>

See independent auditors' report.

(Continued)

CITY OF PIQUA, OHIO

E-1

COMBINING BALANCE SHEET - ENTERPRISE FUNDS
DECEMBER 31, 2001 WITH COMPARATIVE TOTALS AT DECEMBER 31, 2000

LIABILITIES AND FUND EQUITY	Electric	Steam	Wastewater	Garbage and Refuse	Golf Course	Hot Water	Swimming Pool	Water	Totals	
									2001	2000
LIABILITIES:										
Current:										
Accounts payable	\$ 771,050	\$109,721	\$ 29,094	\$ 49,006	\$ 4,851	\$	\$ 1,241	\$ 121,377	\$ 1,086,340	\$ 1,219,025
Notes payable and current portion of long-term debt	218,550		680,624		121,060	16,450	5,760	117,693	1,160,137	3,610,717
Accrued expenses and deposits	141,424	116	41,890	19,228	15,093	1,915	452	54,157	274,275	232,068
Accrued vacation and sick pay	155,081		71,046	33,295	6,145			88,061	353,628	325,237
Due to other funds	21,553		8,029	4,437	1,902			10,565	46,486	67,223
Total current liabilities	1,307,658	109,837	830,683	105,966	149,051	18,365	7,453	391,853	2,920,866	5,454,270
LONG-TERM:										
Accrued vacation and sick pay	453,046		94,961	50,945	10,811			171,903	781,666	784,759
General obligation bonds payable	2,808,600		825,000		1,928,160	211,400	95,280	212,453	6,080,893	6,645,406
Notes payable			5,278,970						5,278,970	5,766,239
Utility improvement notes										80,000
Deferred revenue					2,900				2,900	5,145
Total long-term liabilities	3,261,646		6,198,931	50,945	1,941,871	211,400	95,280	384,356	12,144,429	13,281,549
TOTAL LIABILITIES	4,569,304	109,837	7,029,614	156,911	2,090,922	229,765	102,733	776,209	15,065,295	18,735,819
FUND EQUITY:										
Contributed capital	162,973	10,000	5,469,394	12	6	136,215	2	918,444	6,697,046	6,449,890
Retained earnings - unreserved	38,452,692	592,211	3,046,786	661,847	356,906	427,686	521,083	7,885,368	51,944,579	48,309,795
Total fund equity	38,615,665	602,211	8,516,180	661,859	356,912	563,901	521,085	8,803,812	58,641,625	54,759,685
TOTAL LIABILITIES AND FUND EQUITY	\$43,184,969	\$712,048	\$15,545,794	\$818,770	\$2,447,834	\$793,666	\$623,818	\$9,580,021	\$73,706,920	\$73,495,504

See independent auditors' report.

(Concluded)

CITY OF PIQUA, OHIO

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COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2000

	Electric	Steam	Wastewater	Garbage and Refuse	Golf Course	Hot Water	Swimming Pool	Water	Totals	
									2001	2000
OPERATING REVENUES:										
Customer services	\$16,378,146	\$ 298,828	\$2,583,922	\$1,155,308	\$ 558,122	\$ 53,728	\$ 70,083	\$2,446,010	\$23,544,147	\$23,485,534
Penalty charges	<u>109,431</u>	<u>24</u>	<u>31,574</u>	<u>16,372</u>	<u>—</u>	<u>436</u>	<u>—</u>	<u>29,021</u>	<u>186,858</u>	<u>179,747</u>
Total operating revenues	<u>16,487,577</u>	<u>298,852</u>	<u>2,615,496</u>	<u>1,171,680</u>	<u>558,122</u>	<u>54,164</u>	<u>70,083</u>	<u>2,475,031</u>	<u>23,731,005</u>	<u>23,665,281</u>
OPERATING EXPENSES:										
Fuel oil	192,489	880,628							1,073,117	834,432
Purchased power	7,662,618								7,662,618	7,727,124
Salaries and employee benefits	1,830,617	4,245	812,312	427,345	187,536	393	61,089	1,050,232	4,373,769	3,961,982
Depreciation	1,503,262	40,856	905,958	28,196	120,302	41,514	37,438	278,301	2,955,827	2,893,193
Materials and supplies	233,974	16,963	79,228	21,993	38,531	280	24,363	109,709	525,041	561,187
Utilities	41,553	51	97,603	1,106	26,964		11,063	156,642	334,982	313,541
Contractual services	709,513	6,840	123,931	642,665	56,260	1,696	2,602	277,147	1,820,654	1,839,201
Billing costs	316,337		161,521	67,289				161,419	706,566	674,001
Chemicals	467		3,845		45,257		10,860	97,379	182,927	192,777
Allocation of steam and hot water expenses		(164,036)				164,036				
Other, net	<u>485,155</u>	<u>303</u>	<u>57,052</u>	<u>30,883</u>	<u>25,489</u>	<u>—</u>	<u>9,202</u>	<u>84,470</u>	<u>692,554</u>	<u>628,485</u>
Total operating expenses	12,975,985	810,969	2,241,450	1,219,477	500,339	207,919	156,617	2,215,299	20,328,055	19,625,923
OPERATING INCOME (LOSS)	<u>3,511,592</u>	<u>(512,117)</u>	<u>374,046</u>	<u>(47,797)</u>	<u>57,783</u>	<u>(153,755)</u>	<u>(86,534)</u>	<u>259,732</u>	<u>3,402,950</u>	<u>4,039,358</u>
NONOPERATING REVENUES (EXPENSES):										
Interest income	399,362	6,604	56,734	18,355	6,061	6,187	2,220	73,142	568,665	599,667
Net increase (decrease) in fair value of investments	158,553		2,952	(813)				3,765	164,457	86,676
Interest expense	(247,683)	(5,761)	(470,854)		(115,044)	(20,714)	(5,649)	(73,084)	(938,789)	(1,085,029)
Other, net	<u>42,317</u>	<u>(2,182)</u>	<u>(4,835)</u>	<u>16,322</u>	<u>(1,859)</u>	<u>(1,942)</u>	<u>101</u>	<u>40,047</u>	<u>87,969</u>	<u>89,281</u>
Total nonoperating revenues (expenses)	<u>352,549</u>	<u>(1,339)</u>	<u>(416,003)</u>	<u>33,864</u>	<u>(110,842)</u>	<u>(16,469)</u>	<u>(3,328)</u>	<u>43,870</u>	<u>(117,698)</u>	<u>(309,405)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	3,864,141	(513,456)	(41,957)	(13,933)	(53,059)	(170,224)	(89,862)	303,602	3,285,252	3,729,953
Operating transfers, in	1,208,145	754,864	1,429,669		436,249	305,841	70,327	1,197,934	5,403,029	4,117,301
Operating transfers, out	<u>(2,008,145)</u>	<u>(124,864)</u>	<u>(1,274,879)</u>	<u>—</u>	<u>(289,945)</u>	<u>(135,841)</u>	<u>(21,889)</u>	<u>(1,197,934)</u>	<u>(5,053,497)</u>	<u>(4,043,999)</u>
NET INCOME (LOSS)	3,064,141	116,544	112,833	(13,933)	93,245	(224)	(41,424)	303,602	3,634,784	3,803,255
RETAINED EARNINGS - Beginning of year	<u>35,388,551</u>	<u>475,667</u>	<u>2,933,953</u>	<u>675,780</u>	<u>263,661</u>	<u>427,910</u>	<u>562,507</u>	<u>7,581,766</u>	<u>48,309,795</u>	<u>44,506,540</u>
RETAINED EARNINGS - End of year	<u>\$38,452,692</u>	<u>\$ 592,211</u>	<u>\$3,046,786</u>	<u>\$ 661,847</u>	<u>\$ 356,906</u>	<u>\$ 427,686</u>	<u>\$ 521,083</u>	<u>\$7,885,368</u>	<u>\$51,944,579</u>	<u>\$48,309,795</u>

See independent auditors' report.

COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2000

	Electric	Steam	Wastewater	Garbage and Refuse	Golf Course	Hot Water	Swimming Pool	Water	Totals	
									2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:										
Operating income (loss)	\$ 3,511,592	\$ (512,117)	\$ 374,046	\$(47,797)	\$ 57,783	\$(153,755)	\$ (86,534)	\$ 259,732	\$ 3,402,950	\$ 4,039,358
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
Depreciation	1,503,262	40,856	905,958	28,196	120,302	41,514	37,438	278,301	2,955,827	2,893,193
Other, net	42,317	(2,182)	(4,835)	16,322	(1,859)	(1,942)	101	40,047	87,969	89,281
Change in assets and liabilities:										
(Increase) decrease in receivables and allowance for uncollectible accounts	(76,600)	(33,486)	9,634	(660)	1	(936)		19,075	(82,972)	(137,844)
(Increase) decrease in inventory	(66,053)							10,011	(56,042)	21,567
Decrease in due from other funds	67,223								67,223	22,140
(Increase) decrease in prepaid items and other assets	74,660	2,182	9,465	(318)	2,915	1,943	1,666	17,915	110,428	37,710
Decrease in interest receivable	3,659	570				480		3,021	7,730	
Increase (decrease) in accounts payable	(132,631)	(75,147)	4,234	6,295	(384)	(622)	(569)	66,139	(132,685)	149,791
Increase (decrease) in accrued expenses and deposits	18,926	(764)	5,722	4,744	987	(756)	(21)	13,369	42,207	(22,967)
Increase (decrease) in accrued vacation and sick pay	51,144		(60,982)	17,324	2,334			15,478	25,298	7,362
Increase (decrease) in due to other funds	21,553	(47,299)	8,029	4,437	1,902	(19,924)		10,565	(20,737)	(22,140)
Increase (decrease) in deferred income					(2,245)				(2,245)	3,145
Net cash provided by (used in) operating activities	<u>5,019,052</u>	<u>(627,382)</u>	<u>1,251,271</u>	<u>28,543</u>	<u>181,736</u>	<u>(133,998)</u>	<u>(47,919)</u>	<u>733,653</u>	<u>6,404,951</u>	<u>7,080,596</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:										
Operating transfers, in	1,208,145	754,864	1,429,669		436,249	305,841	70,327	1,197,934	5,403,029	4,117,301
Operating transfers, out	(2,008,145)	(124,864)	(1,274,879)		(289,945)	(135,841)	(21,889)	(1,197,934)	(5,053,497)	(4,043,999)
Residual equity transfer, in			168,178						168,178	156
Net cash provided by (used in) noncapital financing activities	<u>(800,000)</u>	<u>630,000</u>	<u>322,968</u>		<u>146,304</u>	<u>170,000</u>	<u>48,438</u>		<u>517,710</u>	<u>73,458</u>

See independent auditors' report.

(Continued)

CITY OF PIQUA, OHIO

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COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
 YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2000

	Electric	Steam	Wastewater	Garbage and Refuse	Golf Course	Hot Water	Swimming Pool	Water	Totals	
									2001	2000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:										
Principal paid on bonds and notes	\$ (966,060)	\$ (118,580)	\$(1,091,895)	\$	\$(115,680)	\$(115,360)	\$(5,520)	\$(1,169,267)	\$(3,582,362)	\$(2,478,902)
Interest paid on bonds and notes	(247,683)	(5,761)	(470,854)		(115,044)	(20,714)	(5,649)	(73,084)	(938,789)	(1,085,029)
Acquisition and construction of capital assets	(2,155,213)	(289)	(293,144)	(181,525)	(31,078)		(4,749)	(575,523)	(3,241,521)	(2,616,797)
Disposals of capital assets	<u>70,006</u>		<u>2,336</u>					<u>2,035</u>	<u>74,377</u>	<u>135,502</u>
Net cash used in capital and related financing activities	<u>(3,298,950)</u>	<u>(124,630)</u>	<u>(1,853,557)</u>	<u>(181,525)</u>	<u>(261,802)</u>	<u>(136,074)</u>	<u>(15,918)</u>	<u>(1,815,839)</u>	<u>(7,688,295)</u>	<u>(6,045,226)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:										
Purchases of investment securities	(3,944,080)		(128,322)	(103,189)				(25,137)	(4,200,728)	(1,817,590)
Proceeds from sale or maturity of investment securities	3,104,981	131,757	125,000	100,000		111,068		723,401	4,296,207	
Interest received	<u>399,362</u>	<u>6,604</u>	<u>56,734</u>	<u>18,355</u>	<u>6,061</u>	<u>6,187</u>	<u>2,220</u>	<u>73,142</u>	<u>568,665</u>	<u>599,667</u>
Net cash provided by (used in) investing activities	<u>(439,737)</u>	<u>138,361</u>	<u>53,412</u>	<u>15,166</u>	<u>6,061</u>	<u>117,255</u>	<u>2,220</u>	<u>771,406</u>	<u>664,144</u>	<u>(1,217,923)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	480,365	16,344	(225,906)	(137,816)	72,299	17,183	(13,179)	(310,780)	(101,490)	(109,095)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>1,976,502</u>	<u>9,665</u>	<u>713,171</u>	<u>369,067</u>	<u>58,432</u>	<u>14,322</u>	<u>55,224</u>	<u>580,829</u>	<u>3,777,212</u>	<u>3,886,307</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 2,456,867</u>	<u>\$ 26,009</u>	<u>\$ 487,265</u>	<u>\$ 231,251</u>	<u>\$ 130,731</u>	<u>\$ 31,505</u>	<u>\$ 42,045</u>	<u>\$ 270,049</u>	<u>\$ 3,675,722</u>	<u>\$ 3,777,212</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES CASH FLOW INFORMATION:										
Contributed capital for the acquisition and construction of capital assets	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 78,978</u>	<u>\$ 78,978</u>	<u>\$ 18,230</u>
Net increase (decrease) in fair value of investments	<u>\$ 158,553</u>	<u>\$</u>	<u>\$ 2,952</u>	<u>\$ (813)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,765</u>	<u>\$ 164,457</u>	<u>\$ 86,676</u>

See independent auditors' report.

(Concluded)

CITY OF PIQUA, OHIO
INTERNAL SERVICE FUNDS

COMBINING FINANCIAL STATEMENTS

Internal Service Funds are established to account for the financing of goods or services provided by one department of the City to other departments of the City on a cost-reimbursement basis.

Liability Insurance Fund

To account for assets reserved for future self-insurance options.

Information Technology Department

To account for centralized data and communication services for other City departments.

City Health Insurance Fund

To account for an internally financed and insured health insurance program.

CITY OF PIQUA, OHIO

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**COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS
DECEMBER 31, 2001 WITH COMPARATIVE TOTALS AT DECEMBER 31, 2000**

ASSETS	Liability Insurance	Information Technology	City Health Insurance	Total	
				2001	2000
CURRENT:					
Equity in pooled cash and cash equivalents	\$ 314,248	\$ 72,614	\$ 362,924	\$ 749,786	\$ 744,970
Equity in pooled investments	2,959,691		778,081	3,737,772	3,676,441
Accounts receivable (net of allowance)	42,288	3	44,802	87,093	336,034
Due from other funds			119,591	119,591	
Prepaid items and other assets		17	18,902	18,919	15,763
Total unrestricted	<u>3,316,227</u>	<u>72,634</u>	<u>1,324,300</u>	<u>4,713,161</u>	<u>4,773,208</u>
Total current assets	<u>3,316,227</u>	<u>72,634</u>	<u>1,324,300</u>	<u>4,713,161</u>	<u>4,773,208</u>
LONG-TERM:					
Property and equipment, at cost:					
In-service		251,956		251,956	247,388
Less accumulated depreciation		(89,185)		(89,185)	(76,991)
Property and equipment, net		<u>162,771</u>		<u>162,771</u>	<u>170,397</u>
Total assets	<u>\$ 3,316,227</u>	<u>\$ 235,405</u>	<u>\$ 1,324,300</u>	<u>\$ 4,875,932</u>	<u>\$ 4,943,605</u>

See independent auditors' report.

(Continued)

CITY OF PIQUA, OHIO

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**COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS
DECEMBER 31, 2001 WITH COMPARATIVE TOTALS AT DECEMBER 31, 2000**

LIABILITIES AND FUND EQUITY	Liability Insurance	Information Technology	City Health Insurance	Total	
				2001	2000
LIABILITIES:					
Current:					
Accounts payable	\$	\$ 1,276	\$ 169,370	\$ 170,646	\$ 212,738
Accrued expenses and deposits		8,575		8,575	6,344
Accrued vacation and sick pay		9,337		9,337	8,151
Due to other funds		<u>1,902</u>		<u>1,902</u>	
Total current liabilities		<u>21,090</u>	<u>169,370</u>	<u>190,460</u>	<u>227,233</u>
Long-term - accrued vacation and sick pay		<u>11,550</u>		<u>11,550</u>	<u>9,653</u>
Total liabilities		<u>32,640</u>	<u>169,370</u>	<u>202,010</u>	<u>236,886</u>
FUND EQUITY:					
Contributed capital	1,743,775	6	378,370	2,122,151	2,290,329
Retained earnings - unreserved	<u>1,572,452</u>	<u>202,759</u>	<u>776,560</u>	<u>2,551,771</u>	<u>2,416,390</u>
Total fund equity	<u>3,316,227</u>	<u>202,765</u>	<u>1,154,930</u>	<u>4,673,922</u>	<u>4,706,719</u>
Total liabilities and fund equity	<u>\$3,316,227</u>	<u>\$ 235,405</u>	<u>\$1,324,300</u>	<u>\$ 4,875,932</u>	<u>\$ 4,943,605</u>

See independent auditors' report.

(Concluded)

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS - INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR
YEAR ENDED DECEMBER 31, 2000**

	Liability Insurance	Information Technology	City Health Insurance	Total	
				2001	2000
OPERATING REVENUES -					
Charges and Fees	\$ 976	\$ 249,954	\$ 1,399,495	\$ 1,650,425	\$ 1,698,156
OPERATING EXPENSES:					
Salaries and employee benefits	188,126	228,856	1,228,226	1,645,208	1,452,762
Depreciation		17,064		17,064	16,855
Other, net					80,000
Total operating expenses	<u>188,126</u>	<u>245,920</u>	<u>1,228,226</u>	<u>1,662,272</u>	<u>1,549,617</u>
OPERATING INCOME (LOSS)	(187,150)	4,034	171,269	(11,847)	148,539
NONOPERATING REVENUES:					
Interest income	196,489	2,092	59,196	257,777	245,228
Net increase in fair value of investments	<u>40,690</u>		<u>3,551</u>	<u>44,241</u>	<u>68,209</u>
Total nonoperating revenues	<u>237,179</u>	<u>2,092</u>	<u>62,747</u>	<u>302,018</u>	<u>313,437</u>
INCOME BEFORE OPERATING TRANSFERS	50,029	6,126	234,016	290,171	461,976
OTHER FINANCING USES:					
Operating transfers, out	<u>(154,790)</u>			<u>(154,790)</u>	
NET INCOME (LOSS)	(104,761)	6,126	234,016	135,381	461,976
RETAINED EARNINGS:					
Beginning of year	<u>1,677,213</u>	<u>196,633</u>	<u>542,544</u>	<u>2,416,390</u>	<u>1,954,414</u>
End of year	<u>\$ 1,572,452</u>	<u>\$ 202,759</u>	<u>\$ 776,560</u>	<u>\$ 2,551,771</u>	<u>\$ 2,416,390</u>

See independent auditors' report.

**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR
YEAR ENDED DECEMBER 31, 2000**

	Liabilitv Insurance	Information Technology	Civ Health Insurance	Total	
				2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ (187,150)	\$ 4,034	\$ 171,269	\$ (11,847)	\$ 148,539
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation		17,064		17,064	16,855
Change in assets and liabilities:					
(Increase) decrease in receivables	214,990	(3)	33,954	248,941	20,287
Decrease in due from other funds			(119,591)	(119,591)	
(Increase) decrease in prepaid items and other assets		88	(3,244)	(3,156)	(15,670)
Increase (decrease) in accounts payable		(378)	(41,714)	(42,092)	50,594
Increase (decrease) in accrued expenses		2,231		2,231	(696)
Increase in accrued vacation and sick pay		3,083		3,083	3,229
Increase in due to other funds		1,902		1,902	
Net cash provided by operating activities	<u>27,840</u>	<u>28,021</u>	<u>40,674</u>	<u>96,535</u>	<u>223,138</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating transfers, out	(154,790)			(154,790)	
Residual equity transfer, in					3
Residual equity transfer, out	(168,178)			(168,178)	(385)
Net cash used in noncapital financing activities	<u>(322,968)</u>	<u>_____</u>	<u>_____</u>	<u>(322,968)</u>	<u>(382)</u>
CASH FLOWS FROM RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets		(9,438)		(9,438)	(12,120)
Disposal of capital assets					
Net cash used in capital and related financing activities	<u>_____</u>	<u>(9,438)</u>	<u>_____</u>	<u>(9,438)</u>	<u>(12,120)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of investment securities	(1,171,081)		(767,407)	(1,938,488)	(1,198,063)
Proceeds from sale or maturity of investment securities	1,363,334		558,064	1,921,398	7,502
Interest earned	196,489	2,092	59,196	257,777	245,228
Net cash provided by (used in) investing activities	<u>388,742</u>	<u>2,092</u>	<u>(150,147)</u>	<u>240,687</u>	<u>(945,333)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	93,614	20,675	(109,473)	4,816	(734,697)
CASH AND CASH EQUIVALENTS:					
Beginning of year	<u>220,634</u>	<u>51,939</u>	<u>472,397</u>	<u>744,970</u>	<u>1,479,667</u>
End of year	<u>\$ 314,248</u>	<u>\$72,614</u>	<u>\$ 362,924</u>	<u>\$ 749,786</u>	<u>\$ 744,970</u>
SUPPLEMENTAL DISCLOSURE OF INVESTING ACTIVITIES					
CASH FLOW INFORMATION -					
Net increase in fair value of investments	<u>\$ 40,690</u>	<u>\$ _____</u>	<u>\$ 3,551</u>	<u>\$ 44,241</u>	<u>\$ 68,209</u>

See independent auditors' report.

CITY OF PIQUA, OHIO

FIDUCIARY FUNDS

COMBINING FINANCIAL STATEMENTS

Trust and Agency Funds are established to account for assets received and held by the City acting in the capacity of an agent or custodian.

Agency:

**Electric and Water Meter
Deposits**

To account for utility deposits collected and held as account collateral.

Employee Flexible Spending

To account for additional employee paid health care benefits.

Piqua Improvement Corporation

To account for the net assets of the development organization fully funded by the City.

Expendable Trust:

Unclaimed Trust

To account for unclaimed liabilities of the City.

Law Enforcement Trust

To account for resources recovered through enforcement activities.

Conservancy

To account for receipts and disbursements for the City's share of the District's operation and maintenance.

Mayor Wilson Centennial Fund

To account for the assets of a centennial escrow fund as established by law.

CITY OF PIQUA, OHIO

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COMBINING BALANCE SHEET - FIDUCIARY FUNDS
 DECEMBER 31, 2001 WITH COMPARATIVE TOTALS AT DECEMBER 31, 2000

	<u>Agency</u>				<u>Expendable Trust</u>				<u>Totals</u>	
	<u>Electric Meter Deposit</u>	<u>Water Meter Deposit</u>	<u>Employee Flexible Spending</u>	<u>Piqua Improvement Corporation</u>	<u>Unclaimed Trust</u>	<u>Law Enforcement Trust</u>	<u>Conservancy</u>	<u>Mayor Wilson Centennial Fund</u>	<u>2001</u>	<u>2000</u>
ASSETS										
Equity in pooled cash and cash equivalents	\$ 134,991	\$ 39,940	\$ 10,661	\$	\$ 389	\$ 5,410	\$ 32,094	\$ 381	\$ 223,866	\$ 173,903
Accounts receivable							48,744		48,744	43,472
Other assets										286,251
Total assets	<u>\$ 134,991</u>	<u>\$ 39,940</u>	<u>\$ 10,661</u>	<u>\$</u>	<u>\$ 389</u>	<u>\$ 5,410</u>	<u>\$ 80,838</u>	<u>\$ 381</u>	<u>\$ 272,610</u>	<u>\$ 503,626</u>
LIABILITIES AND FUND BALANCE										
Liabilities:										
Deposits	\$ 134,991	\$ 39,940	\$ 10,661	\$	\$ 389	\$	\$	\$	\$ 185,981	\$ 433,916
Deferred revenue							48,744		48,744	43,472
Total liabilities	134,991	39,940	10,661		389		48,744		234,725	477,388
Fund balance - unreserved and undesignated						5,410	32,094	381	37,885	26,238
Total liabilities and fund balance	<u>\$ 134,991</u>	<u>\$ 39,940</u>	<u>\$ 10,661</u>	<u>\$</u>	<u>\$ 389</u>	<u>\$ 5,410</u>	<u>\$ 80,838</u>	<u>\$ 381</u>	<u>\$ 272,610</u>	<u>\$ 503,626</u>

See independent auditors' report.

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
FUDICIARY FUNDS - AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR
YEAR ENDED DECEMBER 31, 2000**

	Electric Meter Deposits	Water Meter Deposits	Employee Flexible Spending	Piqua Improvement Corporation	Totals	
					2001	2000
ASSETS:						
Equity in pooled cash and cash equivalents:						
Beginning of year	\$ 102,541	\$ 37,380	\$ 7,432	\$	\$ 147,353	\$ 137,675
Additions	115,525	32,910	91,380		239,815	181,568
Reductions	<u>(83,075)</u>	<u>(30,350)</u>	<u>(88,151)</u>	<u> </u>	<u>(201,576)</u>	<u>(171,890)</u>
End of year	<u>134,991</u>	<u>39,940</u>	<u>10,661</u>	<u> </u>	<u>185,592</u>	<u>147,353</u>
Other assets:						
Beginning of year				286,251	286,251	284,000
Additions						2,251
Reductions	<u> </u>	<u> </u>	<u> </u>	<u>(286,251)</u>	<u>(286,251)</u>	<u> </u>
End of year	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>286,251</u>
TOTAL ASSETS	<u>\$ 134,991</u>	<u>\$ 39,940</u>	<u>\$ 10,661</u>	<u>\$</u>	<u>\$ 185,592</u>	<u>\$ 433,604</u>
LIABILITIES:						
Deposits:						
Beginning of year	\$ 102,541	\$ 37,380	\$ 7,432	\$ 286,251	\$ 433,604	\$ 421,675
Additions	115,525	32,910	91,380		239,815	183,819
Reductions	<u>(83,075)</u>	<u>(30,350)</u>	<u>(88,151)</u>	<u>(286,251)</u>	<u>(487,827)</u>	<u>(171,890)</u>
End of year	<u>134,991</u>	<u>39,940</u>	<u>10,661</u>	<u> </u>	<u>185,592</u>	<u>433,604</u>
TOTAL LIABILITIES	<u>\$ 134,991</u>	<u>\$ 39,940</u>	<u>\$ 10,661</u>	<u>\$</u>	<u>\$ 185,592</u>	<u>\$ 433,604</u>

See independent auditors' report.

CITY OF PIQUA, OHIO

G-3

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - FUDICIARY FUNDS - EXPENDABLE TRUST FUNDS
YEAR ENDED DECEMBER 31, 2001 WITH COMPARATIVE TOTALS FOR
YEAR ENDED DECEMBER 31, 2000**

	Law Enforcement Trust	Conservancy	Mayor Wilson Centennial Fund	Totals	
				2001	2000
REVENUES:					
Property taxes	\$	\$48,526	\$	\$48,526	\$34,121
Fines, costs, forfeitures, licenses and permits					75
Interest income		205	15	220	22
Other income	<u>138</u>			<u>138</u>	<u>1,875</u>
Total revenues	<u>138</u>	<u>48,731</u>	<u>15</u>	<u>48,884</u>	<u>36,093</u>
EXPENDITURES - Other		<u>37,237</u>		<u>37,237</u>	<u>33,643</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>138</u>	<u>11,494</u>	<u>15</u>	<u>11,647</u>	<u>2,450</u>
OTHER FINANCING USES - Operating transfers, out					(197)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	138	11,494	15	11,647	2,253
FUND BALANCE - Beginning of year	<u>5,272</u>	<u>20,600</u>	<u>366</u>	<u>26,238</u>	<u>23,985</u>
FUND BALANCE - End of year	<u>\$5,410</u>	<u>\$32,094</u>	<u>\$381</u>	<u>\$37,885</u>	<u>\$26,238</u>

See independent auditors' report.

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CITY OF PIQUA, OHIO

GENERAL FIXED ASSETS ACCOUNT GROUP

This Account Group is used to present the general fixed assets of the City utilized in its general operations, exclusive of those used in enterprise and internal service funds. General fixed assets include land, buildings, furniture, fixtures, and equipment owned by the City.

CITY OF PIQUA, OHIO

H-1

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCES DECEMBER 31, 2001

GENERAL FIXED ASSETS:

Land	\$ 2,612,768
Buildings	11,041,386
Furniture, fixtures and equipment	7,059,220
Construction in process	<u>320,626</u>
Total general fixed assets	<u>\$21,034,000</u>

INVESTMENT IN GENERAL FIXED ASSETS FROM:

Federal/state grants	\$ 214,367
Special revenue fund revenues	3,035,335
General fund revenues	<u>17,784,298</u>
Total investment in general fixed assets	<u>\$21,034,000</u>

See independent auditors' report.

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2001

	Land	Buildings	Furniture Fixtures and Equipment	Construction In Process	Total
GENERAL GOVERNMENT:					
Control:					
Legislative	\$	\$	\$ 31,609	\$	\$ 31,609
Executive			60,443		60,443
Total control			92,052		92,052
Staff agencies:					
Finance			65,532		65,532
Engineering			196,376		196,376
Personnel			16,823		16,823
Billing office			155,308		155,308
General government administration	257,060	8,530,494	366,616		9,154,170
Total staff agencies	257,060	8,530,494	800,655		9,588,209
Total general government	257,060	8,530,494	892,707		9,680,261
Public safety:					
Police protection	264,077	38,677	1,299,324		1,602,078
Fire protection	2,639	118,574	2,218,746		2,339,959
Total public safety	266,716	157,251	3,518,070		3,942,037
Public health and welfare					
Parks and recreation	1,904,943	1,406,991	665,680	101,107	4,078,721
Public transit			214,367		214,367
Highways and streets	184,049	946,650	1,685,117	219,519	3,035,335
Total general fixed assets	<u>\$ 2,612,768</u>	<u>\$ 11,041,386</u>	<u>\$ 7,059,220</u>	<u>\$ 320,626</u>	<u>\$ 21,034,000</u>

See independent auditors' report.

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 2001

Function and Activity	General Fixed Assets 1/1/01	Additions	Disposals	Construction Placed in Service	General Fixed Assets 12/31/01
GENERAL GOVERNMENT:					
Control:					
Legislative	\$ 16,171	\$ 46	\$ 5,498	\$ 20,890	\$ 31,609
Executive	<u>50,606</u>	<u>4,243</u>	<u>17,206</u>	<u>22,800</u>	<u>60,443</u>
Total control	<u>66,777</u>	<u>4,289</u>	<u>22,704</u>	<u>43,690</u>	<u>92,052</u>
Staff agencies:					
Finance	131,730	2,814	98,094	29,082	65,532
Engineering	201,279	914	39,814	33,997	196,376
Personnel	15,035	152	5,112	6,748	16,823
Billing office	175,307	2,520	44,486	21,967	155,308
General government	690,086	6,001	94,591	8,552,674	9,154,170
Construction in process - general government administration	<u>3,772,418</u>	<u>5,025,346</u>	<u>_____</u>	<u>(8,797,764)</u>	<u>_____</u>
Total staff agencies	<u>4,985,855</u>	<u>5,037,747</u>	<u>282,097</u>	<u>(153,296)</u>	<u>9,588,209</u>
Total general government	<u>5,052,632</u>	<u>5,042,036</u>	<u>304,801</u>	<u>(109,606)</u>	<u>9,680,261</u>
Public safety:					
Police protection	1,720,246	211,990	433,691	103,533	1,602,078
Fire protection	<u>2,310,334</u>	<u>29,778</u>	<u>6,226</u>	<u>6,073</u>	<u>2,339,959</u>
Total public safety	<u>4,030,580</u>	<u>241,768</u>	<u>439,917</u>	<u>109,606</u>	<u>3,942,037</u>
Public health and welfare	63,750	27,608	8,079		83,279
Parks and recreation	2,710,784	89,227	7,000	1,184,603	3,977,614
Construction in process - parks and recreation	499,471	786,239		(1,184,603)	101,107
Public transit	214,367				214,367
Highways and streets	2,563,228	314,473	61,885		2,815,816
Construction in process - highways and streets	<u>44,534</u>	<u>174,985</u>	<u>_____</u>	<u>_____</u>	<u>219,519</u>
Total general fixed assets	<u>\$ 15,179,346</u>	<u>\$ 6,676,336</u>	<u>\$ 821,682</u>	<u>\$ _____</u>	<u>\$ 21,034,000</u>

See independent auditors' report.

STATISTICAL SECTION

CITY OF PIQUA, OHIO

Table 1

GENERAL FUND REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION (GAAP BASIS) - LAST TEN YEARS

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
REVENUES AND OTHER FINANCING SOURCES:										
Municipal income taxes	\$3,833,006	\$3,929,319	\$4,061,089	\$4,683,796	\$4,644,293	\$4,767,994	\$4,884,052	\$5,219,996	\$ 5,165,239	\$ 4,932,680
Property taxes	741,620	799,871	781,938	816,904	945,530	987,946	1,007,828	1,164,831	1,147,717	1,196,982
State shared revenues	950,592	1,390,642	1,149,137	1,211,548	1,060,200	1,367,341	1,465,216	1,591,450	1,727,862	1,903,063
Kwh tax revenues										651,078
Intergovernmental grants	6,184	6,052	120,698	170,457	160,730	190,544	202,653	140,143	578,824	440,472
Fines, costs, forfeitures, licenses and permits	182,373	181,596	198,276	234,475	240,499	250,750	359,439	300,552	322,300	349,620
Interest income	180,924	165,272	204,503	324,300	358,330	387,702	379,343	380,618	433,511	331,718
Net increase (decrease) in fair market value of investments							56,643	(145,591)	96,636	53,866
Other income	197,311	207,882	282,829	305,954	425,137	318,069	385,867	480,855	414,960	294,343
Operating transfers, in	<u>72,350</u>	<u>94,299</u>	<u>90,189</u>	<u>131,558</u>	<u>482,364</u>	<u>160,480</u>	<u>119,849</u>	<u>137,160</u>	<u>220,289</u>	<u>117,000</u>
Total revenues and other financing sources	<u>\$6,164,360</u>	<u>\$6,774,933</u>	<u>\$6,888,659</u>	<u>\$7,878,992</u>	<u>\$8,317,083</u>	<u>\$8,430,826</u>	<u>\$8,860,890</u>	<u>\$9,270,014</u>	<u>\$10,107,338</u>	<u>\$10,270,822</u>
EXPENDITURES AND OTHER FINANCING USES:										
Public safety	\$3,776,100	\$3,929,356	\$4,275,004	\$4,640,175	\$4,948,315	\$5,365,339	\$5,695,649	\$5,726,082	\$ 5,972,147	\$ 6,141,505
Public health and welfare	120,455	135,241	136,416	150,006	168,515	177,773	201,074	203,838	311,729	345,999
General government administration	806,562	888,360	850,819	968,591	920,433	1,042,598	1,036,924	1,141,425	1,315,166	1,224,797
Parks and recreation	272,328	265,038	296,784	273,346	332,486	345,985	336,564	415,926	517,545	631,079
Other										9,427
Capital outlay	707,447	417,361	427,534	630,700	820,736	724,613	329,506	750,799	961,304	1,133,986
Operating transfers, out	<u>287,920</u>	<u>660,469</u>	<u>91,883</u>	<u>82,950</u>	<u>313,894</u>	<u>1,067,184</u>	<u>550,196</u>	<u>654,212</u>	<u>682,159</u>	<u>3,268,059</u>
Total expenditures and other financing uses	<u>\$5,970,812</u>	<u>\$6,295,825</u>	<u>\$6,078,440</u>	<u>\$6,745,768</u>	<u>\$7,504,379</u>	<u>\$8,723,492</u>	<u>\$8,149,913</u>	<u>\$8,892,282</u>	<u>\$ 9,760,050</u>	<u>\$12,754,852</u>

Source: City of Piqua Finance Department.

CITY OF PIQUA, OHIO

Table 2

AD VALOREM - PROPERTY TAX LEVIES AND COLLECTIONS, REAL UTILITY AND TANGIBLE TAXES - LAST TEN YEARS

Tax Year/ Collection Year	Total Levy	Current Collection	Percent Total Levy Collected	Delinquent Collection	Total Collection	Total Collection as Percent of Total Levy	Cumulative Delinquency
1991/1992	\$ 1,058,437	\$ 1,034,780	97.76	\$ 57,149	\$ 1,091,929	103.16	\$ 47,670
1992/1993	1,113,465	1,090,881	97.97	65,393	1,156,274	103.84	42,035
1993/1994	945,307	914,964	96.79	36,286	951,250	100.63	42,057
1994/1995	970,107	952,631	98.20	40,105	992,736	102.33	29,944
1995/1996	1,130,045	1,088,435	96.32	20,175	1,108,610	98.10	30,111
1996/1997	1,193,069	1,173,640	98.37	32,019	1,205,659	101.06	33,510
1997/1998	1,278,385	1,265,662	99.00	33,239	1,298,901	101.60	46,585
1998/1999	1,457,727	1,382,089	94.81	72,483	1,454,572	99.78	42,953
1999/2000	1,427,572	1,376,907	96.45	100,749	1,477,656	103.51	68,162
2000/2001	1,487,288	1,430,444	96.18	26,364	1,456,808	97.95	79,820

Source: Miami County Auditor's Office.

CITY OF PIQUA, OHIO

Table 3

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - LAST TEN YEARS

Tax Year/ Collection Year	Real Property		Personal Property		Public Utilities		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1991/1992	\$ 139,384,880	\$ 398,242,514	\$49,573,760	\$ 190,668,308	\$6,247,630	\$17,850,371	\$ 195,206,270	\$ 606,761,193	32.17
1992/1993	156,097,730	445,993,514	48,715,940	194,863,760	6,748,860	19,282,457	211,562,530	660,139,731	32.05
1993/1994	158,604,210	453,154,886	45,535,810	182,143,240	6,845,950	19,559,857	210,985,970	654,857,983	32.22
1994/1995	160,124,960	457,499,886	45,692,522	182,770,088	7,443,300	21,266,571	213,260,782	661,536,545	32.24
1995/1996	196,356,890	561,019,686	48,495,460	193,981,840	7,199,620	20,570,343	252,051,970	775,571,869	32.50
1996/1997	199,918,260	571,195,029	52,324,640	209,298,560	7,086,690	20,247,686	259,329,590	800,741,275	32.39
1997/1998	206,442,250	589,835,000	58,841,140	235,364,560	7,073,030	20,208,657	272,356,420	845,408,217	32.22
1998/1999	235,594,180	673,126,229	62,302,100	249,208,400	7,188,910	20,539,743	305,085,190	942,874,372	32.36
1999/2000	247,132,470	706,092,771	69,678,590	278,714,360	7,510,720	21,459,200	324,321,780	1,006,266,331	32.23
2000/2001	256,052,460	731,578,457	65,780,800	263,123,200	6,512,470	18,607,057	328,345,730	1,013,308,714	32.40

Source: Miami County Auditor's Office.

CITY OF PIQUA, OHIO

Table 4

**AD VALOREM - PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS (PER \$1,000 OF ASSESSED VALUATION)**

Tax Year/ Collection Year	City of Piqua							County	Joint Vocational School & City Schools	Total
	General Fund	Hospital	Conservancy	Police Pension	Fire Pension	Total City Rate	Cemetery			
1991/1992	3.70	1.00	0.10	0.30	0.30	5.40	0.50	6.52	42.35	54.77
1992/1993	3.70	1.00	0.10	0.30	0.30	5.40	0.50	10.54	41.05	57.49
1993/1994	3.70	0.00	0.07	0.30	0.30	4.37	0.50	10.51	41.90	57.28
1994/1995	3.70	0.00	0.09	0.30	0.30	4.39	0.50	10.51	44.90	60.30
1995/1996	3.70	0.00	0.10	0.30	0.30	4.40	0.50	6.02	46.20	57.12
1996/1997	3.70	0.00	0.12	0.30	0.30	4.42	0.50	7.03	45.60	57.55
1997/1998	3.70	0.00	0.12	0.30	0.30	4.42	0.50	8.82	45.60	59.34
1998/1999	3.70	0.00	0.13	0.30	0.30	4.43	0.50	8.82	45.52	59.27
1999/2000	3.70	0.00	0.11	0.30	0.30	4.41	0.50	8.81	45.46	59.18
2000/2001	3.70	0.00	0.15	0.30	0.30	4.45	0.50	8.83	45.50	59.28

Source: Miami County Auditor's Office.

CITY OF PIQUA, OHIO

Table 5

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS**

Fiscal Year	Current Assessments Due	Total Assessments Collected	Total Collections as Percent of Current Assessments	Total Outstanding Assessments (1)
1992	\$ 50,243	\$ 49,040	97.61	\$ 256,517
1993	58,273	57,609	98.86	248,039
1994	62,773	64,052	102.04	248,004
1995	61,663	70,799	114.82	229,024
1996	63,058	74,602	118.31	203,913
1997	52,522	53,358	101.59	146,309
1998	48,663	53,535	110.01	97,881
1999	34,310	35,278	102.82	168,886
2000	53,524	48,143	89.95	267,419
2001	66,289	62,896	94.88	209,456

(1) Assessments to be billed in future years.

Source: Miami County Auditor's Office.

CITY OF PIQUA, OHIO

Table 6

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND
NET BONDED DEBT PER CAPITA
LAST TEN YEARS**

	Population		Assessed Valuation	Gross General Bonded Debt	Less Balance in Debt Service Fund	Net General Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1992	20,612	(1)	\$ 195,206,270	\$ 0	\$ 0	\$ 0	0.00	0.00
1993	20,612	(1)	211,562,530	0	0	0	0.00	0.00
1994	20,612	(1)	210,985,970	0	0	0	0.00	0.00
1995	20,612	(1)	213,260,782	0	0	0	0.00	0.00
1996	20,612	(1)	252,051,970	0	0	0	0.00	0.00
1997	20,612	(1)	259,329,590	0	0	0	0.00	0.00
1998	20,612	(1)	272,356,420	0	0	0	0.00	0.00
1999	20,612	(1)	305,085,190	0	0	0	0.00	0.00
2000	20,738	(2)	324,321,780	4,079,127	50,607	4,028,520	1.24	194.26
2001	20,738	(2)	328,345,730	3,764,594	55,885	3,708,709	1.13	178.84

(1) 1990 United States Census Bureau.

(2) 2000 United States Census Bureau.

Source: City of Piqua Finance Department.
Miami County Auditor's Office.

CITY OF PIQUA, OHIO**Table 7****COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2001**

	Debt Outstanding	10-1/2% Assessed Valuation	5-1/2% Assessed Valuation
Overall debt limitations		\$34,476,302	\$18,059,015
Gross indebtedness	\$11,111,664		
Less, debt outside limitations	7,347,070		
Less, bond retirement fund balance	<u>55,885</u> (1)		
Net debt within limitations		<u>3,708,709</u>	<u>3,708,709</u>
Legal debt margin		<u>\$30,767,593</u>	<u>\$14,350,306</u>

(1) Excludes the bond retirement fund balances for proprietary general obligation bonds and special assessment bonds.

Source: City of Piqua Finance Department.

CITY OF PIQUA, OHIO

Table 8

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2001**

	Gross Debt	Debt Service Fund	Net Debt	Percent Applicable to City (1)	City's Share
City of Piqua	\$ 3,764,594	\$ 55,885	\$ 3,708,709	100.00	\$ 3,708,709
Piqua School District	11,125,431	42,908	11,082,523	80.93	8,969,086
Upper Valley Joint Vocational School	238,250		238,250	15.54	37,024
Miami County	<u>14,225,000</u>	<u>61,043</u>	<u>14,163,957</u>	16.51	<u>2,338,469</u>
Total net direct and overlapping debt	<u>\$29,353,275</u>	<u>\$ 159,836</u>	<u>\$ 29,193,439</u>		<u>\$15,053,288</u>

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

Source: Individual Jurisdictions.

CITY OF PIQUA, OHIO

Table 9

**STATEMENT OF DIRECT DEBT
DECEMBER 31, 2001**

LONG-TERM DEBT:		
General obligation bonds:		
Wastewater system	\$ 990,000	
Special assessment	171,664	
Power system	3,255,000	
Public improvement:		
Golf	45,260	
Water	250,146	
Street	69,594	
Recreation facility:		
Golf	2,003,960	
Swimming Pool	101,040	
Building facility (general)	3,695,000	
Pension refunding (general)	<u>450,000</u>	
Total long-term debt		\$ 11,031,664
SHORT-TERM DEBT:		
General obligation notes:		
Water system	<u>80,000</u>	
Total short-term debt		<u>80,000</u>
GROSS DIRECT DEBT		11,111,664
DEDUCT:		
Debt service fund balance		55,885
Exempt self-supporting obligation debt:		
Wastewater system	\$ 990,000	
Power system	3,255,000	
Golf course	2,049,220	
Water system	330,146	
Special assessment	171,664	
Pension refunding	450,000	
Swimming pool	<u>101,040</u>	
Total self-supporting general obligation debt		7,347,070
Total deductions		<u>7,402,955</u>
NET DIRECT DEBT		<u>\$ 3,708,709</u>

Source: City of Piqua Finance Department.

**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO TOTAL GENERAL FUND EXPENDITURES (GAAP BASIS)
LAST TEN YEARS**

	Annual Debt Service General Tax Supported Debt	Annual Debt Service Self-Supporting Debt	General Fund Expenditures	Ratio of Tax Supported Debt Service to General Fund Expenditures	Ratio of Self-Supported Debt Service to General Fund Expenditures
1992	0	0	5,970,812	0.00	0.00
1993	0	0	6,295,825	0.00	0.00
1994	0	0	6,078,440	0.00	0.00
1995	0	0	6,745,768	0.00	0.00
1996	0	0	7,504,379	0.00	0.00
1997	0	0	8,723,492	0.00	0.00
1998	0	0	8,149,913	0.00	0.00
1999	0	0	8,892,282	0.00	0.00
2000	145,933	0	9,760,009	1.50	0.00
2001	543,800	0	12,754,852	4.26	0.00

Source: City of Piqua Finance Department.

**BOND DEBT COVERAGE - POWER SYSTEM BONDS
LAST TEN YEARS**

	Gross Revenues (1)	Direct Operating Expenses(2)	Net Revenue Available for Debt Service	Annual Debt Service Requirement(3)	Coverage
1992	\$14,647,314	\$11,777,855	\$ 2,869,459	\$1,475,550	194
1993	14,908,254	11,966,832	2,941,422	1,477,590	199
1994	16,178,676	12,597,442	3,581,234	1,472,220	243
1995	16,196,267	12,597,979	3,598,288	1,479,540	243
1996	16,237,316	11,971,123	4,266,193	1,472,555	290
1997	16,142,720	11,790,253	4,352,467	1,476,525	295
1998	16,690,016	11,368,699	5,321,317	1,481,355	359
1999	16,851,349	11,585,345	5,266,004	1,481,560	355
2000	17,125,470	12,167,826	4,957,644	1,477,930	335
2001	17,411,299	12,375,133	5,036,166	448,375	1,123

(1) Gross revenues include operating revenues, interest income and other nonoperating revenues.

(2) Direct operating expenses exclude depreciation.

(3) Annual debt service requirement includes principal and interest of self-supported general obligation bonds.

**BOND DEBT COVERAGE - WASTEWATER SYSTEM BONDS
LAST TEN YEARS**

	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirement (3)	Coverage
1992	\$2,511,124	\$ 1,042,570	\$ 1,468,554	\$1,033,005	142
1993	2,378,519	1,093,403	1,285,116	1,021,405	126
1994	2,566,510	1,172,878	1,393,632	1,009,804	138
1995	2,585,955	1,142,563	1,443,392	503,416	287
1996	2,639,520	1,179,744	1,459,776	302,825	482
1997	2,632,243	1,309,157	1,323,086	291,225	454
1998	2,696,766	1,318,725	1,378,041	284,625	484
1999	2,715,283	1,296,479	1,418,804	272,662	520
2000	2,759,431	1,323,629	1,435,802	260,700	551
2001	2,675,182	1,340,327	1,334,855	248,738	537

(1) Gross revenues include operating revenues, interest income and other nonoperating revenues.

(2) Direct operating expenses exclude depreciation.

(3) Annual debt service requirement includes principal and interest of self-supported general obligation bonds.

Source: City of Piqua Finance Department.

**BOND DEBT COVERAGE - WATER SYSTEM BONDS
 LAST TEN YEARS**

	Gross Revenues (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service Requirement (3)	Coverage
1992	\$2,213,563	\$ 1,400,920	\$ 812,643	\$662,187	123
1993	2,315,749	1,362,414	953,335	720,835	132
1994	2,388,239	1,431,681	956,558	715,352	134
1995	2,558,474	1,539,587	1,018,887	719,284	142
1996	2,615,604	1,573,544	1,042,060	717,287	145
1997	2,566,714	1,621,471	945,243	712,789	133
1998	2,638,260	1,532,711	1,105,549	714,692	155
1999	2,639,794	1,630,867	1,008,927	714,068	141
2000	2,628,040	1,584,915	1,043,125	717,975	145
2001	2,551,938	1,896,951	654,987	51,003	1,284

(1) Gross revenues include operating revenues, interest income and other nonoperating revenues.

(2) Direct operating expenses exclude depreciation.

(3) Annual debt service requirement includes principal and interest of self-supported general obligation bonds.

Source: City of Piqua Finance Department.

CITY OF PIQUA, OHIO

Table 14

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

	Population		Household Median Income (3)	Per Capita Income (3)	School Enrollment (Public) (4)	Average Unemployment Rate (5)
1992	20,612	(1)	\$ 27,699	\$	4,142	6.8
1993	20,612	(1)	27,180		4,110	6.1
1994	20,612	(1)	27,314		4,152	4.3
1995	20,612	(1)	28,000		4,031	4.8
1996	20,612	(1)	31,127		4,134	4.2
1997	20,612	(1)	31,846		4,092	4.3
1998	20,612	(1)	32,623	16,202	3,937	3.0
1999	20,612	(1)	33,438	16,607	4,015	3.2
2000	20,738	(2)	38,686	18,756	3,911	2.8
2001	20,738	(2)	37,822	19,311	3,846	4.8

Sources:

- (1) 1990 United States Census Bureau.
- (2) 2000 United States Census Bureau.
- (3) Piqua Chamber of Commerce.
- (4) Piqua Board of Education.
- (5) Ohio Bureau of Employment Services. Rates are for Miami County.

**CONSTRUCTION, PROPERTY VALUE AND BANK DEPOSITS
LAST TEN YEARS**

	<u>Commercial Construction (1)</u>		<u>Residential Construction (1)</u>		Property Value Estimated Actual Value (2)	Bank Deposits in Thousands (3)
	Number of Permits	Value	Number of Permits	Value		
1992	5	\$ 548,500	23	\$ 1,726,300	\$ 606,761,193	\$ 822,697
1993	24	10,777,800	23	2,309,900	660,139,731	688,286
1994	18	2,661,400	20	2,477,500	654,857,983	653,371
1995	14	4,456,000	60	8,070,170	661,536,545	746,675
1996	23	12,629,210	67	13,268,400	775,571,869	772,201
1997	22	6,991,340	49	6,897,700	800,741,275	0 (4)
1998	17	18,310,500	66	9,255,800	845,408,217	0
1999	20	4,936,887	56	8,545,400	942,874,372	0
2000	15	15,054,061	59	9,153,197	1,006,266,331	0
2001	23	9,485,600	50	7,978,500	1,013,308,714	0

Sources:

- (1) City of Piqua Engineering Department.
- (2) Miami County Auditor's Office.
- (3) Federal Reserve Bank of Cleveland - amounts are for Miami County.
- (4) As of 1997, no banks are headquartered in Miami County.

CITY OF PIQUA, OHIO

Table 16

**PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2001**

Name of Taxpayer	Nature of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Midamco	Shopping Mall	\$ 10,345,670	3.15 %
Spalding & Evenflo Co., Inc.	Manufacturer of Juvenile Furniture	10,245,560	3.12
Jackson Tube Service, Inc.	Manufacturer of Steel Tubing	8,636,390	2.63
Hartzell Propeller, Inc.	Manufacturer of Aircraft Propellers	5,180,430	1.58
Paul Sherry Chevrolet/Chrysler	Automobile Retailer	4,854,920	1.48
Miami Valley Steel	Manufacturer of Split Rolled Steel	4,018,570	1.22
Crane Pumps & Systems, Inc.	Manufacturer of Industrial, Wastewater, Water Supply Pumps and Cleaning Systems	3,672,460	1.12
Hobart Corporation	Manufacturer of Kitchen Aid Appliances	3,656,460	1.11
Hartzell Fan Inc.	Manufacturer of Industrial Air Handlers	2,549,430	0.78
Hartzell Hardwood Inc.	Manufacturer of Wood Veneer Products	<u>2,369,640</u>	0.72
Total		<u>\$ 55,529,530</u>	16.91 %
TOTAL ASSESSED VALUATION		<u>\$ 328,345,730</u>	

Source: Miami County Auditor's Office.

CITY OF PIQUA, OHIO**Table 17****PRINCIPAL MANUFACTURING EMPLOYERS
DECEMBER 31, 2001**

Name of Taxpayer	Nature of Business	Total Employment
Spalding and Evenflo Company, Inc.	Manufacturer of Juvenile Furniture	655
Jackson Tube Service, Inc.	Manufacturer of Steel Tubing	350
Hartzell Propeller, Inc.	Manufacturer of Aircraft Propellers	313
Crane Pumps & Systems, Inc.	Manufacturer of Industrial, Wastewater, Water Supply Pumps and Cleaning Systems	300
Industry Products	Manufacturer of Die Cutting Equipment	283
Piqua Technologies, Inc.	Manufacturer of Automative Gaskets and Insulating Products	185
Hartzell Industries	Manufacturer of Industrial Fans	161
Miami Valley Steel	Manufacturer of Split Coiled Steel	145
Hammer Graphics	Electronic Publishing	132
PMI Food Equipment	Distribution center for PMI Parts and Supplies	120

Source: Piqua Chamber of Commerce.

CITY OF PIQUA, OHIO
MISCELLANEOUS STATISTICS
2001

Table 18

UTILITY DATA	Electric KWH Sold	Electric Customers	Water Gallons Sold	Water Customers
2001	284,133,231	10,474	652,125,000	8,635
2000	286,812,597	10,431	672,510,000	8,556
1999	282,275,157	10,319	692,234,000	8,475
1998	286,210,397	10,224	677,421,000	8,387
1997	273,058,036	10,054	663,650,000	8,270

NET INCOME TAX COLLECTIONS

2001	...\$7,080,816
2000	..\$7,473,123
1999	7,350,955
1998	..7,030,731
1997	6,789,431

GENERAL INFORMATION

Date of Incorporation	..1823
Form of Government	.. Commission-Manager
Area	.. 11.3 Square Miles
Miles of Street	.. .99 Miles
Number of Street Lights	.. 2,889
Fire Protection:	
Number of Stations	.. .1
Number of Firefighters	.. .29
Police Protection:	
Number of Stations	.. 1
Number of Police Officers	.. .33

Building Permits Issued
..73

Recreation and Culture:

Number of Parks 18 with 422
acres

Number of Libraries 1 with 124,032 volumes

Total City Employees
238

Source: City of Piqua Finance Department



STATE OF OHIO
OFFICE OF THE AUDITOR

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Facsimile 614-466-4490

CITY OF PIQUA

MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 9, 2002**