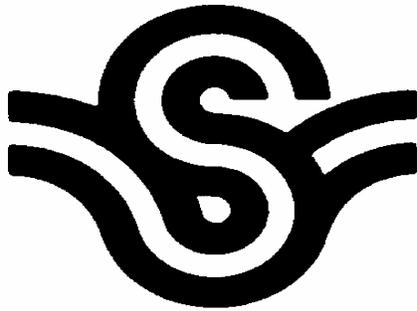


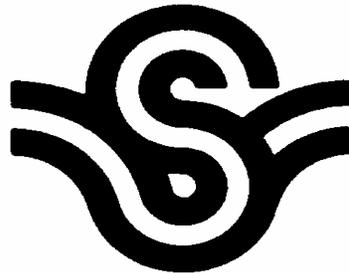
City of Sidney Ohio



Comprehensive Annual Financial Report

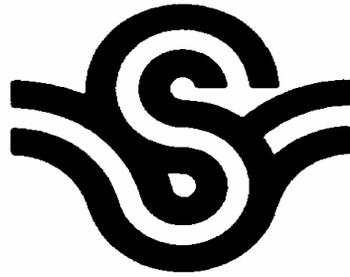
For the Year Ended
December 31, 2008

City of Sidney, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2008



Prepared by:
Finance Department
Ginger S. Adams, CPA, Finance Officer

City of Sidney



Ohio

City of Sidney
Comprehensive Annual Financial Report
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CITY OF SIDNEY

OHIO

**CITY OF SIDNEY, OHIO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2008**

CITY COUNCIL MEMBERS

Michael Barhorst, Mayor

Terry Pellman, Vice-Mayor

Steve Hamby

Frank Mariano

Katie McMillan

Thomas Miller

Martha Milligan

CITY MANAGER

Steve Stilwell

SENIOR DIRECTORS

Thomas L. Judy, CPA	Assistant City Manager
Ginger Adams, CPA	Finance Officer
R. Stanley Crosley	Fire Chief
Michael Lundy	Acting Police Chief
William Gosciwski	Public Works Director
Chris Clark	Utilities Director
Michael Smith	Law Director
Duane Gaier	Parks & Recreation Director
Barbara Dulworth	Community Services Director
Jocele Fahnestock	City Clerk



City of Sidney

Letter of Transmittal for 2008 Comprehensive Annual Financial Report

June 23, 2009

To the Honorable Mayor, Members of City Council, and the Citizens of the City of Sidney, Ohio:

The Comprehensive Annual Financial Report (CAFR) of the City of Sidney, Ohio for the year ended December 31, 2008, is hereby submitted for your review.

Ohio law requires that cities file their annual financial reports with the Ohio Auditor of State's office. Additionally, the Ohio Administrative Code requires that those reports be prepared pursuant to generally accepted accounting principles. The preparation of this CAFR represents the commitment of the City of Sidney to adhere to nationally recognized standards of excellence in financial reporting.

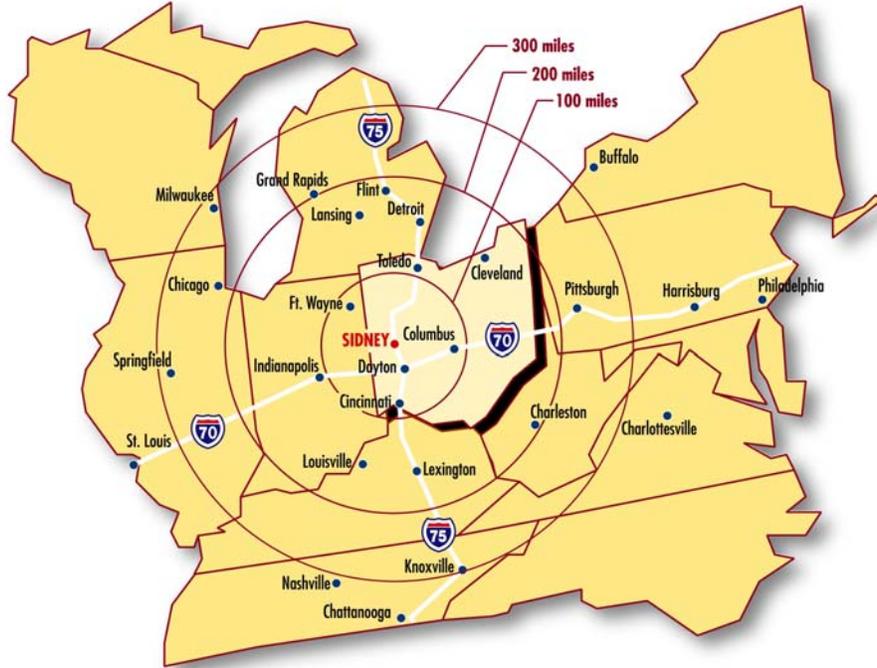
City of Sidney staff prepared all statements, schedules, and other presentations in this report. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that is established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

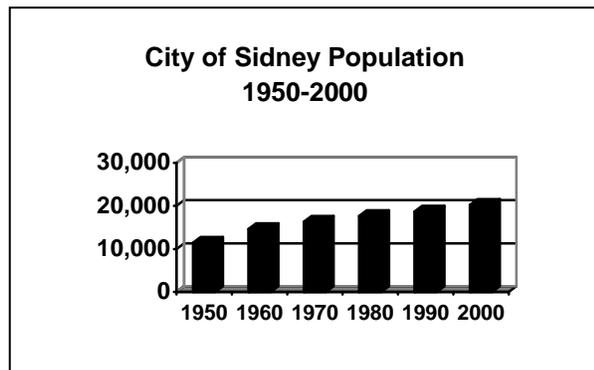
The independent accounting firm Clark, Schaefer Hackett & Co. audited the basic financial statements of the City of Sidney that are included in this report. The financial statements have received an unqualified ("clean") opinion. The independent auditor's report is located at the front of the financial section of this report. The audit was also designed to meet the requirements of the Federal Single Audit Act and the related U.S. Office of Management and Budget's Circular A-133. The auditors' report on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

THE CITY OF SIDNEY

The City of Sidney is a progressive, growing community located on Interstate 75 in west central Ohio, approximately 37 miles north of Dayton, 85 miles west of Columbus, 100 miles south of Toledo, and 120 miles east of Indianapolis. The City of Sidney is the county seat of Shelby County and is the only city within the county.



The City's population growth trend averaged 12.2% per decade from 1950 to 2000. The 2000 Census reported a total population of 20,211, an increase of 8.0% over the 1990 census. During more recent years, the City's population has remained relatively constant. The most recent population estimate, as determined by the U.S. Census Bureau, was 20,019.



Municipal Services and Facilities

The City is a total service community providing a broad range of services for the citizens of Sidney, including: police and fire protection; emergency medical / ambulance services; water treatment and distribution; sanitary sewer and waste water treatment services; storm water monitoring and management; street construction and maintenance; refuse / garbage collection and disposal; parks and recreation facilities and programs; operation and maintenance of a municipal cemetery; operation and maintenance of a municipal airport; and operation and maintenance of a county-wide transit system.

Governmental Organization

In 1954, the voters of Sidney adopted a charter implementing a council-manager form of government. Accordingly, the City may exercise all powers of local self-government under the Ohio Constitution to the extent not in conflict with applicable general laws of the State. This form of “home rule” provides a great measure of local administrative and legislative control and efficiencies while maintaining direct participation by the residents of the community.

The legislative authority of the City is vested in a seven-member Council. Three members are elected at large and four represent specific wards of the City. Council members are elected to over-lapping four year terms. The Council enacts legislation to provide for City services, adopts budgets, levies taxes, borrows money, licenses and regulates businesses and trades, and performs such other duties consistent with the Charter. The presiding officer of the Council is the Mayor, who is a member of Council. The Mayor is elected to that position by a vote of the Council members. Council positions, including the Mayor, are part-time positions. The chief executive and administrative officer of the City is the City Manager, who is appointed for an indefinite term and serves at the pleasure of Council.

Budgetary Controls

City Council adopts an annual budget for all funds and approves subsequent amendments to that budget as needed. The annual budget serves as the foundation for the City’s financial planning and control. The “legal level of control” is the level of detail as approved by Council in its appropriation ordinances. Total expenditures and encumbrances cannot exceed the amount approved by Council at the legal level of control. Legal level of control for the City of Sidney is based on object of expenditure for each department as follows: 1) Personal Services and 2) Contractual, Materials and Other.

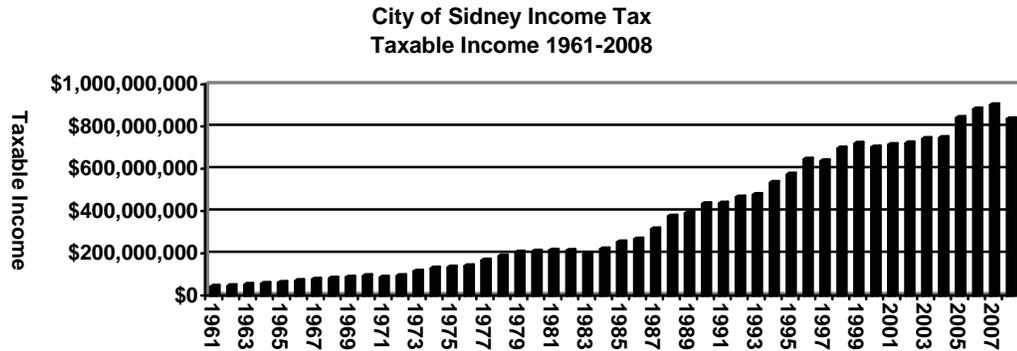
As a budgetary control, a purchasing control system is maintained which generally requires that an applicable appropriation be encumbered, or reserved, before a purchase may be made or a contract executed.

ECONOMIC CONDITIONS AND OUTLOOK

Economic Environment - Historically

Sidney’s history as a strong industrial center is rooted in its strategic location. The construction of the Miami-Erie Canal between 1825 and 1837 connected Sidney with the major trade centers in Ohio to the north and south. The need for labor to construct the canals provided an influx of settlers to the area. The opening of the canal in 1837 brought an increase in regional trade and the first significant period of economic growth in Sidney. As the influence of the canal declined, railroads emerged. East-west rail began to be laid in Sidney in 1851, followed by north-south rail in 1856. The rail system offered a more rapid and economical means of transport for goods and passengers, further enhancing growth in Sidney. Sidney is still served by these railroad lines today. The construction of I-75 through Sidney in 1962 was another major event in the City’s development. Creating a transportation link between Michigan and Florida, the interstate sparked an inflow of automobile-related factories, as well as warehouse and distribution facilities. Today, Sidney has four interchanges on Interstate 75, providing quick and convenient access for both commercial and industrial users.

The local economy grew at a robust pace from 1962 through 1999, reflected by an average growth rate in the City of Sidney income tax base of 8.0% per year. Even though the growth rate slowed somewhat over the years, it still averaged 6.6% growth per year from 1990 through 1999.



After 1999, the City began to experience an economic slowdown. Average annual growth in the income tax base slowed to 1.8% from 2000 through 2008. There was a “bounce back” year of considerable growth in 2005 with an increase in taxable income of 12.7%. However, with more sluggish years of growth and the decline in taxable income in 2008, the average for the current decade is presently 1.8%.

During 2008, the effects of the national recession were felt locally as taxable income declined 7.4% from the prior year. This decline was fueled equally by rising unemployment, which decreases employer withholding payments, and declining business net profits. Taxes on business net profits is the most volatile source of income tax collections and traditionally has been subject to upward, as well as downward, swings from year to year.

2008 Economic Activity and Outlook for the Future

Sidney is a City with fundamental strengths – interstate highway location, a large and diverse industrial foundation, stable political environment, long-term close relationship between City government and the private sector, developable land, and capacity to provide services as the City grows.

The City of Sidney has a strong industrial base that is diversified and not totally dependent upon one sector of the economy. The ten largest employers operating within the City in 2008 were:

<u>Employer</u>	<u>Primary Business</u>	<u>Ave. no. of employees</u>
Emerson Climate Technologies (formerly Copeland Corporation)	Air compressor manufacturing	1,700
Wilson Memorial Hospital	Acute care facility	765
NK Parts Industries	Test, assemble, and ship auto parts	643
American Trim	Auto and appliance stampings	550
Sidney Board of Education	Public education	480
Augusta Sportswear	Sportswear and jackets	470
Wal-Mart	Retail store	450
Freshway Foods	Processor of fresh foods	371
Cargill, Inc.	Soybean refining, meal & oil	369
Advanced Composites	Colorized pellets for plastic automotive products	450

Source: West Ohio Development Council

In addition, a Honda of America Mfg., Inc. auto engine plant with approximately 2,700 employees is located just eight miles outside of the City. It significantly benefits the City's industrial, commercial, residential and income tax bases.

To encourage further economic growth, the City has reserved vacant acreage considered to be choice industrial sites in an Industrial Zoning Classification. These sites generally have all utilities within connection distance.

According to Labor Department statistics, Shelby County realizes a net gain of 5,587 workers on a daily basis. While Sidney and Shelby County import a significant portion of their workers, surrounding counties export workers. Miami County sustains a net loss of 5,421 workers per day, Darke County loses 5,432 workers, and Auglaize County loses a net 2,123 workers each day.

Based on a recent survey which rates certain Quality of Life Costs in Southwest Ohio communities, Sidney ranked the *lowest cost* out of 34 area cities. "Quality of Life Costs" ranked in this survey included such expenses as household property & income taxes; refuse, storm water and license plate fees; and water and sewer costs.

Sidney's utility rates compare very favorably with area communities. Based on the City of Oakwood's 2009 survey of 63 area communities, Sidney's combined water and sewer was 5th lowest, coming in at 28% below survey average, 13% less than neighboring City of Troy and 34% less than neighboring City of Piqua.

Another factor that contributes to the growth and stability in Sidney is a spirit of cooperation between the public and private sectors. The West Ohio Development Council (WODC) is a non-profit corporation organized to create more employment opportunities and retain the existing employment base in the Sidney and Shelby County area. According to the West Ohio Development Council, nearly 57 new jobs were created in the Sidney and Shelby County area during 2008.

The City works to promote and encourage economic development. The City makes available a Municipal Job Creation Income Tax Credit program. This program will allow negotiation of income tax credits in order for the city to meet local support requirements of the State of Ohio's Job Creation Tax Credit Program.

The City's first tax incremental financing (TIF) arrangement, entered into during 2006, opened up approximately 43 acres on the west end of the City for commercial development. The TIF arrangement is an economic development tool which, in this case, financed the elimination of the sewer pump station at the corner of Vandemark Road and Fair Road and the construction of a 24" extension of the Southwest Sanitary Sewer Interceptor. In 2007, the City arranged its second TIF arrangement to finance the construction of water and sewer infrastructure that not only allowed an area manufacturer to relocate its operations within the City, but also opened up an additional 290 acres for possible future industrial development. Where appropriate, the City will continue to utilize this economic development tool to help grow our community.

Focuses on Long –Term Planning and Financial Policies

The City Council and staff of the City of Sidney are committed to making financial decisions based on a long-term perspective and rooted in sound financial policies. City Council has adopted a comprehensive set of financial policies covering subjects such as fund balance reserves, debt,

user charge coverage, and budget-balancing strategies. Council and staff review these policies each year. Those policies act as guardrails around the decisions made by staff and Council. One very important such policy is that the City will maintain a long-term focus in its financial planning activities. Toward that end, City Council adopts an annual update to a five-year capital and operating financial plan.

The product of the five-year plan is a set of strategies for maintaining financial stability and compliance with our financial policies. It is through this planning process that the City has been successful at early identification of financial trends and implementation of timely corrective action. This process helped the City weather the recession at the beginning of this decade. More recently, City staff utilized this process in order to make mid-year budget adjustments necessary as a result of a continued recessionary environment. City staff and Council will continue this fiscal “check-up” process throughout 2009 – next as part of the preparation of the five-year plan (2010-2014) and finally as part of the 2010 budget preparation – making timely expenditure reductions as necessary to maintain fiscal stability for now and the future.

Major Initiatives

For the Year:

- In 2008, the City continued its additional funding of the Capital Improvement Fund contributing an additional \$850,000, effectively devoting 25% or more of income tax dollars to capital improvements, as opposed to the 20% required to be transferred. (This practice was suspended in 2009 until the economy improves.)
- Construction was begun on a new building to house the staff and vehicles of Shelby Public Transit, the county-wide public transit system administered by the City. The majority of this \$1.3 million project was grant funded. The remaining cost will be split with Shelby County providing 35% and the City providing 65%.
- Testing of the potential new water source continued, with the next stage involving the drilling of additional borings and wells, and the additional modeling of the aquifer. The Ohio EPA required this round of testing for well site approval. A new water source will meet a long term need for increased water quantity and improved water quality permitting the City continued growth. This long-term project of acquiring a new water source will be planned in coordination with making any necessary improvements to the water treatment and water distribution systems within the City. In 2008, debt totaling \$650,000 was issued to finance this testing phase.
- The funding of the new Water Source Reserve Fund continued. Initially begun in 2007 with a transfer of \$300,000 from the Water Fund to the Water Source Reserve Fund, another \$300,000 was transferred in 2008. The intent is to build a reserve that can then be used to fund the long-term new water source project.
- Renovation of the first floor of City Hall was completed permitting the space vacated by the police department when they moved to their new facility to be once again utilized. The renovation, costing \$360,000, moved our utility billing and tax collections departments to this centrally-located, first floor location providing easier access for City residents and taxpayers.

Future Plans:

The City of Sidney’s five-year capital and operating plan for 2009–2013 identified operating initiatives and scheduled several capital projects that will have a positive impact on the quality of life in the community and/or facilitate future growth.

- After receiving positive test results on the potential new water source, City Council has decided to move forward with the acquisition of the property necessary for the future water source. Estimated at a cost of \$2.25 million, this acquisition will be funded with an issuance of long-term debt. Considering the current recessionary environment, Council opted to postpone the design and construction phase of the project until the economy improves. The funding for the remainder of the project will likely be a combination of grant awards, if available, debt issuance and usage of the Water Source Reserve Fund (now with a balance of approximately \$626,000). It may be necessary to increase water utility rates in the future in order to be able to pay the debt service requirements of such an extensive project.
- Widening of Russell Road from west of Vandemark Avenue to Sixth Avenue, including the bridge over Interstate 75 is underway in 2009. This will significantly improve the east-west flow of traffic in the City. Ohio Department of Transportation grant funding is expected to cover approximately \$2.2 million of the project cost, with another \$40,000 contributed by Clinton Township. The City's share will likely be approximately \$1.0 million.
- With a newly enacted \$5 additional license fee, additional street resurfacing work totaling \$99,000 is scheduled for 2009. Once this fee is in place for an entire year, the expected annual revenue from this source will be \$108,000.
- Widening and upgrading the section of Wapakoneta Avenue from I-75 to Parkwood Street is scheduled for 2011. The total project is expected to cost \$3,220,000, with funding of \$2.0 million from an ODOT Small Cities Grant, \$800,000 from Shelby County Commissioners and \$200,000 from the Ohio Public Works Commission. The remaining \$220,000 would be the City's share.
- With the successful completion of the Canal Feeder Riverwalk project from Graceland Cemetery to the Westlake area in 2008, phase II of this Riverwalk project will connect the Westlake area to south of the city and is slated for 2009 at a cost of nearly \$661,000. As with the first phase, it will be largely grant-funded. The City's portion is expected to be approximately \$132,000.
- To increase the air traffic flow to and from Sidney, the extension of a runway and other improvements at the Sidney Municipal Airport are planned. These improvements are contingent on federal funding. Scheduled for 2009 are the road closure of Children's Home Road and the construction of a private access road which will permit the extension of one of the airport's runways. The cost of the 2009 project is estimated at \$575,000 with 95% federal grant funding expected.

Recently, the City was awarded funding for the following projects as a result of the American Recovery and Reinvestment Act of 2009. The benefit of receiving such awards is that it eases the burden of local residents paying for such capital projects, in the form of increased fees and utility charges.

- Purchase and installation of a new automated meter read system. The new system will use radio technology to automatically read the meters and transmit data to the City's Utility Billing Office. This will allow the City to monitor for water leaks and notify customers in a timelier manner. The project will reduce the necessary meter reading staff by two positions permitting those staff persons to fill other vacancies within the City. Eventually, this system will permit customers to monitor their water usage via the internet and pay their bill online. Monthly billing will become a reality with this system. The project is estimated to cost \$1.8 million with 40% federal grant funding and the remainder funded via a 0% loan to be repaid to the Ohio Environmental Protection Agency (OEPA) over a 20-year period.

- Various water distribution system improvements, including:
 - Looping of water mains to improve fire flows
 - Installation of a Riverside Drive transmission main
 - Purchase and installation of new high service pumps and controls at the Water Treatment Plant
 - Purchase of a new screening device at Raw Water Pump Station
 These projects are expected to cost \$6.0 million with 40% federal grant funding and the remainder funded via a 0% percent loan to be repaid to OEPA over a 20-year period.
- Grant funding totaling approximately \$233,000 for vehicle replacement and other capital equipment items to benefit Shelby Public Transit, the county-wide transit system, operated and maintained by the City.

AWARDS

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sidney for its comprehensive annual financial report for the fiscal year ended December 31, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The City of Sidney has received the Certificate of Achievement for ten consecutive years. We believe that this comprehensive annual financial report for the year ended December 31, 2008 continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to determine its eligibility for another certificate.

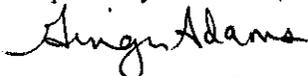
Distinguished Budget Presentation Award. The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for 2009, the tenth consecutive year the City has received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the efforts of the Finance Department staff, including Jennifer Wagner, Accountant, and Lori Rittenhouse, Account Clerk. Special recognition is extended to Assistance Finance Officer Renee DuLaney, CPA, for her skillful preparation of the financial statements. Our sincere appreciation is extended to all members of the City of Sidney staff, whose efforts have made this report possible.

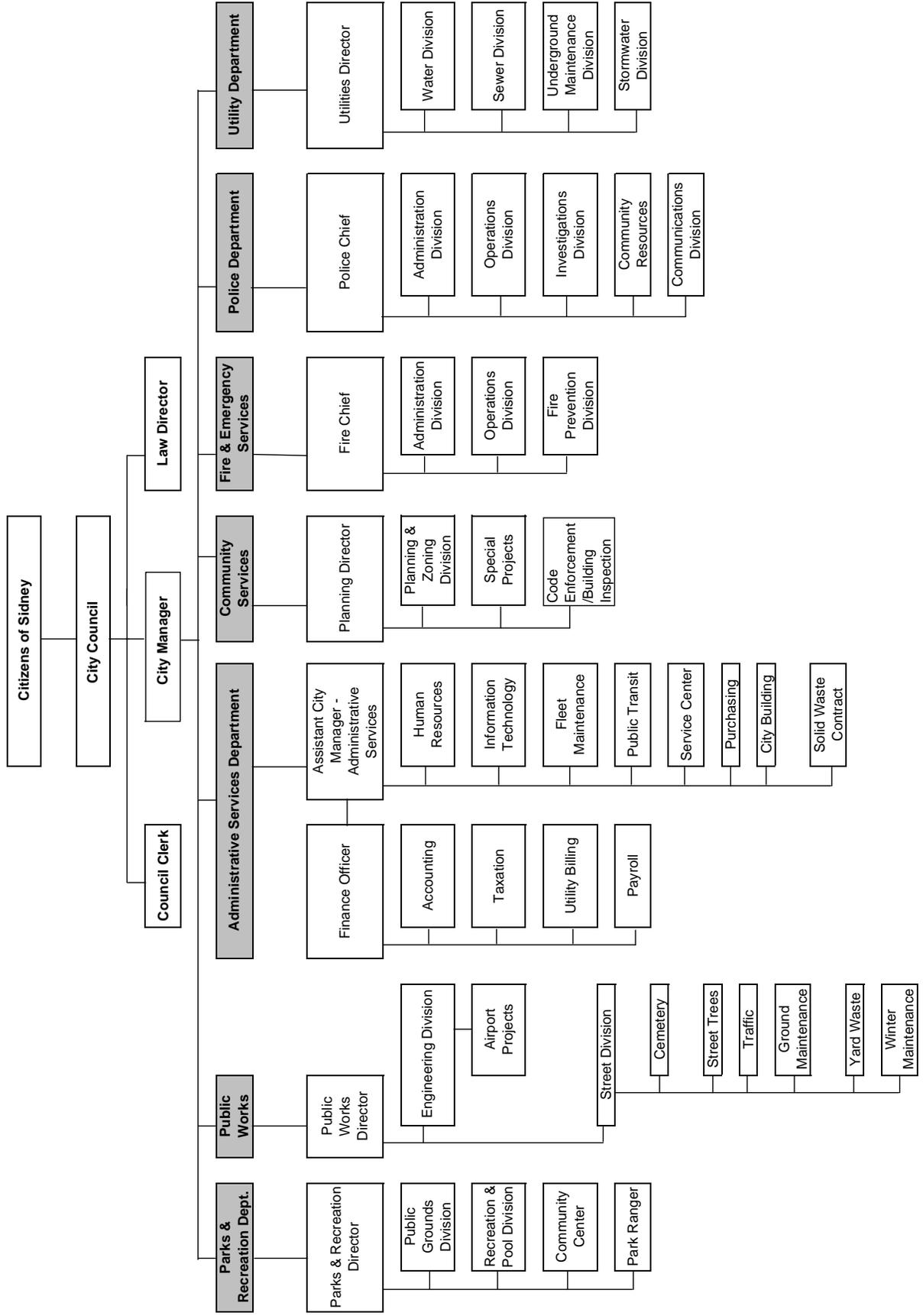
Finally, special thanks are extended to Mayor Michael Barhorst and all other members of City Council whose support enables the City of Sidney to strive for excellence in its financial reporting and to maintain high standards of financial integrity.

Respectfully submitted,



Ginger S. Adams, CPA
Finance Officer

CITY OF SIDNEY, OHIO ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sidney
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director



OHIO



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

City Council
City of Sidney
201 West Poplar Street
Sidney, Ohio 45365

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Management's Discussion and Analysis on pages 3 through 14 and the budgetary comparison information on pages 47 through 52 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hachett & Co.

Springfield, Ohio
June 23, 2009

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The management of the City of Sidney provides the following information as an introduction, overview and analysis of the City's financial statements for the year ended December 31, 2008. Readers should also review the basic financial statements on pages 16 – 26 to further enhance their understanding of the City's financial performance.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can first understand the City of Sidney as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial information.

The Statement of Net Assets and Statement of Activities (referred to collectively as the government-wide statements) provide information about the activities as an entire operating entity, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The proprietary funds' statements are prepared on the same basis as the government-wide statements.

Reporting on the City of Sidney as a Whole

Statement of Net Assets and Statement of Activities

These government-wide statements answer the question, "How did the City as a whole do financially during 2008?" They are prepared on the accrual basis of accounting, much the same way as for a private enterprise. This basis of accounting includes all assets and liabilities and takes into account all of the reporting year's revenues and expenses regardless of when the cash was received or paid.

- *The Statement of Net Assets.* This statement (page 16) reports all assets and liabilities of the City as of December 31, 2008. The difference between total assets and total liabilities is reported as "net assets". Over time, increases in net assets generally indicate an improvement in financial position while decreases may indicate a deterioration of financial position.
- *The Statement of Activities.* This statement (page 17) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the City for the year ended December 31, 2008. Changes in net assets are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the City's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

Both of the government-wide statements distinguish functions of the City of Sidney that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, police, fire, judicial, street repair and maintenance, community development and parks. The business-type activities of the City include water, sewer, solid waste collection, stormwater, public transportation, airport and swimming pool.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Reporting on the City of Sidney's Most Significant Funds

Fund financial statements

These statements provide financial position and results of the City's major funds. A fund is an accounting entity created to account for a specific activity or purpose. Major funds of the City of Sidney are the General Fund, Street Repair & Maintenance Fund, Municipal Income Tax Fund, C.D.B.G. Fund, Capital Improvement Fund, Water Fund, Sewer Fund, Solid Waste Fund, and Stormwater Fund. The creation of some funds is mandated by law and others are created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds.* Governmental funds are used to account for "governmental-type" activities. Unlike the government-wide financial statements, governmental fund statements use a "flow of financial resources" measurement focus. That is to say, the operating statement of a governmental fund attempts to answer the question "Are there more or less resources that can be spent in the near future as a result of events and transactions of the reporting period?" Increases in spendable resources are reported in the operating statement as "revenues" or "other financing sources." Decreases in spendable resources are reported as "expenditures" or "other financing uses." We describe the differences between governmental funds and governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) in reconciliations presented beside the governmental fund financial statements on pages 19 and 21.

The City of Sidney maintains 33 separate governmental funds. The governmental fund financial statements on pages 18 through 21 separately display the governmental funds considered to be major funds. All other governmental funds - the "non-major" funds - are combined into a single column. Detailed financial data for each of the non-major governmental funds is provided in combining statements in the supplementary information section of this report.

- *Proprietary funds.* There are two types of proprietary funds: enterprise funds and internal service funds.
 - Enterprise funds – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises for which either 1) the intent is that the costs (expenses, including depreciation) be recovered primarily through user charges, or 2) determination of net income is appropriate for management control, accountability or other purposes.

The City of Sidney's Water Fund, Sewer Fund, Solid Waste and Stormwater Fund are all considered to be major funds and are displayed separately in the proprietary fund statements on pages 22 through 25. The City has three other proprietary funds, the activities of which are combined into one column for non-major funds.

- Internal service funds – Often, governments wish to allocate the cost of providing certain centralized services (e.g., motor pools, garages, data processing) to the other departments of the government entity that use the services. An internal service fund is the appropriate accounting mechanism when it is the intent of the government to recover the full cost of providing the service through user charges to other departments.

The City of Sidney's three internal service funds are combined into a single column in the proprietary fund financial statements. Detailed financial data for those funds can be found in the combining statements in the supplementary information section of this report.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Sidney's four fiduciary funds are combined into a single column in the fiduciary fund statement on page 26 of this report. Detailed financial data for those funds can be found in the combining statements in the supplementary information section of this report.

Other Information

Notes to the basic financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 27 – 46 of this report.

Required supplementary information.

In addition to the basic financial statements and notes, this report also contains required supplementary information (RSI). RSI includes budgetary schedules for the General fund and major special revenue funds. This data is on pages 47 to 52 of this report.

The City of Sidney as a Whole

The following table presents condensed information on net assets as of December 31, 2008 and 2007.

	Net Assets					
	December 31, 2008 and 2007					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Assets:</u>						
Current and other assets	\$ 19,045,061	\$ 20,714,051	\$ 7,002,112	\$ 6,510,083	\$ 26,047,173	\$ 27,224,134
Capital assets	<u>52,380,913</u>	<u>52,363,848</u>	<u>38,048,736</u>	<u>36,951,083</u>	<u>90,429,649</u>	<u>89,314,931</u>
Total assets	<u>71,425,974</u>	<u>73,077,899</u>	<u>45,050,848</u>	<u>43,461,166</u>	<u>116,476,822</u>	<u>116,539,065</u>
<u>Liabilities:</u>						
Long-term liabilities	9,865,796	10,154,496	6,879,727	7,028,170	16,745,523	17,182,666
Other liabilities	<u>4,634,887</u>	<u>3,183,802</u>	<u>2,007,839</u>	<u>1,744,940</u>	<u>6,642,726</u>	<u>4,928,742</u>
Total liabilities	<u>14,500,683</u>	<u>13,338,298</u>	<u>8,887,566</u>	<u>8,773,110</u>	<u>23,388,249</u>	<u>22,111,408</u>
<u>Net Assets:</u>						
Invested in capital assets, net of debt	43,433,659	43,858,848	31,074,156	29,300,583	74,507,815	73,159,431
Restricted	1,042,116	1,321,211	160,420	-	1,202,536	1,321,211
Unrestricted	<u>12,449,516</u>	<u>14,559,542</u>	<u>4,928,706</u>	<u>5,387,473</u>	<u>17,378,222</u>	<u>19,947,015</u>
Total net assets	<u>\$ 56,925,291</u>	<u>\$ 59,739,601</u>	<u>\$ 36,163,282</u>	<u>\$ 34,688,056</u>	<u>\$ 93,088,573</u>	<u>\$ 94,427,657</u>

The City's assets were greater than its liabilities by \$93.1 million at the close of 2008, as compared to \$94.4 million at close of 2007, a decline of \$1.3 million.

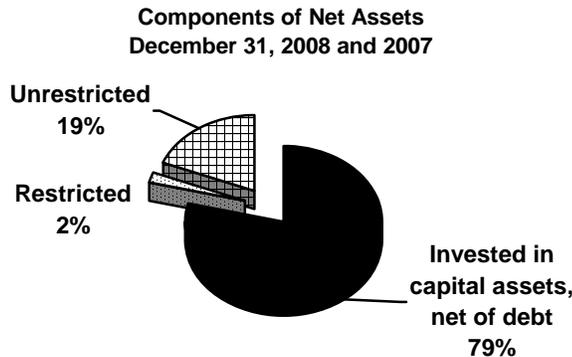
CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Although total net assets decreased, the component, “invested in capital assets, net of related debt” increased \$1.3 million from \$73.2 million at December 31, 2007 to \$74.5 million at December 31, 2008. Increases in this category of net assets generally means that the sum of capital asset additions and bond principal repayments were greater than the sum of depreciation expense and additional debt now associated with capital assets. Capital asset additions totaled \$5.6 million and bond principal repayments were approximately \$1.6 million. Depreciation expense was approximately \$4.4 million with additional debt proceeds of \$1.5 million. The City has worked to invest in and improve its capital infrastructure, particularly its water and sewer infrastructure.

Restricted net assets are subject to external restrictions as to their use. This category decreased approximately \$119,000, or 9%, from \$1.3 million at December 31, 2007 to \$1.2 million at December 31, 2008. The City utilized restricted net assets in its CDBG Revolving Loan Fund to partially fund the construction of the water and sewer infrastructure necessary to not only allow an area manufacturer to relocate its operations to Sidney, but would also open up an additional 290 acres for possible future industrial development.

Unrestricted net assets are available for future use as directed by City Council. Overall, this category decreased \$2.5 million from \$19.9 million at December 31, 2007 to \$17.4 million at December 31, 2008. It is important to note that although the total unrestricted net assets are \$17.4 million, the unrestricted net assets of the City’s business-type activities, \$4.9 million, may not be used to fund governmental activities. Unrestricted net assets of the City’s governmental activities decreased \$2.1 million, or 14.5%, from \$14.6 million to \$12.5 million. Generally, governmental revenues declined, most notably income taxes, in step with the national recession. At the same time, expenses increased. For the City’s business-type activities, the decline in unrestricted net assets was approximately \$500,000, decreasing from \$5.4 million to \$4.9 million. Generally, decreases in net assets indicate a deterioration of financial position. However, the unrestricted net assets of business-type activities decreased, less because of a deteriorating financial condition, than because of investment in the City’s infrastructure without issuing additional debt.

While the balances of the various components of net assets have changed from year-to-year, the proportion of the components has not changed significantly. The majority of the City’s net assets reflect its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding plus any significant unspent bond proceeds. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.



The following table presents condensed information on the changes in net assets for the years ended December 31, 2008 and 2007.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Changes in Net Assets
For the Years Ended December 31, 2008 and 2007

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Revenues:</u>						
Program revenues:						
Charges for services	\$1,862,994	\$2,369,925	\$8,589,788	\$9,884,910	\$10,452,782	\$12,254,835
Operating grants and contributions	1,450,075	1,379,325	369,642	425,636	1,819,717	1,804,961
Capital grants and contributions	1,127,329	1,657,404	983,004	570,879	2,110,333	2,228,283
General revenues:						
Income taxes	12,505,553	13,417,106	-	-	12,505,553	13,417,106
Property taxes	1,440,528	1,481,916	-	-	1,440,528	1,481,916
Other taxes	693,003	819,030	-	-	693,003	819,030
Grants and other contributions not restricted to specific programs	1,135,782	1,610,680	-	-	1,135,782	1,610,680
Investment income	561,282	894,963	227,958	219,224	789,240	1,114,187
Gain (loss) on sale of capital assets	4,070	-	4,350	-	8,420	-
Miscellaneous	68,482	573,924	-	-	68,482	573,924
Total revenues	20,849,098	24,204,273	10,174,742	11,100,649	31,023,840	35,304,922
<u>Expenses:</u>						
General government	1,842,173	1,726,929	-	-	1,842,173	1,726,929
Police	6,389,260	6,167,426	-	-	6,389,260	6,167,426
Fire	4,656,979	4,372,436	-	-	4,656,979	4,372,436
Judicial	1,588,281	1,686,848	-	-	1,588,281	1,686,848
Health	239,068	227,045	-	-	239,068	227,045
Street repair & maintenance	3,308,905	3,163,599	-	-	3,308,905	3,163,599
Community development	735,153	564,882	-	-	735,153	564,882
Community environment	1,152,583	1,053,132	-	-	1,152,583	1,053,132
Parks and recreation	1,670,604	1,628,824	-	-	1,670,604	1,628,824
Basic utility services	24,630	54,531	-	-	24,630	54,531
Interest on long-term debt	386,824	392,921	-	-	386,824	392,921
Water	-	-	3,581,450	3,908,385	3,581,450	3,908,385
Sewer	-	-	3,812,880	3,720,157	3,812,880	3,720,157
Solid waste	-	-	1,002,412	972,269	1,002,412	972,269
Stormwater	-	-	538,199	567,091	538,199	567,091
Transportation	-	-	727,112	688,761	727,112	688,761
Airport	-	-	370,209	139,540	370,209	139,540
Swimming pool	-	-	171,034	168,087	171,034	168,087
Yard waste	-	-	165,168	114,639	165,168	114,639
Total expenses	21,994,460	21,038,573	10,368,464	10,278,929	32,362,924	31,317,502
Excess (deficiency) before transfers	(1,145,362)	3,165,700	(193,722)	821,720	(1,339,084)	3,987,420
Transfers	(1,668,948)	(555,572)	1,668,948	555,572	-	-
Change in net assets	(2,814,310)	2,610,128	1,475,226	1,377,292	(1,339,084)	3,987,420
Net assets, beginning of year	59,739,601	57,129,473	34,688,056	33,310,764	94,427,657	90,440,237
Net assets, end of year	\$ 56,925,291	\$ 59,739,601	\$ 36,163,282	\$ 34,688,056	\$ 93,088,573	\$ 94,427,657

The City's change in net assets decreased \$1.3 million for the year ended December 31, 2008 as compared to an increase of \$4.0 million for the prior year.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Total revenues decreased nearly \$4.3 million, or 12.1%. Several factors help to explain this decline:

- Charges for services declined approximately \$1.8 million. Almost \$1.3 million of this decline is attributable to business-type activities. Of that \$1.3 million, approximately \$725,000 is due to two different one-time revenue events occurring in 2007. First, Honda of America Mfg., an auto engine plant located outside of the City limits, contracted with the City to transport and process its wastewater. During 2007, the contract was renegotiated. As a result, Honda paid an additional \$325,000 to increase the capacity of what the City will process for them. The second source of nonrecurring 2007 revenue was another large manufacturer in Sidney who dramatically increased its production, thus dramatically increasing its water usage and wastewater discharge. As a result, fees from this manufacturer increased over \$400,000 in 2007. This production was eliminated at the beginning of 2008. The nearly \$500,000 decline in governmental activities charges for services was primarily attributable to change in EMS billing services.
- Income taxes decreased approximately \$912,000, or 6.8%. Approximately half of this decline can be traced to a drop in income tax collections from business net profits. This source is the most volatile source of income tax collections and traditionally has been subject to upward, as well as downward, swings from year to year. The other half of this decline is due to a decrease in employer withholding payments. Local employment was not as strong as anticipated and withholding payments did not keep pace with budgeted expectations. The effects of the national recession were beginning to be felt in the City of Sidney by mid- to late-2008.
- Miscellaneous revenues decreased approximately \$505,000 which is primarily a result of liquidating the self insurance fund in 2007. After the City changed its employees' health insurance coverage from a self-funded one to a fully insured one, the fund's remaining net assets were reimbursed to the operating departments within the City in 2007.
- Investment income in 2008 declined compared to 2007 by approximately \$325,000. This decrease is a result of the historical "flight to quality" of bonds in light of the stock market declines.

Total expenses increased approximately \$1.0 million, or 3.3%. Airport expenses increased from \$140,000 during 2007 to \$370,000 during 2008. This increase was due to the management of the airport changing from a fixed based operator (FBO) system to an airport manager system beginning June 1, 2008. Under the FBO method, the FBO earned airport revenues and incurred expenses according to market and business practices. The City received a fee from the FBO and collected only farm rental receipts. The City was responsible for certain limited expenses, such as real estate taxes and insurance. Under the Airport Manager system, all revenue from fuel sales and hangar rentals are received by the City. Likewise, all expenditures are paid by the City, including a monthly contractual payment to the Airport Manager.

Water expenses decreased by about \$330,000 from 2007 to 2008. In 2007 the water source project was in its preliminary phase and costs to perform studies on water quality for research and development related expenses were expensed as incurred. In 2008 the actual well field testing began and permanent wells were set; those costs were capitalized.

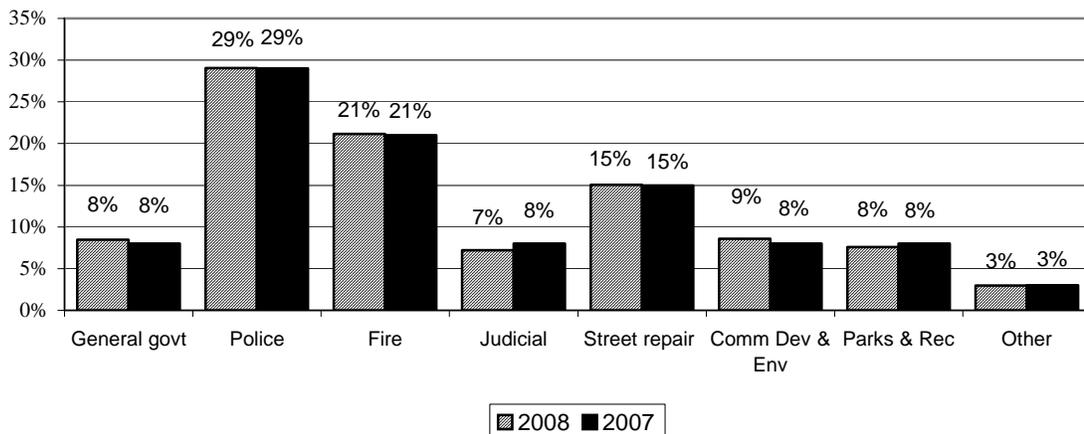
Governmental activities

Governmental net assets decreased \$2.8 million, or 4.7%, from \$59.7 million to \$56.9 million. Net assets invested in capital assets, net of related debt, decreased about \$425,000, or 1.0%, from \$43.8 million to \$43.4 million. Restricted net assets decreased \$280,000 during the year from \$1.3 million to \$1.0 million as a result of utilizing funds restricted for economic development. The largest category of decline was unrestricted net assets which decreased about \$2.2 million, or 14.4%, from \$14.6 million to \$12.4 million, a result of declining revenues and increasing expenses.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Decreases in unrestricted net assets generally indicate a decline in financial position. The components of governmental activities' expenses are as follows:

Governmental Expenses by Program



The composition of expenses by program remained relatively stable from 2007 to 2008. The two largest components of governmental expenses are public safety -- police and fire. Police makes up 28% to 29% of the total, while fire contributes another 20% to 21%. Judicial - consisting mainly of municipal court activities -- comprises about 7% to 8% of governmental activities' expenses. Street repair and maintenance (which includes winter street clean-up) accounts for about 15% of expenses. The community development and environment program, which includes such activities as community planning, engineering, building inspection, and code enforcement, makes up about 8% to 9% of expenses. The parks and recreation program is responsible for 8% of governmental expenses.

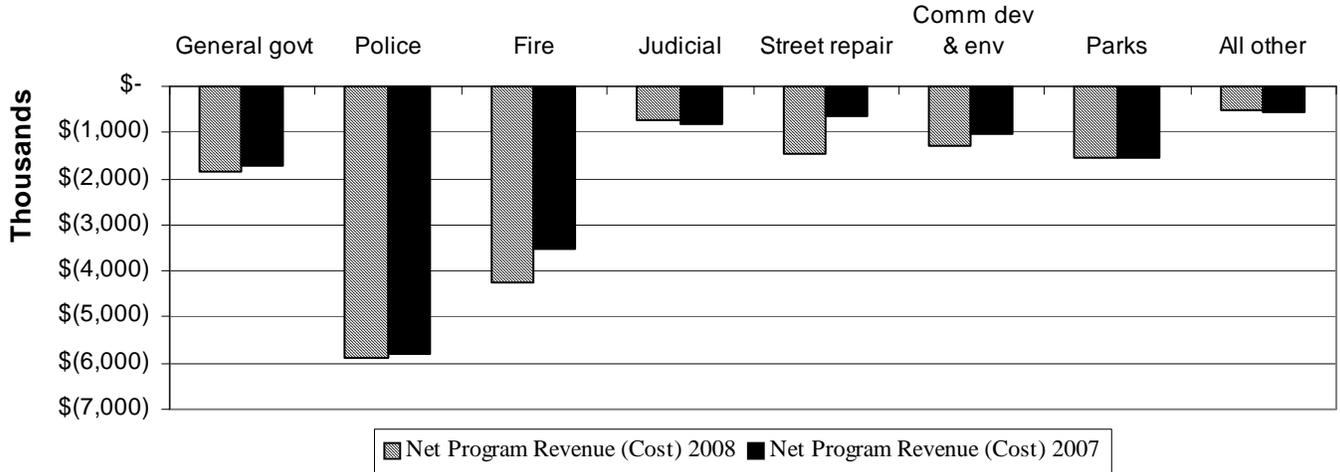
The Statement of Activities reports the expenses of each of the governmental activities programs and the related program revenue that offsets the cost of each program. The amount by which the cost of a particular program exceeds its program revenue represents the extent to which that program must be subsidized by general revenues, such as income taxes, property taxes and unrestricted contributions. The following table and graph summarize the net cost of each program:

Expenses and Program Revenues - Governmental Activities

	<u>Year Ended December 31, 2008</u>			<u>Year Ended December 31, 2007</u>		
	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Revenue (Cost)</u>	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Revenue (Cost)</u>
General government	\$ 1,842,173	\$ 882	\$ (1,841,291)	\$ 1,726,929	\$ 5,801	\$ (1,721,128)
Police	6,389,260	487,553	(5,901,707)	6,167,426	388,020	(5,779,406)
Fire	4,656,979	389,990	(4,266,989)	4,372,436	853,487	(3,518,949)
Judicial	1,588,281	857,705	(730,576)	1,686,848	867,714	(819,134)
Street repair & maintenance	3,308,905	1,858,465	(1,450,440)	3,163,599	2,516,499	(647,100)
Community development	735,153	465,771	(269,382)	564,882	507,213	(57,669)
Community environment	1,152,583	114,375	(1,038,208)	1,053,132	82,830	(970,302)
Parks & recreation	1,670,604	111,888	(1,558,716)	1,628,824	64,939	(1,563,885)
All others	650,522	153,769	(496,753)	674,497	120,151	(554,346)
Total net assets	<u>\$21,994,460</u>	<u>\$4,440,398</u>	<u>\$(17,554,062)</u>	<u>\$21,038,573</u>	<u>\$5,406,654</u>	<u>\$(15,631,919)</u>

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Net Program Revenue (Cost) - Governmental Activities



Overall, the net program cost of governmental activities increased by \$1.9 million or 12.3%. The largest fluctuation was Street Repair & Maintenance net cost increased approximately \$803,000. Its program revenue decreased almost \$700,000 primarily due to the change in the area of private developers' donated streets. The value of this donated asset was \$763,000 in 2007 versus \$115,000 in 2008.

Business-type activities

Business-type activities' net assets increased \$1.5 million from \$34.7 million to \$36.2 million. While the category, "invested in capital assets, net of debt" increased \$1.8 million and the restricted category increased nearly \$160,000, the unrestricted category decreased almost \$460,000.

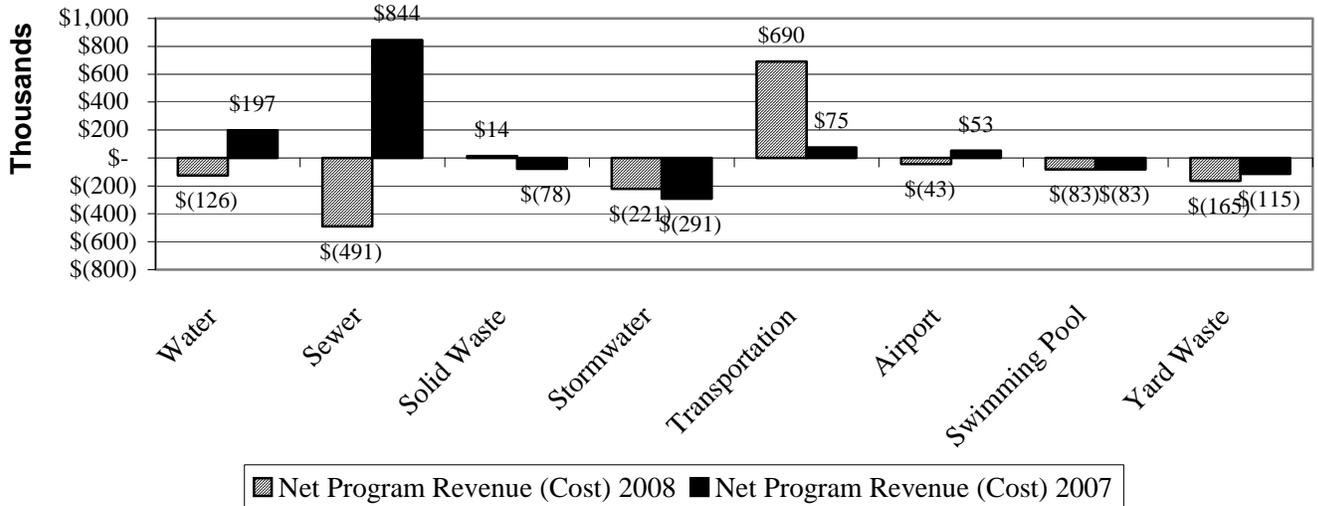
It is the City's policy that revenues of some of the City's business-type activities (Water, Sewer and Solid Waste Fund) are expected to cover all program costs over the long term. The revenues of other business-type activities cover specified portions of program costs. The following table and graph summarize the expenses and program revenues for business-type activities:

Expenses and Program Revenues - Business-Type Activities

	<u>Year Ended December 31, 2008</u>			<u>Year Ended December 31, 2007</u>		
	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Program Revenue (Cost)</u>	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Program Revenue (Cost)</u>
Water	\$ 3,581,450	\$ 3,454,995	\$ (126,455)	\$ 3,908,385	\$ 4,105,837	\$ 197,452
Sewer	3,812,880	3,321,692	(491,188)	3,720,157	4,564,326	844,169
Solid Waste	1,002,412	1,016,660	14,248	972,269	893,935	(78,334)
Stormwater	538,199	316,988	(221,211)	567,091	275,893	(291,198)
Transportation	727,112	1,417,017	689,905	688,761	764,105	75,344
Airport	370,209	327,411	(42,798)	139,540	192,259	52,719
Swimming Pool	171,034	87,671	(83,363)	168,087	85,070	(83,017)
Yard Waste	165,168	-	(165,168)	114,639	-	(114,639)
Total business-type activities	<u>\$ 10,368,464</u>	<u>\$ 9,942,434</u>	<u>\$ (426,030)</u>	<u>\$ 10,278,929</u>	<u>\$ 10,881,425</u>	<u>\$ 602,496</u>

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
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Net Program Revenue (Cost) - Business-Type Activities



Program revenue for business-type activities decreased approximately \$939,000 or 8.6%, while program expenses increased nearly \$90,000 or 0.9%. Key components of the changes in net program cost for each significant program charge are as follows:

- ✓ Water program revenues decreased nearly \$650,000 primarily due to the product line elimination of a local manufacturer in 2008 (\$400,000 loss) and a one-time receipt of a \$200,000 Army Corp of Engineer grant for the water source project in 2007. However, water program expenses decreased nearly \$330,000 mainly as a result of additional expenses incurred for initial testing of a potential new water source in 2007 whereas in 2008 permanent well fields were installed and capitalized. Over the long term, water program revenues cover their expenses.
- ✓ Sewer rates are reviewed annually to determine whether costs are covered. The sewer program's net program revenue decreased \$1.3 million going from net program revenue of \$844,000 in 2007 to net program cost of \$491,000 in 2008. Sewer program revenues decreased approximately \$1.2 million mainly due to a \$325,000 one-time payment received in 2007 from a large manufacturer located outside the City limits to increase its wastewater treatment capacity. Over the long term, sewer program revenues cover their expenses.
- ✓ In 2007, the Solid Waste program included the cost for Yard Waste pick-up. For 2008, the two programs are being reported separately. No user fee is charged for the Yard Waste pick-up program and is fully subsidized by a cash transfer from the General Fund. On the other hand, user fees are expected to cover the costs of the Solid Waste pick-up program.
- ✓ Transportation program revenue increased approximately \$650,000 in 2008 compared to 2007, primarily related to an Ohio Department of Transportation (ODOT) grant for the new transportation building which began construction in mid-2008.
- ✓ During mid-2008, the City changed its airport operations from a fixed based operator (FBO) to an airport manager system of management. This required certain start-up costs to be incurred and a "ramping up" of fuel sales.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
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Individual funds summary and analysis

Governmental funds, as stated earlier, focus on spendable resources and near-term inflows and outflows of those resources. As such, fund balance measures net resources available for spending at the end of the fiscal year, subject to any stated restrictions on their use.

The combined fund balance of the City's governmental funds at December 31, 2008 was \$10.3 million. Approximately 94% of this total amount constitutes unreserved fund balances available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending. Approximately \$512,000 of this reserved fund balance has already been committed to liquidate purchase orders of the prior period.

Total fund balances of the City's governmental funds decreased approximately \$2.7 million from \$13.0 at December 31, 2007 to \$10.3 million at December 31, 2008. (See the governmental funds' balance sheets on pages 18 – 19.)

The General Fund is the primary operating fund of the City of Sidney, accounting for such activities as police and fire protection, emergency medical services, and parks and recreation. The General Fund balance decreased \$1.8 million for the year ended December 31, 2008. Miscellaneous receipts decreased approximately 83% primarily due to the liquidation of the self-insurance fund of approximately \$500,000 in 2007. Amounts received from the City's income tax are paid into the Municipal Income Tax Fund and 80% of the net proceeds after collection are transferred to the General Fund. Decreased tax revenues during 2008 led to transfers to the General Fund totaling \$9.8 million compared to \$10.7 million during 2007. Expenses for the General Fund increased about \$686,000 or 5%.

The Capital Improvement Fund received an additional subsidy from the General Fund of \$850,000 which nearly offset the decrease in income tax collections. Twenty percent of the net proceeds after collection are transferred in from the Municipal Income Tax Fund. The actual income tax transfer decreased from \$3.3 million in 2007 to \$2.5 million in 2008. Meanwhile capital outlays for the Capital Improvement Fund in 2008 remained approximately the same as 2007 at \$3.1 million in an effort to continually develop the City's infrastructure. As a result, its fund balance only declined slightly from \$1.6 million to \$1.5 million.

The Street Repair & Maintenance Fund, used to account for the state-levied gasoline tax and motor vehicle registration fees, is restricted by law for street maintenance and repair activities. Intergovernmental revenues decreased approximately 7%, or \$80,000, during 2008 compared to 2007, due to gasoline tax revenue declines and reduction in number of motor vehicle registrations. Expenditures decreased about \$250,000, or 15%, from 2007 to 2008 as a result of certain street resurfacing capital outlay being paid out of the Street Fund in 2007 instead of the Capital Improvement Fund. Its fund balance decreased by roughly \$52,000 from \$530,000 at December 31, 2007 to \$478,000 at December 31, 2008

The collection of the City's income tax is recorded in the Municipal Income Tax Fund. Income tax revenues, on the fund's financial statement, decreased 5.0% from \$13.2 million to \$12.6 million. Transfers out decreased from \$13.3 to \$12.3 million to reflect income tax allocated to the General and Capital Improvement funds. As a result, its fund balance remained at roughly \$1.8 million. The City of Sidney's proprietary fund statements (found on pages 22-23) provide the same type of information found in the government-wide financial statements, but in more detail.

Budget variations

A significant variation in the General Fund between original budget and final budget is a \$685,000 decrease in estimated revenues transferred into the General Fund for the City's income tax

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

collections. As the effects of the economic recession were beginning to be felt in the City's income tax collections, adjustments in estimated revenues were made. Instead of an increase in collections originally budgeted at 2.8% the revenue estimated later was amended to a decrease of 3.7% over prior year.

Actual expenditures for police were less than final budgeted expenditures by approximately \$178,000. This variance was primarily due to actual expenses being less than budget for street lighting, boarding prisoners, overtime and travel & training.

Capital asset and debt administration

Capital asset activity

Significant capital activity for the year included:

- ✓ The next phase of a multiple year State of Ohio project to overlay asphalt on the state routes within the City limits was continued during 2008. The State is directly funding 80% of these costs totaling \$392,000.
- ✓ At a cost of \$360,000, the city renovated the portion of the City's Municipal Building vacated by the Police Department. The income tax department and the utility billing department were merged into one department to serve customers and residents as a "one stop shop" in making payments to the City for income taxes, utility bills, cemetery payments and other miscellaneous receipts.
- ✓ Kuther Road sewer and water infrastructure was constructed. The funding was \$210,000 grant funds from the C.D.B.G. Revolving Loan Fund and \$220,000 from the TIF fund for a total cost of \$430,000.
- ✓ Approximately \$426,000 was added to construction in progress for the potential new water source project.
- ✓ Another \$1.1 million of construction in progress was added for the construction of a new building to house the Shelby Public Transit's staff and vehicles. The majority of this project is grant funded. The remaining cost is split with Shelby County providing 35% and the City providing 65%.

Additional detail on the capital asset activity for the year ended December 31, 2008 is presented in the Notes to the Basic Financial Statements in note 6 on pages 38 – 39.

Debt

During June 2008, one issuance of various purpose Bond Anticipation Notes (BANs) were issued totaling \$1,546,000. The various purposes of this debt are as follows:

<u>Purpose</u>	<u>Amount</u>
Water source testing. \$200,000 originally issued in 2007 & used to pay the Army Corp of Engineers' grant match. Additional \$450,000 issued in 2008 to complete well field testing.	\$650,000
Southwest Sanitary Sewer system improvements necessary for the Menard's Tax Increment Financing (TIF) arrangement. Debt to be re-paid with payments-in-lieu-of-property taxes (PILOTs) received from the property owner. Originally issued in 2006, rolled over one year in 2007.	\$650,000
Kuther Road water system improvements necessary for the Ross TIF arrangement. Debt to be re-paid with payments-in-lieu-of-property taxes (PILOTs) received from the property owner. Originally issued in 2007.	\$115,000
Kuther Road sewer system improvements necessary for the Ross TIF arrangement. Debt to be re-paid with payments-in-lieu-of-property taxes (PILOTs) received from the property owner. Originally issued in 2007.	\$131,000
Total Bond Anticipation Note (BAN) issuance	\$1,546,000

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Ohio law restricts the amount of debt that a City may issue. The aggregate principal amount of unvoted "net indebtedness" may not exceed 5.5% of the assessed valuation for property tax purposes of all real and personal property located within the City. At December 31, 2008, that debt ceiling was \$20.7 million. Certain debt with a repayment source other than general tax revenues, is excluded from the definition of net indebtedness. Under that definition, the City has approximately \$9.0 million of net indebtedness as of December 31, 2008, leaving a legal debt margin for unvoted debt of approximately \$11.7 million.

An additional statutory limitation restricts total indebtedness – both voted and unvoted – to 10.5% of the real and personal property assessed valuation. That limitation would restrict total City net indebtedness to \$39.5 million, leaving a total debt margin of approximately \$30.5 million.

A summary of debt outstanding at December 31, 2008 and 2007 is as follows:

	<u>General Obligation Bonds</u>	
	<u>December 31, 2008</u>	<u>December 31, 2007</u>
Governmental activities	\$ 8,966,000	\$ 8,505,000
Business-type activities	<u>7,135,000</u>	<u>7,650,500</u>
Total	<u>\$ 16,101,000</u>	<u>\$ 16,155,500</u>

Additional detailed data for all debt of the City of Sidney is presented in the Notes to the Basic Financial Statements in note 9 & 10 on pages 42 - 44 and in Schedules 7-9 in the Statistical Section of this report.

Contacting the City's management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with an overview of the City's finances. If you have questions or need additional financial information, please contact the Finance Officer, City of Sidney, 201 West Poplar Street, Sidney, Ohio 45365.



OHIO

CITY OF SIDNEY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash	\$ 3,152,152	\$ 1,449,876	\$ 4,602,028
Restricted cash and investments	29,463	160,420	189,883
Cash held by outside agent	16,573	-	16,573
Pooled investments	7,635,831	3,515,970	11,151,801
Receivables:			
Income taxes	3,181,332	-	3,181,332
Property taxes	1,641,298	-	1,641,298
Other taxes	34,251	-	34,251
Accounts	-	1,376,045	1,376,045
Interest	67,300	47,755	115,055
Loans	24,781	8,299	33,080
Special assessments	1,022,596	-	1,022,596
Other	456,462	61,940	518,402
Internal balances	161,501	(161,501)	-
Receivables from other governments	1,308,794	262,758	1,571,552
Inventory	190,406	220,806	411,212
Prepaid items	51,030	26,314	77,344
Bond issuance costs	71,291	33,430	104,721
Capital assets:			
Capital assets not subject to depreciation:			
Land	7,628,644	735,693	8,364,337
Construction in progress	710,252	1,593,107	2,303,359
Capital assets net of accumulated depreciation	<u>44,042,017</u>	<u>35,719,936</u>	<u>79,761,953</u>
 Total assets	 <u>\$ 71,425,974</u>	 <u>\$ 45,050,848</u>	 <u>\$ 116,476,822</u>
 LIABILITIES			
Accounts payable	\$ 313,757	\$ 914,097	\$ 1,227,854
Salaries and benefits payable	929,233	142,515	1,071,748
Unearned revenue	2,455,477	153,277	2,608,754
Accrued interest payable	40,420	33,575	73,995
Notes Payable	896,000	650,000	1,546,000
Refundable deposits	-	114,375	114,375
Noncurrent liabilities:			
Due within one year	522,500	365,287	887,787
Due in more than one year	<u>9,343,296</u>	<u>6,514,440</u>	<u>15,857,736</u>
 Total liabilities	 <u>14,500,683</u>	 <u>8,887,566</u>	 <u>23,388,249</u>
 NET ASSETS			
Invested in capital assets, net of related debt	43,433,659	31,074,156	74,507,815
Restricted for:			
Capital projects	29,463	160,420	189,883
Street repair and maintenance	509,241	-	509,241
Community development projects	360,017	-	360,017
Other purposes - externally imposed restrictions	143,395	-	143,395
Unrestricted	<u>12,449,516</u>	<u>4,928,706</u>	<u>17,378,222</u>
 Total net assets	 <u>56,925,291</u>	 <u>36,163,282</u>	 <u>93,088,573</u>
 Total liabilities and net assets	 <u>\$ 71,425,974</u>	 <u>\$ 45,050,848</u>	 <u>\$ 116,476,822</u>

See Notes to the Basic Financial Statements.

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 1,842,173	\$ -	\$ 882	\$ -	\$ (1,841,291)		\$ (1,841,291)
Police	6,389,260	343,863	46,462	97,228	(5,901,707)		(5,901,707)
Fire	4,656,979	384,660	5,330	-	(4,266,989)		(4,266,989)
Judicial	1,588,281	806,163	51,542	-	(730,576)		(730,576)
Health	239,068	139,266	-	-	(99,802)		(99,802)
Street repair and maintenance	3,308,905	35,762	1,270,106	552,597	(1,450,440)		(1,450,440)
Community development	735,153	9,655	-	456,116	(269,382)		(269,382)
Community environment	1,152,583	114,375	-	-	(1,038,208)		(1,038,208)
Parks and recreation	1,670,604	29,250	61,250	21,388	(1,558,716)		(1,558,716)
Basic utility services	24,630	-	14,503	-	(10,127)		(10,127)
Interest on long-term debt	386,824	-	-	-	(386,824)		(386,824)
Total governmental activities	<u>21,994,460</u>	<u>1,862,994</u>	<u>1,450,075</u>	<u>1,127,329</u>	<u>(17,554,062)</u>		<u>(17,554,062)</u>
Business-type activities:							
Water	3,581,450	3,454,995	-	-		\$ (126,455)	(126,455)
Sewer	3,812,880	3,287,123	-	34,569		(491,188)	(491,188)
Solid Waste	1,002,412	1,016,660	-	-		14,248	14,248
Stormwater	538,199	316,988	-	-		(221,211)	(221,211)
Public transportation	727,112	213,487	369,642	833,888		689,905	689,905
Airport	370,209	212,864	-	114,547		(42,798)	(42,798)
Swimming Pool	171,034	87,671	-	-		(83,363)	(83,363)
Yard Waste	165,168	-	-	-		(165,168)	(165,168)
Total business-type activities	<u>10,368,464</u>	<u>8,589,788</u>	<u>369,642</u>	<u>983,004</u>		<u>(426,030)</u>	<u>(426,030)</u>
Total	<u>\$ 32,362,924</u>	<u>\$ 10,452,782</u>	<u>\$ 1,819,717</u>	<u>\$ 2,110,333</u>	<u>(17,554,062)</u>	<u>(426,030)</u>	<u>(17,980,092)</u>
General revenues:							
Taxes:							
Income taxes					12,505,553	-	12,505,553
Property taxes					1,440,528	-	1,440,528
Other taxes					693,003	-	693,003
Grants and contributions not restricted to specific programs					1,135,782	-	1,135,782
Investment earnings					561,282	227,958	789,240
Gain on sale of capital assets					4,070	4,350	8,420
Miscellaneous					68,482	-	68,482
Transfers					(1,668,948)	1,668,948	-
Total general revenues and transfers					<u>14,739,752</u>	<u>1,901,256</u>	<u>16,641,008</u>
Change in net assets					(2,814,310)	1,475,226	(1,339,084)
Net assets - beginning					<u>59,739,601</u>	<u>34,688,056</u>	<u>94,427,657</u>
Net assets - ending					<u>\$ 56,925,291</u>	<u>\$ 36,163,282</u>	<u>\$ 93,088,573</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund	CDBG Fund	Capital Improvement Fund
ASSETS					
Pooled cash	\$ 1,522,512	\$ 103,593	\$ 189,722	\$ 64,831	\$ 426,348
Restricted cash and investments	-	-	-	-	10,717
Cash held by outside agent	-	-	-	-	-
Pooled investments	3,690,447	251,200	460,278	157,207	1,034,348
Receivables:					
Income taxes	-	-	3,181,332	-	-
Property taxes	1,543,013	-	-	-	-
Other taxes	34,251	-	-	-	-
Interest	45,103	3,844	-	2,407	-
Loans	-	-	-	-	-
Special assessments	132,499	-	-	882,279	-
Other	397,392	1,574	-	-	-
Due from other funds	21,764	38,124	-	-	-
Receivables from other governments	489,017	663,774	-	-	27,997
Inventory	48,516	101,224	-	-	-
Prepaid items	23,793	605	193	-	-
	<u>\$ 7,948,307</u>	<u>\$ 1,163,938</u>	<u>\$ 3,831,525</u>	<u>\$ 1,106,724</u>	<u>\$ 1,499,410</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 121,086	\$ 49,155	\$ 209	\$ 58,773	\$ 16,430
Salaries and benefits payable	858,011	31,773	7,901	-	-
Due to other funds	-	-	-	-	-
Notes payable	-	-	-	-	-
Deferred revenue	2,514,652	604,691	1,992,042	884,440	12,388
	<u>3,493,749</u>	<u>685,619</u>	<u>2,000,152</u>	<u>943,213</u>	<u>28,818</u>
Fund Balances:					
Reserved for:					
Inventory	48,516	101,224	-	-	-
Prepaid items	23,793	605	193	-	-
Long-term loans receivable	-	-	-	-	-
Encumbrances	125,775	106,664	2,297	56,961	204,542
Unreserved, reported in:					
General fund	4,256,474	-	-	-	-
Special revenue funds	-	269,826	1,828,883	106,550	-
Capital projects funds	-	-	-	-	1,266,050
	<u>4,454,558</u>	<u>478,319</u>	<u>1,831,373</u>	<u>163,511</u>	<u>1,470,592</u>
	<u>\$ 7,948,307</u>	<u>\$ 1,163,938</u>	<u>\$ 3,831,525</u>	<u>\$ 1,106,724</u>	<u>\$ 1,499,410</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
RECONCILIATION OF TOTAL
GOVERNMENTAL FUND BALANCES TO NET
ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008**

Non-major Governmental Funds	Total Governmental Funds		
		Total governmental fund balances	\$ 10,333,236
\$ 821,968 18,746 16,573 1,986,119 - 98,285 - 15,946 24,781 7,818 57,496 - 128,006 - 356 <hr/> \$ 3,176,094	\$ 3,128,974 29,463 16,573 7,579,599 3,181,332 1,641,298 34,251 67,300 24,781 1,022,596 456,462 59,888 1,308,794 149,740 24,947 <hr/> \$ 18,725,998	<i>Amounts reported for governmental activities in the statement of net assets are different because:</i> Some assets used in governmental activities are not financial resources and therefore are not reported in the funds: Capital Assets 51,760,422 Unamortized bond costs 71,291 Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: Income taxes receivable 1,992,042 Other taxes and intergovernmental receivables 701,797 Other receivables 1,085,145 Internal service funds are used to charge the costs of certain activities, such as the central garage, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 874,705 Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds: Bonds payable (8,088,746) Compensated absences (1,440,630) Unfunded police and fire pension liability (342,297) Accrued interest on long-term debt (40,420) Net assets of governmental activities <u>\$ 56,906,545</u>	
\$ 33,650 10,922 74,391 896,000 226,248 <hr/> 1,241,211 - 356 24,781 15,828 <hr/> 1,934,883 \$ 3,176,094	\$ 279,303 908,607 74,391 896,000 6,234,461 <hr/> 8,392,762 149,740 24,947 24,781 512,067 <hr/> 4,256,474 4,082,591 1,282,636 <hr/> 10,333,236 \$ 18,725,998		

CITY OF SIDNEY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund	CDBG Fund	Capital Improvement Fund
REVENUES:					
Local taxes	\$ 1,634,536	\$ -	\$ 12,564,001	\$ -	\$ -
Intergovernmental revenues	1,423,303	1,128,361	-	456,116	554,572
Special assessments	235,731	-	-	-	-
Charges for services	1,426,919	36,896	-	-	-
Fines, licenses and permits	132,500	-	-	-	-
Investment income	514,161	11,765	-	4,293	115
Miscellaneous receipts and reimbursement	96,059	149,121	195	-	26,389
Total revenues	<u>5,463,209</u>	<u>1,326,143</u>	<u>12,564,196</u>	<u>460,409</u>	<u>581,076</u>
EXPENDITURES:					
Current:					
General government	1,502,976	-	213,500	-	-
Police	5,783,712	-	-	-	-
Fire	4,303,371	-	-	-	-
Judicial	1,322,569	-	-	-	-
Health	-	-	-	-	-
Street repair and maintenance	-	1,346,564	-	-	-
Community development	133,503	-	-	134,442	-
Community environment	1,035,420	-	-	-	-
Parks and recreation	1,361,559	-	-	-	-
Basic utility services	-	-	-	-	-
Capital outlay	19,937	-	-	319,908	3,107,249
Debt service:					
Principal	-	-	-	-	435,000
Interest	-	-	-	-	369,535
Total expenditures	<u>15,463,047</u>	<u>1,346,564</u>	<u>213,500</u>	<u>454,350</u>	<u>3,911,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,999,838)</u>	<u>(20,421)</u>	<u>12,350,696</u>	<u>6,059</u>	<u>(3,330,708)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	9,843,478	-	-	-	3,310,870
Sale of capital assets	-	-	-	-	26,392
Transfers out	<u>(1,643,871)</u>	<u>(32,000)</u>	<u>(12,304,348)</u>	<u>-</u>	<u>(94,909)</u>
Total other financing sources (uses)	<u>8,199,607</u>	<u>(32,000)</u>	<u>(12,304,348)</u>	<u>-</u>	<u>3,242,353</u>
Net change in fund balances	(1,800,231)	(52,421)	46,348	6,059	(88,355)
Fund balances, beginning of year	<u>6,254,789</u>	<u>530,740</u>	<u>1,785,025</u>	<u>157,452</u>	<u>1,558,947</u>
Fund balances, end of year	<u>\$ 4,454,558</u>	<u>\$ 478,319</u>	<u>\$ 1,831,373</u>	<u>\$ 163,511</u>	<u>\$ 1,470,592</u>

See Notes to the Basic Financial Statements.

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

		Net change in fund balances - total governmental funds	\$ (2,625,742)
		<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
		Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
		Capital asset additions	3,129,728
		Current year depreciation	(2,613,345)
		Governmental funds report the sale of assets only to the extent proceeds are received. In the Statement of Activities, gains are reported in General revenues and losses are included in Expenses of Governmental Activities.	
		Proceeds from sale of assets	(26,392)
		Gain on sale of assets	4,070
		Governmental funds do not report transfers of capital assets to or from proprietary funds. In the Statement of Activities, these are reported as transfers.	
		Net book value of transfers:	
		From governmental funds to proprietary funds	(529,958)
		From governmental funds to internal service funds	(19,147)
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
		Income taxes	(58,448)
		Investment income	(46,792)
		Other revenue	(398,344)
		Contribution of capital assets	114,802
		Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	435,000
		Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
		Vacation and sick leave benefits	(140,334)
		Interest payable	(11,250)
		Unfunded pension liability	6,903
		Unamortized bond issuance costs	(6,039)
		Internal service funds are used by management to charge the costs of certain activities, such as the central garage, to individual funds. The net revenue (expense) of the internal service funds related to governmental activities is reported with governmental activities.	(29,022)
		Change in net assets of governmental activities	\$ (2,814,310)

Non-major Governmental Funds	Total Governmental Funds
\$ 140,058	\$ 14,338,595
323,631	3,885,983
9,314	245,045
207,547	1,671,362
108,158	240,658
80,553	610,887
32,925	304,689
<u>902,186</u>	<u>21,297,219</u>
37,862	1,754,338
68,491	5,852,203
-	4,303,371
116,345	1,438,914
220,980	220,980
138,124	1,484,688
738,146	1,006,091
49,462	1,084,882
61,429	1,422,988
23,543	23,543
592,236	4,039,330
-	435,000
-	<u>369,535</u>
<u>2,046,618</u>	<u>23,435,863</u>
<u>(1,144,432)</u>	<u>(2,138,644)</u>
417,290	13,571,638
-	26,392
<u>(10,000)</u>	<u>(14,085,128)</u>
<u>407,290</u>	<u>(487,098)</u>
(737,142)	(2,625,742)
<u>2,672,025</u>	<u>12,958,978</u>
<u>\$ 1,934,883</u>	<u>\$ 10,333,236</u>

**CITY OF SIDNEY, OHIO
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2008**

	Business-type Activities					Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Stormwater	Non-major Enterprise Funds		
ASSETS							
Current assets:							
Cash	\$ 818,428	\$ 457,443	\$ 77,518	\$ 32,620	\$ 63,867	\$ 1,449,876	\$ 23,178
Pooled investments	1,984,581	1,109,240	188,064	79,139	154,946	3,515,970	56,232
Restricted cash and cash equivalents	160,420	-	-	-	-	160,420	-
Receivables:							
Accounts	568,336	582,047	160,404	49,531	15,727	1,376,045	-
Interest	30,277	17,478	-	-	-	47,755	-
Loans	-	8,299	-	-	-	8,299	-
Other	3,270	57,691	-	-	979	61,940	-
Receivables from other governments	-	-	-	-	262,758	262,758	-
Inventory	142,698	45,229	-	13,929	18,950	220,806	40,666
Due from other funds	9,517	3,582	-	1,404	-	14,503	-
Bond issuance costs	-	33,430	-	-	-	33,430	-
Prepaid items	14,204	6,754	-	4,347	1,009	26,314	26,083
Total current assets	<u>3,731,731</u>	<u>2,321,193</u>	<u>425,986</u>	<u>180,970</u>	<u>518,236</u>	<u>7,178,116</u>	<u>146,159</u>
Noncurrent assets:							
Capital assets:							
Capital assets not subject to depreciation:							
Land	143,179	126,320	-	-	466,194	735,693	-
Construction in progress	425,784	-	-	-	1,167,323	1,593,107	-
Capital assets net of accumulated depreciation							
	<u>7,100,477</u>	<u>20,529,872</u>	<u>-</u>	<u>5,615,083</u>	<u>2,474,504</u>	<u>35,719,936</u>	<u>620,491</u>
Total noncurrent assets	<u>7,669,440</u>	<u>20,656,192</u>	<u>-</u>	<u>5,615,083</u>	<u>4,108,021</u>	<u>38,048,736</u>	<u>620,491</u>
Total assets	<u>\$ 11,401,171</u>	<u>\$ 22,977,385</u>	<u>\$ 425,986</u>	<u>\$ 5,796,053</u>	<u>\$ 4,626,257</u>	<u>\$ 45,226,852</u>	<u>\$ 766,650</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 274,643	\$ 77,614	\$ 158,697	\$ 11,435	\$ 391,708	\$ 914,097	\$ 34,454
Salaries and benefits payable	64,698	48,710	-	8,964	20,143	142,515	20,626
Notes Payable	650,000	-	-	-	-	650,000	-
Current portion of long term debt	-	350,000	-	-	-	350,000	-
Compensated absences	13,480	1,548	-	143	116	15,287	-
Deferred revenue	-	-	153,277	-	-	153,277	-
Refundable deposits	114,375	-	-	-	-	114,375	-
Accrued interest payable	9,256	24,319	-	-	-	33,575	-
	<u>1,126,452</u>	<u>502,191</u>	<u>311,974</u>	<u>20,542</u>	<u>411,967</u>	<u>2,373,126</u>	<u>55,080</u>
Noncurrent liabilities:							
Noncurrent portion of long term debt	-	6,135,000	-	-	-	6,135,000	-
Compensated absences	235,936	93,477	-	15,342	34,685	379,440	12,869
Total noncurrent liabilities	<u>235,936</u>	<u>6,228,477</u>	<u>-</u>	<u>15,342</u>	<u>34,685</u>	<u>6,514,440</u>	<u>12,869</u>
Total liabilities	<u>1,362,388</u>	<u>6,730,668</u>	<u>311,974</u>	<u>35,884</u>	<u>446,652</u>	<u>8,887,566</u>	<u>67,949</u>
NET ASSETS							
Invested in capital assets, net of related debt	7,179,860	14,171,192	-	5,615,083	4,108,021	31,074,156	620,491
Restricted	160,420	-	-	-	-	160,420	-
Unrestricted	2,698,503	2,075,525	114,012	145,086	71,584	5,104,710	78,210
Total net assets	<u>10,038,783</u>	<u>16,246,717</u>	<u>114,012</u>	<u>5,760,169</u>	<u>4,179,605</u>	<u>36,339,286</u>	<u>698,701</u>
Total liabilities and net assets	<u>\$ 11,401,171</u>	<u>\$ 22,977,385</u>	<u>\$ 425,986</u>	<u>\$ 5,796,053</u>	<u>\$ 4,626,257</u>	<u>\$ 45,226,852</u>	<u>\$ 766,650</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(176,004)	
Total net assets from above						<u>36,339,286</u>	
Net assets of business-type activities						<u>\$ 36,163,282</u>	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities					Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Stormwater	Non-major Enterprise Funds		
OPERATING REVENUES:							
Charges for services	\$ 3,234,268	\$ 3,283,540	\$ 1,016,660	\$ 315,584	\$ 494,777	\$ 8,344,829	\$ 1,427,676
Other revenue	<u>220,727</u>	<u>3,583</u>	<u>-</u>	<u>1,404</u>	<u>19,245</u>	<u>244,959</u>	<u>1,269</u>
Total operating revenues	<u>3,454,995</u>	<u>3,287,123</u>	<u>1,016,660</u>	<u>316,988</u>	<u>514,022</u>	<u>8,589,788</u>	<u>1,428,945</u>
OPERATING EXPENSES:							
Personal services	1,513,005	1,151,928	-	223,442	532,908	3,421,283	485,982
Operations and maintenance	1,718,607	1,445,206	1,002,478	108,804	701,482	4,976,577	912,709
Depreciation	<u>342,522</u>	<u>913,382</u>	<u>-</u>	<u>206,161</u>	<u>196,309</u>	<u>1,658,374</u>	<u>92,481</u>
Total operating expenses	<u>3,574,134</u>	<u>3,510,516</u>	<u>1,002,478</u>	<u>538,407</u>	<u>1,430,699</u>	<u>10,056,234</u>	<u>1,491,172</u>
Operating income (loss)	<u>(119,139)</u>	<u>(223,393)</u>	<u>14,182</u>	<u>(221,419)</u>	<u>(916,677)</u>	<u>(1,466,446)</u>	<u>(62,227)</u>
NONOPERATING REVENUES (EXPENSES):							
Investment income	135,966	91,992	-	-	-	227,958	-
Intergovernmental	-	34,569	-	-	1,318,077	1,352,646	-
Gain (loss) on disposal of assets	-	-	-	-	4,350	4,350	-
Interest expense	<u>-</u>	<u>(298,172)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(298,172)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>135,966</u>	<u>(171,611)</u>	<u>-</u>	<u>-</u>	<u>1,322,427</u>	<u>1,286,782</u>	<u>-</u>
Income (loss) before contributions and transfers	16,827	(395,004)	14,182	(221,419)	405,750	(179,664)	(62,227)
Capital contributions	200,501	236,303	-	-	93,154	529,958	19,147
Capital reimbursement	-	625,500	-	-	-	625,500	-
Transfers out	(84,346)	(14,000)	(49,369)	-	(1,490)	(149,205)	(5,594)
Transfers in	<u>-</u>	<u>3,588</u>	<u>-</u>	<u>152,758</u>	<u>506,349</u>	<u>662,695</u>	<u>5,594</u>
Change in net assets	132,982	456,387	(35,187)	(68,661)	1,003,763	1,489,284	(43,080)
Total net assets - beginning of year	<u>9,905,801</u>	<u>15,790,330</u>	<u>149,199</u>	<u>5,828,830</u>	<u>3,175,842</u>		<u>741,781</u>
Total net assets - end of year	<u>\$ 10,038,783</u>	<u>\$ 16,246,717</u>	<u>\$ 114,012</u>	<u>\$ 5,760,169</u>	<u>\$ 4,179,605</u>		<u>\$ 698,701</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(14,058)	
Change in net assets of business-type activities						<u>\$ 1,475,226</u>	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities					Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Stormwater	Non-major Enterprise Funds		
Cash flows from operating activities:							
Receipts from customers and users	\$ 3,306,412	\$ 3,449,173	\$ 1,015,257	\$ 239,469	\$ 616,498	\$ 8,626,809	\$ -
Receipts from interfund services	296,919	4,486	-	72,972	-	374,377	1,428,945
Payments to suppliers	(1,129,346)	(893,360)	(907,779)	(71,945)	(713,580)	(3,716,010)	(863,090)
Payments to employees	(1,509,363)	(1,140,357)	-	(245,844)	(535,455)	(3,431,019)	(484,673)
Payments for interfund services used	(531,395)	(557,979)	(98,702)	(45,727)	(188,070)	(1,421,873)	(46,109)
Net cash provided by (used for) operating activities	433,227	861,963	8,776	(51,075)	(820,607)	432,284	35,073
Cash flows from noncapital financing activities:							
Transfers in	-	-	-	122,000	456,980	578,980	-
Transfers out	(50,000)	(14,000)	-	-	(1,490)	(65,490)	-
Capital reimbursement	-	625,500	-	-	-	625,500	-
Intergovernmental	-	34,569	-	-	1,318,077	1,352,646	-
Net cash provided by (used for) noncapital financing activities	(50,000)	646,069	-	122,000	1,773,567	2,491,636	-
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(261,983)	(436,591)	-	(59,236)	(877,615)	(1,635,425)	(30,641)
Proceeds from sale of capital assets	-	-	-	-	4,350	4,350	-
Note Proceeds	650,000	-	-	-	650,000	650,000	-
Principal paid on capital debt	(200,000)	(965,500)	-	-	-	(1,165,500)	-
Interest paid on capital debt	-	(309,571)	-	-	-	(309,571)	-
Net cash provided by (used for) capital and related financing activities	188,017	(1,711,662)	-	(59,236)	(873,265)	(2,456,146)	(30,641)
Cash flows from investing activities:							
Proceeds from sales and maturities of investments	1,158,985	1,065,263	93,250	121,676	36,852	2,476,026	22,487
Purchase of investments	(1,264,967)	(767,330)	(67,170)	(117,369)	(75,791)	(2,292,627)	(16,197)
Interest on investments	153,502	116,178	-	-	-	269,680	-
Net cash provided by investing activities	47,520	414,111	26,080	4,307	(38,939)	453,079	6,290
Net increase in cash and cash equivalents	618,764	210,481	34,856	15,996	40,756	920,853	10,722
Cash and cash equivalents, beginning of year	360,084	246,962	42,662	16,624	23,111	689,443	12,456
Cash and cash equivalents, end of year	\$ 978,848	\$ 457,443	\$ 77,518	\$ 32,620	\$ 63,867	\$ 1,610,296	\$ 23,178

See Notes to the Basic Financial Statements.

(continued)

CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities					Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Stormwater	Non-major Enterprise Funds		
\$ (119,139) \$	(223,393) \$	14,182 \$	(221,419) \$	(916,677) \$	(1,466,446) \$	(62,227)	
342,522	913,382	-	206,161	196,309	1,658,374	92,481	
59,360	(15,713)	(81,477)	(3,143)	26,302	(14,671)	-	
2,930	57,830	-	-	(96,528)	(35,768)	-	
102,483	124,418	-	(1,404)	-	225,497	-	
44	6,823	-	(4,053)	660	3,474	60	
21,579	7,324	-	1,158	(18,950)	11,111	(7,554)	
36,244	(20,279)	(4,003)	(5,973)	(9,176)	(3,187)	11,004	
3,642	11,571	-	(22,402)	(2,547)	(9,736)	1,309	
(16,438)	-	-	-	-	(16,438)	-	
-	-	80,074	-	-	80,074	-	
\$ 433,227 \$	\$ 861,963 \$	\$ 8,776 \$	\$ (51,075) \$	\$ (820,607) \$	\$ 432,284 \$	\$ 35,073	

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	
Change in assets and liabilities:	
Accounts receivable	
Other receivables	
Due from other funds	
Prepaid items	
Inventory	
Accounts payable	
Salaries and benefits payable and compensated absences	
Refundable deposits	
Deferred revenue	

Net cash provided (used) by operating activities

Noncash investing, capital and financing activities:

Purchase of equipment on account	
Contributions of capital assets from governmental funds	
Transfer net book value of equipment	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008

	<u>Agency Funds</u>
ASSETS	
Pooled cash	\$ 10,906
Pooled investments	26,479
Municipal Court checking account	171,765
Accounts receivable	<u>7,980</u>
Total assets	<u>\$ 217,130</u>
LIABILITIES	
Due to employees	\$ 6,232
Due to other governments	114,265
Undistributed monies	<u>96,633</u>
Total liabilities	<u>\$ 217,130</u>

See Notes to the Basic Financial Statements

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

1. Summary of Significant Accounting Policies:

A. Reporting Entity

The City of Sidney, Ohio (City) is a political unit incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The City was incorporated in 1820, and has a Council-Manager form of government. The City provides the following services: public safety (police and fire), highways and streets, water, sewer, sanitation, recreation, public transportation, public improvements, planning and zoning and general administrative services.

For financial reporting purposes, the City includes in this report all funds, agencies, boards, commissions, and departments in accordance with criteria established in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39. Under the provisions of GASB Statement No. 14 (as amended), the City of Sidney is the primary government, since it is a general purpose government that has a separate elected governing body; functions as a separate legal entity; and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the City may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue debt. As required by accounting principles generally accepted in the United States of America, these basic financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data is combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There are no blended or discretely presented component units at December 31, 2008.

Certain units of local governments, over which the City exercises no authority, such as the Shelby County Library District, Shelby County Health District and Upper Valley Joint Vocational School, are other local governmental and non-profit entities with independent elected officials and are excluded from the accompanying basic financial statements. The City is not a component unit of any other entity and does not have any component units, which require inclusion in the basic financial statements.

Other local governments and non-profit entities that overlap the City's boundaries are Shelby County and the Sidney City School District. These entities do not meet the reporting entity criteria and, therefore, are not included in the City's financial reports.

B. Basis of Presentation

Government-wide financial statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements distinguish between activities that are governmental in nature, which are normally supported by taxes and intergovernmental revenues; and business-type activities, which rely to a significant extent upon fees and charges for support. As a general rule the effect of interfund activity has been eliminated from the government-wide financial

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

statements. Exceptions to this general rule are charges between the government's water, sewer, and solid waste function. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The government-wide financial statements do not include the assets and liabilities of the City's agency funds.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the City and for each governmental program. Program revenues include charges paid by the recipients of the goods or services as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business-type segment is self-supporting or relies upon general revenues of the City.

The caption "Capital assets, net of related debt" consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Net assets are reported as restricted when constraints placed upon their use are either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use. When both restricted and non-restricted resources are available for use, it is the City's policy to use non-restricted resources first, then restricted resources, as they are needed.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported in separate columns in the fund financial statements. All other funds are aggregated and reported as non-major governmental or non-major enterprise funds.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America for local governments as prescribed by the GASB.

The accounts of the City are organized on the basis of funds, 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). Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions.

Governmental Funds

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

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The City reports the following major governmental funds:

General Fund - The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the City Charter and/or the general laws of the State of Ohio.

Street Repair & Maintenance Fund – To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

Municipal Income Tax Fund – To account for the collection, collection costs and distribution of City-levied income tax.

C.D.B.G. Fund – To account for state funds and federal funds passed through state agencies for community development activities.

Capital Improvement Fund – To account for the income tax resources earmarked for capital improvements used for general improvement of all City facilities and operations.

Proprietary (Business-type) Funds

The proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports the following major proprietary funds:

Water Fund – Accounts for the operation of the waterworks distribution system and related expenses, including capital improvement and debt service. The operation is exclusively financed by customer user charges.

Sewer Fund – Accounts for the operation of the sanitary sewer collection and treatment system and related expenses, including capital improvement and debt service. The operation is exclusively financed by customer user charges.

Solid Waste Fund - Accounts for the operation of the solid waste collection system and related expenses, including capital improvements. The operations are financed through user charges.

Stormwater Fund - Accounts for the operation and maintenance of the stormwater system, and related expenses, including capital improvement. The operations are financed through user charges and a subsidy from the General Fund.

Additionally, the City reports the following fund types:

Internal service funds – Account for services, such as information management, vehicle maintenance, and service center operations, provided to other departments of the City on a

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cost-reimbursement basis.

Fiduciary funds – Generally are used to account for assets held in a fiduciary capacity on behalf of others. The City holds assets in agency funds for four other entities: (1) municipal court, (2) City employees' medical reimbursement plan, (3) Village of Port Jefferson's sewer bills, and (4) the Great Miami River Watershed Protection Project.

C. Basis of Accounting

Governmental Funds. The accounting and financial reporting treatment that applies to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current financial resources.

The modified accrual basis of accounting is used for all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues available if they are collected within 30 days after year end. Expenditures are recorded generally when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, income taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Fines, permits and parking meter revenues are not susceptible to accrual because they are generally not measurable until received in cash.

The City reports deferred revenues on its governmental funds' balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Because governmental funds' financial statements use a different measurement focus and basis of accounting than the government-wide statements, governmental funds' financial statements include reconciliations to the government-wide statements.

Proprietary Funds. All proprietary funds – enterprise funds and internal service funds - are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing

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services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Agency Funds. The agency funds, being custodial in nature, are merely "assets equal liabilities" and, thus, do not involve the measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The City follows procedures prescribed by State law in establishing the budgetary data reflected in the financial statements as follows:

- (1) The County Budget Commission has suspended the requirement to prepare a tax budget. In lieu of the tax budget, about January 1 of each year, the City will submit to the Budget Commission a report of estimated revenue and actual unencumbered cash balances by fund. Thereafter, the County Budget Commission will issue an Official Certificate of Estimated Resources (OCER).
- (2) Unencumbered appropriations lapse at year-end. No contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Finance Officer first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract.
- (3) All funds of the City have annual budgets legally adopted by the City Council.

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an ordinance. The appropriations ordinance controls expenditures at the level of (1) personal services and (2) contractual, materials and other. Council can amend the budget at the legal level of control, through the passage of supplemental ordinances. Management can amend appropriations below this level without council approval. Supplemental appropriations to the original appropriations ordinance were made during the year, but were not material in relation to the original appropriations.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances, since they do not constitute expenditures or liabilities.

While reporting financial position, results of operations and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

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Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis for the General Fund and major special revenue funds are presented on the budgetary basis in the Required Supplementary Information to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

E. Cash and Cash Equivalents

To improve cash management, most of the cash received by the City is pooled. The exceptions to this policy are as follows:

- Municipal Court, an agency fund, maintains its deposits in a separate checking account.
- An outside agency, Shelby County, is holding cash deposits for the County Auto License Fund.
- Escrow deposit is being held for the Ohio Department of Transportation (ODOT).

Monies for all other funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Pooled Cash" on the balance sheet.

For purposes of the statements of cash flows and for presentation on the statement of net assets/balance sheet, investments with an original maturity of three months or less and restricted cash are considered to be cash equivalents.

F. Pooled Investments

All investments of the City are recorded at fair value, in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The statement established accounting and reporting guidelines for government investments and investment pools. Interest earnings from investments are allocated to the General Fund except for funds derived from contract, trust agreement, grant terms or City policy which require crediting otherwise.

During the year, the City invested in STAROhio, an investment pool managed by the State Treasurer's Office. STAROhio, which allows governments within the State to pool their funds for investment purposes, is not registered with the Securities Exchange Commission (SEC) as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investments Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2008.

G. Inventory and Prepaid Items

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Inventory is valued at cost using the first-in/first out (FIFO) method. The proprietary funds' inventories are recorded as expenses 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 purchased. Reported inventories are offset by a fund balance reserve, which indicates they do not constitute "available spendable resources," and are not available for appropriations.

Payments made to vendors for services that will benefit periods beyond December 31, 2008 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

H. Capital Assets

Capital assets include land, improvements to land, buildings, building improvements, machinery, equipment, infrastructure and all other assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, sidewalks, and similar items.

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

All capital assets are valued at historical cost, or estimated historical cost, if actual cost is not available. Donated capital assets are valued at their estimated fair market value at the time received. Interest incurred during the construction phase of capital assets of business-type activities and proprietary funds is capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the various classes of depreciable capital assets are as follows:

<u>Description</u>	<u>Estimated Useful Life (In Years)</u>
Land improvements	10 to 25
Buildings and improvements	10 to 45
Machinery and equipment	3 to 20
Infrastructure	23 to 50

I. Bond Issuance Costs

Bond issuance costs are deferred and amortized over the terms of the bonds using methods that approximate the effective interest method. Issuance costs at December 31, 2008 amounted to \$104,721 net of accumulated amortization of \$68,098. These costs are included in the accompanying government-wide financial statements.

J. Compensated Absences

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City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

Vested vacation and sick leave is recorded as an expense in the government-wide statements for the period in which such leave was earned. For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences" in the separation pay fund.

Payment of vacation and sick leave recorded in the government-wide financial statements is dependent upon many factors; therefore, timing of future payments is not readily determinable. Management believes that sufficient resources will be made available when payment is due.

K. Pensions

The provision for pension costs are recorded when the related payroll is accrued and the obligation is incurred.

L. Reserves and Designations

Reserves are portions of fund equity that are not appropriable for expenditures/expenses or that are legally restricted to a specific future use, or both.

Designations are tentative plans for financial resource use in a future period. Such plans or intentions are subject to change. They may never be legally authorized or result in expenditures.

M. Grants and Other Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. All other reimbursement-type grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

N. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. Financial Disclosure

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Private-sector standards of accounting and reporting issued on or before November 30, 1989, are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and proprietary funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

P. Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenditure/expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents:

The City maintains a cash deposit and investment pool for all funds, except for the following:

- Municipal Court, an agency fund, maintains its deposits in a separate checking account.
- An outside agency, Shelby County, is holding cash deposits for the County Auto License Fund.
- Escrow deposit is being held for the Ohio Department of Transportation (ODOT). The deposit will be used for 20% of a road resurfacing project. The work has been completed, but the deposit has not yet been withdrawn.
- Imprest cash held on hand and was \$3,100 at December 31, 2008.

At December 31, 2008 the carrying amount of the City's deposits was \$4,251,761 and the bank balance was \$4,687,736. Of the bank balance:

1. \$690,902 was covered by federal depository insurance;
2. \$2,814,510 was collateralized with securities held by the pledging financial institution's trust departments or agents, but not in the City's name.
3. \$1,182,324 was collateralized with securities held by the pledging financial institution's trust department or agents in the City's name.

3. Pooled Investments:

Each fund's share of investments is shown separately on the combined balance sheet as "pooled investments." Income accrued on investments is shown collectively by fund on the balance sheet as "accrued interest receivable."

The State of Ohio by statute has established collateral requirements for financial institutions acting as public depositories. The public depositories must either pledge specific qualified securities with a market value of at least equal to 102% of the total amount of all public deposits to be secured, or pledge a pool of collateral with a market value of at least 105% of the total amount of public deposits secured. Pooled securities so pledged provide the equivalent of a deposit insurance fund. This approach protects all public entities against a single public depository collapse. The state has implemented collateral pools to minimize the interest penalty to public entities for protecting public deposits.

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All investments are reported at fair value which is based on quoted market prices.

The City's Pooled investments consisted of the following at December 31, 2008:

	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>	<u>% of Total Pool</u>
U.S. agencies and government-sponsored Corporations	11,178,274	3.58	93.8%
Star Ohio	<u>736,300</u>	N/A	<u>6.2%</u>
 Total pooled investments	 <u>\$ 11,914,574</u>		 <u>100.0%</u>
 Portfolio weighted average maturity		 <u>3.58</u>	

Interest Rate Risk. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. In accordance with its investment policy, the City manages its exposure to declines in fair values by not directly investing in securities maturing more than 5 years from the date of purchase unless matched to a specific cash flow requirement.

Credit Risk. As of December 31, 2008, the City's investments in U.S. agencies (not explicitly guaranteed by the U.S. government) and government-sponsored corporations were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. Star Ohio was rated AAAM by Standard & Poor's. The City's investment policy is silent regarding credit risk of investments.

Custodial Credit Risk. The ORC, the City's charter, and the City's investment policy authorize the City to invest in the State Treasury Asset Reserve of Ohio (STAROhio), certificates of deposit, repurchase agreements, United States treasury bills and notes, notes issued by United States agencies and government-sponsored corporations, bankers' acceptances and commercial paper of the highest rating. The above legislative investment policy applies to all funds and fund types. All deposits are made to authorized public depositories and contracts with such institutions that are in accordance with the ORC and the City's charter.

Concentration of Credit Risk. To avoid over-concentration in securities from a specific issuer or business sector (excluding securities of the U.S. Treasury, U.S. government-sponsored agencies, and U.S. government-sponsored corporations), the City has established the following maximum allocations based on investments valued at cost:

Certificates of Deposit	40%
Commercial Paper and Banker Acceptances	25%
Repurchase agreements, money market funds, STAR Ohio, and NOW accounts	50%

Investments in any one issuer that represent 5% or more of the total investments (excluding cash and cash equivalents) at December 31, 2008 include:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
U.S. Government-Sponsored Corporations: Federal Home Loan Bank	\$ 11,178,274	93.8%

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4. Income Taxes:

Municipalities within the State of Ohio are permitted by state statute to levy an income tax up to a maximum rate of 1% subject to the approval of the local legislative body. Any rate in excess of 1% requires the approval of a majority of the eligible voters residing within the municipal corporation. The City of Sidney levies a permanent 1.5% tax on all wages, salaries, commissions and other compensation paid by employers and the net profits from a business or professional person earned within the City, excluding income from intangible personal property. In addition, City residents pay City income tax on income earned outside the City, net of a credit for income taxes paid to other municipalities.

5. Property Taxes:

Property taxes are levied against all real, public utility and tangible (used in business) property located in the City.

Revenues from property taxes are used by the City pursuant to state statutes for General Fund operations and as a partial provision for payment of accrued police and fire pension costs.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% (10 mills) of assessed value without a vote of the people. Under current procedures, the City's share is 0.320% (3.2 mills) of assessed value, including .6 mills to fund the police and fire unfunded pension liability.

Real property and public utility taxes collected during 2008 were levied on December 31, 2007 on assessed values listed as of January 1, 2007, the lien date. One-half of these taxes were due on February 14, 2008, with the remaining balance due on July 20, 2008.

Tangible personal property taxes collected during 2008 had a levy date of December 31, 2007. In prior years, tangible personal property assessments were twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Tangible personal property tax is being phased out – the assessment percentage for property, including inventory, is 6.25% for 2008. This percentage will be reduced to zero for 2009. One-half of these taxes were due between February 14, 2008, and April 30, 2008, with the remaining balance due on October 20, 2008.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone, and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2010, the City will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Assessed values of real property are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years with equalization adjustments in the third year following reappraisal. The last revaluation was completed in 2005. Public utility property taxes are assessed on tangible personal property as well as land and improvements at true value (50% of cost). Tangible personal property assessments are 25% of true value. The assessed value for 2007 upon which the 2008 levy was based was approximately \$395,352,640. The assessed value for 2008 upon which the 2009 levy will be based is

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approximately \$376,375,950.

The Shelby County Treasurer collects property taxes on behalf of all taxing districts, including the City of Sidney. The County Auditor periodically remits to the City its portion of taxes collected.

6. Capital Assets:

Capital asset activity for the year ended December 31, 2008 was as follows:

Governmental activities:

	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 7,514,688	\$ 82,994	\$ -	\$ 30,962	\$ 7,628,644
Construction in progress	805,981	172,923	-	(268,652)	710,252
Subtotal	<u>8,320,669</u>	<u>255,917</u>	<u>-</u>	<u>(237,690)</u>	<u>8,338,896</u>
<i>Capital assets being depreciated:</i>					
Buildings and improvements	16,747,377	315,095	-	159,075	17,221,547
Machinery and equipment	8,645,768	776,234	(235,386)	54,856	9,241,472
General infrastructure	39,686,942	1,401,092	-	-	41,088,034
Subtotal	<u>65,080,087</u>	<u>2,492,421</u>	<u>(235,386)</u>	<u>213,931</u>	<u>67,551,053</u>
Totals at historical cost	<u>73,400,756</u>	<u>2,748,338</u>	<u>(235,386)</u>	<u>(23,759)</u>	<u>75,889,949</u>
<i>Less accumulated depreciation for:</i>					
Buildings and improvements	3,590,167	422,069	-	-	4,012,236
Machinery and equipment	5,295,177	732,300	(213,064)	(20,634)	5,793,779
General infrastructure	12,151,564	1,551,457	-	-	13,703,021
Total accumulated depreciation	<u>21,036,908</u>	<u>2,705,826</u>	<u>(213,064)</u>	<u>(20,634)</u>	<u>23,509,036</u>
Net capital assets	<u>\$ 52,363,848</u>	<u>\$ 42,512</u>	<u>\$ (22,322)</u>	<u>\$ (3,125)</u>	<u>\$ 52,380,913</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 98,775
Police	344,463
Fire	253,973
Judicial	133,473
Health	14,527
Street repairs and maintenance	1,621,597
Community development	3,710
Community environment	40,439
Parks and recreation	<u>172,519</u>

Total governmental activities depreciation expense \$ 2,683,476

Portion of internal service funds' depreciation allocable to business-type activities 22,350

Total additions to accumulated depreciation of governmental activities \$ 2,705,826

Business-type activities:

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	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 582,164	\$ 148,029	\$ -	\$ 5,500	\$ 735,693
Construction in progress	134,717	1,511,672	-	(53,282)	1,593,107
Subtotal	<u>716,881</u>	<u>1,659,701</u>	<u>-</u>	<u>(47,782)</u>	<u>2,328,800</u>
<i>Capital assets being depreciated:</i>					
Buildings, improvements and infrastructure	51,711,405	606,941	-	47,782	52,366,128
Machinery and equipment	8,972,983	486,260	(43,121)	23,759	9,439,881
Subtotal	<u>60,684,388</u>	<u>1,093,201</u>	<u>(43,121)</u>	<u>71,541</u>	<u>61,806,009</u>
Totals at historical cost	<u>61,401,269</u>	<u>2,752,902</u>	<u>(43,121)</u>	<u>23,759</u>	<u>64,134,809</u>
<i>Less accumulated depreciation for:</i>					
Buildings, improvements and infrastructure	18,067,141	1,195,510	-	-	19,262,651
Machinery and equipment	6,383,045	462,864	(43,121)	20,634	6,823,422
Total accumulated depreciation	<u>24,450,186</u>	<u>1,658,374</u>	<u>(43,121)</u>	<u>20,634</u>	<u>26,086,073</u>
Net capital assets	<u>\$ 36,951,083</u>	<u>\$ 1,094,528</u>	<u>\$ -</u>	<u>\$ 3,125</u>	<u>\$ 38,048,736</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 342,522
Sewer	913,382
Transportation	96,180
Stormwater	206,161
Yard waste	8,610
Airport	60,219
Swimming Pool	<u>31,300</u>
Total additions to accumulated depreciation of business-type activities	<u>\$ 1,658,374</u>

7. Pension Plans:

Both the Ohio Police and Fire Pension Fund and the Ohio Public Employees Retirement System are reported using GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers". Substantially all City employees are covered by one of the two plans, namely, the Ohio Police and Fire Pension Fund or the Ohio Public Employees Retirement System.

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

- 1) The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan.
- 2) The Member-Directed Plan – a defined contribution plan in which the member invests both

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- member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
- 3) The Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2008, the member and employer contribution rates were consistent across all three plans. The 2008 member contribution rates were 10.0%.

The 2008 employer contribution rate was 14.00% of covered payroll. The City's contributions, representing 100% of employer's contributions for the years ended December 31, 2008, 2007, and 2006 were \$1,220,268, \$1,001,171, and \$983,890, respectively.

Ohio Police and Fire Pension Fund

The City of Sidney contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to OP&F for the years ended December 31, 2008, 2007 and 2006 were \$1,130,941 \$1,092,279, and \$1,073,562, respectively, equal to the required contribution for each year.

The City also makes payments to OP&F for its portion of past service cost determined at the time the fund was established in the mid-1930's. As of December 31, 2008, the unfunded liability is payable, including principal and interest, in annual installments of \$21,672 through the year 2035. The principal balance of \$342,297 is accounted for as a noncurrent liability in the governmental activities column of the Statement of Net Assets. The State of Ohio assumed the liability for past service cost at the time OPERS was established.

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8. Post Employment Benefits:

A. Ohio Public Employees Retirement System

OPERS maintains a cost-sharing, multi-employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.00 of covered payroll, and public safety and law enforcement employers contributed at 17.40 percent. The ORC currently limits the employer contributions to a rate not to exceed 14.00 percent of covered payroll for state and local employer units and 18.10 percent for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The portion of the City's contributions that was used to fund post-employment benefits for the years ending December 31, 2008, 2007 and 2006, was \$610,134, \$401,533, and \$287,267 respectively.

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

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability or survivor 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 school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Post employment Benefit (OPEB) as described in GASB Statement No. 45. The Ohio Revised

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

Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care cost paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 6.75 percent of covered payroll was applied to the post employment health care program during 2008.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401(h) account, both of which are with the defined benefit pension plan, under authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The City's actual contributions for 2008, 2007 and 2006 that were used to fund post employment benefits were \$352,176, \$340,781 and \$384,455 for police and firefighters, respectively.

9. **Short-term Liabilities:**

The following is a summary of changes for short-term notes payable of the City for the year ended December 31, 2008:

	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008
Governmental activities:				
Capital improvement fund:				
TIF funds:				
<i>G.O. Bond Anticipation Notes, matures June 2009, 2.75%, Kuther Road TIF</i>	\$ -	\$ 246,000	\$ -	\$ 246,000
<i>G.O. Bond Anticipation Notes, matures June 2009, 2.75%, Menards TIF</i>	<u>-</u>	<u>650,000</u>	<u>-</u>	<u>650,000</u>
 Total Governmental Activities Short- term Liabilities	 <u>\$ -</u>	 <u>\$ 896,000</u>	 <u>\$ -</u>	 <u>\$ 896,000</u>
 Business-type activities:				
Water fund:				
<i>G.O. Bond Anticipation Notes, matures Aug 2008, 2.75%, Water Source</i>	\$ 200,000	\$ 650,000	\$ 200,000	\$ 650,000
Sewer fund:				
<i>G.O. Bond Anticipation Notes, matures Aug 2008, 2.75%</i>	<u>625,500</u>	<u>-</u>	<u>625,500</u>	<u>-</u>
Total	<u>\$ 825,500</u>	<u>\$ 650,000</u>	<u>\$ 825,500</u>	<u>\$ 650,000</u>

The general obligation bond anticipation notes (BANs) totaling \$625,500 outstanding at Jan. 1, 2008 matured during 2008. At that time, these notes, along with accrued interest of \$24,500, were re-issued for another one-year period, maturing June 2009. The original proceeds from these BANs were used to pay for the southwest sanitary sewer improvements. The BANs will eventually be rolled over into long-term bonds payable. The funds to pay for the bonds' debt service will come from the City's first tax incremental financing (TIF) arrangement, as recorded in the TIF-Menards

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

Fund.

Also, general obligation (BANs) totaling \$246,000, were issued in 2008. The proceeds from these BANs were used to pay for the Kuther Road sewer and water infrastructure. The BANs will eventually be rolled over into long-term bonds payable. The funds to pay for the bonds' debt service will come from the City's second tax incremental financing (TIF) arrangement, as recorded in the TIF-Kuther Road Fund.

The general obligation BANs issued during 2007 totaling \$200,000 was used to pay for well field testing of a potential new water source for the City. Specifically, the \$200,000 was used to fund the City's required match for a grant awarded by the Army Corp of Engineers. In 2008 another \$450,000 was added to this BANs totaling \$650,000 in reissued BANs. The new \$450,000 was to cover the additional testing costs of the potential new water source for the City. These BANs will eventually be rolled into long-term bonds payable.

10. Noncurrent Liabilities:

The following is a summary of changes for noncurrent liabilities of the City for the year ended December 31, 2008:

	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008	Due Within One Year
Governmental activities:					
Capital improvement fund:					
<i>G.O. bonds, 1998-2018, 3.25% to 5.0%, Monumental Bldg renovation</i>					
	\$ 1,790,000	\$ -	\$ 130,000	\$ 1,660,000	\$ 135,000
<i>G.O. bonds, 2005-2024, 4.0% to 4.7%, Police Facility Construction</i>					
	6,715,000	-	305,000	6,410,000	310,000
Accrued vacation and sick leave	1,300,296	1,113,235	960,032	1,453,499	70,500
Unfunded police/fire pension obligation	<u>349,200</u>	<u>-</u>	<u>6,903</u>	<u>342,297</u>	<u>7,000</u>
Total Governmental Activities					
Noncurrent Liabilities	<u>\$ 10,154,496</u>	<u>\$ 1,113,235</u>	<u>\$ 1,401,935</u>	<u>\$ 9,865,796</u>	<u>\$ 522,500</u>
Business-type activities:					
Sewer fund:					
<i>G.O. bonds, 2001-2022, 4.0% to 4.625%</i>					
	6,825,000	-	340,000	6,485,000	350,000
Accrued vacation and sick leave	<u>364,836</u>	<u>204,746</u>	<u>174,855</u>	<u>394,727</u>	<u>15,287</u>
Total	<u>\$ 7,189,836</u>	<u>\$ 204,746</u>	<u>\$ 514,855</u>	<u>\$ 6,879,727</u>	<u>\$ 365,287</u>

The full faith and credit of the City are pledged as collateral for all general obligation bonds. The Sewer Fund's general obligation bonds will be paid with sewer revenues generated from sewer rates.

Annual requirements to pay principal and interest on long-term debt at December 31, 2008 are:

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	445,000	350,835	350,000	292,611
2010	460,000	332,360	365,000	277,299
2011	475,000	313,260	375,000	261,330
2012	490,000	293,510	390,000	244,830
2013	505,000	273,135	405,000	227,670
2014-2018	2,835,000	1,028,685	2,320,000	849,450
2019-2023	2,330,000	453,320	2,280,000	269,869
2024-2025	530,000	24,910	-	-
Total	<u>\$ 8,070,000</u>	<u>\$ 3,070,015</u>	<u>\$ 6,485,000</u>	<u>\$ 2,423,059</u>

11. Contingent Liabilities:

The City is the defendant in various court actions, but either it is covered by insurance or the amount involved is not material in relation to the basic financial statements.

The City participates in several federally assisted programs (primarily Transportation and Community Development Block Grants) which are subject to program compliance audits by the grantors or their representatives. The grantor agencies, at their option, may perform economy and efficiency audits, program results audits or conduct monitoring visits. Such audits and visits could lead to reimbursement to the grantor agencies. Management believes such reimbursements, if any, would not be material.

12. Interfund Receivables and Payables:

Interfund balances in the basic financial statements at December 31, 2008 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 21,764	\$ -
Street Repair & Maintenance	38,124	-
Non-major governmental funds	-	74,391
Water	9,517	-
Sewer	3,582	-
Stormwater	1,404	-
	<u>\$ 74,391</u>	<u>\$ 74,391</u>

Interfund balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

13. Interfund Transfers:

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

Interfund transfers in the basic financial statements for the year ended December 31, 2008 were:

	<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General		\$ 9,843,478	\$ 1,643,871
Street repair and maintenance		-	32,000
Municipal income tax		-	12,304,348
Capital improvement		3,310,870	94,909
Non-major governmental funds		417,290	10,000
Internal service fund		5,594	5,594
Water		-	84,346
Sewer		3,588	14,000
Solid waste		-	49,369
Stormwater		152,758	-
Non-major enterprise funds		506,349	1,490
		<u>\$ 14,239,927</u>	<u>\$ 14,239,927</u>

All interfund transfers are routine in nature and are to subsidize the operations of the applicable funds. These transfers are in compliance with the City's charter and ordinances.

14. Risk Management:

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has joined the Miami Valley Risk Management Association, Inc. (MVRMA), a joint insurance pool. The pool consists of twenty municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

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

General Liability (including law enforcement)	\$10,000,000 per occurrence
Automobile Liability	\$10,000,000 per occurrence
Public Officials Liability	\$10,000,000 per occurrence
Boiler and Machinery	BLANKET COVERAGE
Property	BLANKET COVERAGE
Earthquake	\$25,000,000 per occurrence
Flood	\$25,000,000 per occurrence

There were no significant reductions in insurance coverage during the year in any category of risk. Settled claims did not exceed insurance coverage in each of the past three years.

15. Fund Deficit:

At December 31, 2008, the TIF-Kuther Rd Fund and the TIF-Menards Fund have a deficit balance

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

of \$227,148 and \$593,391, respectively. These fund deficits are due to the accrual of short-term notes payable on the modified accrual basis of accounting. The payments in lieu of taxes are not susceptible to accrual.

16. Subsequent Event:

Subsequent to year-end, the City is expected to issue various purpose general obligation bond anticipation notes (BANs) totaling \$1,570,000. The portions comprising this consolidated issuance will be as follows:

<u>Purpose</u>	<u>Amount</u>
Repay the \$650,000 general obligation BANs originally issued in 2007, now due to mature in June 2009. Original issuance to pay for well field testing on the potential new water source for the City.	\$670,000
Repay the \$650,000 general obligation BANs originally issued in 2006, now due to mature in June 2009. Original proceeds were used to pay for the southwest sanitary sewer system improvements. Debt service will come from the City's first tax incremental financing (TIF) arrangement.	\$670,000
Repay the general obligation BANs originally issued in 2007 to fund the water and sewer improvements on Kuther Road, now to mature in June 2009. Such improvements were necessary for the City's second TIF arrangement. Ultimate debt service from this issuance will come from the City's second TIF arrangement.	<u>\$230,000</u>
Total Bond Anticipation Note (BAN) issuance	<u>\$1,570,000</u>

These notes are expected to be issued on June 24, 2009 at an interest rate of 1.5%.

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 1,760,300	\$ 1,761,500	\$ 1,636,923	\$ (124,577)
Intergovernmental revenues	1,357,800	1,357,800	1,484,204	126,404
Special assessments	223,050	223,050	235,731	12,681
Charges for services	1,468,306	1,468,306	1,442,588	(25,718)
Fines, licenses and permits	142,700	142,700	135,965	(6,735)
Investment income	525,035	525,035	690,773	165,738
Miscellaneous receipts and reimbursements	-	-	-	-
	908,933	908,933	905,890	(3,043)
Total revenues	<u>6,386,124</u>	<u>6,387,324</u>	<u>6,532,074</u>	<u>144,750</u>
EXPENDITURES:				
Current:				
General government	2,530,696	2,487,476	2,355,377	132,099
Police	5,918,713	5,973,803	5,795,535	178,268
Fire	4,207,689	4,347,575	4,283,560	64,015
Judicial	1,392,297	1,386,147	1,356,853	29,294
Community development	132,901	138,901	134,992	3,909
Community environment	1,067,454	1,078,499	1,054,917	23,582
Parks and recreation	1,459,461	1,474,561	1,421,488	53,073
Capital outlay	26,500	23,100	21,744	1,356
Total expenditures	<u>16,735,711</u>	<u>16,910,062</u>	<u>16,424,466</u>	<u>485,596</u>
Deficiency of revenues under expenditures	<u>(10,349,587)</u>	<u>(10,522,738)</u>	<u>(9,892,392)</u>	<u>630,346</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	10,825,117	10,140,117	9,988,826	(151,291)
Transfers out	(1,563,171)	(1,643,871)	(1,643,871)	-
Total other financing sources	<u>9,261,946</u>	<u>8,496,246</u>	<u>8,344,955</u>	<u>(151,291)</u>
Net change in fund balance	(1,087,641)	(2,026,492)	(1,547,437)	479,055
Fund Balances, beginning of year	6,410,603	6,410,603	6,410,603	-
Prior Year Encumbrances	156,530	156,530	156,530	-
Fund Balances, end of year	<u>\$ 5,479,492</u>	<u>\$ 4,540,641</u>	<u>\$ 5,019,696</u>	<u>\$ 479,055</u>

See Notes to the Required Supplementary Information.

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
STREET REPAIR AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Intergovernmental revenues	\$ 1,264,203	\$ 1,264,203	\$ 1,143,695	\$ (120,508)
Miscellaneous receipts and reimbursements	131,700	131,700	179,408	47,708
Total revenues	<u>1,395,903</u>	<u>1,395,903</u>	<u>1,323,103</u>	<u>(72,800)</u>
EXPENDITURES:				
Current:				
Street repair & maintenance	1,445,628	1,601,874	1,543,794	58,080
Total expenditures	<u>1,445,628</u>	<u>1,601,874</u>	<u>1,543,794</u>	<u>58,080</u>
Excess of revenues over expenditures	<u>(49,725)</u>	<u>(205,971)</u>	<u>(220,691)</u>	<u>(14,720)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(32,000)</u>	<u>(32,000)</u>	<u>(32,000)</u>	<u>-</u>
Total other financing uses	<u>(32,000)</u>	<u>(32,000)</u>	<u>(32,000)</u>	<u>-</u>
Net change in fund balance	(81,725)	(237,971)	(252,691)	(14,720)
Fund Balances, beginning of year	407,923	407,923	407,923	-
Prior Year Encumbrances	<u>44,988</u>	<u>44,988</u>	<u>44,988</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 371,186</u>	<u>\$ 214,940</u>	<u>\$ 200,220</u>	<u>\$ (14,720)</u>

See Notes to the Required Supplementary Information.

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
MUNICIPAL INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 13,755,954	\$ 12,649,954	\$ 12,522,229	\$ (127,725)
Miscellaneous receipts and reimbursements	-	-	195	195
Total revenues	<u>13,755,954</u>	<u>12,649,954</u>	<u>12,522,424</u>	<u>(127,530)</u>
EXPENDITURES:				
Current:				
General government	<u>227,534</u>	<u>227,534</u>	<u>220,373</u>	<u>7,161</u>
Total expenditures	<u>227,534</u>	<u>227,534</u>	<u>220,373</u>	<u>7,161</u>
Excess of revenues over expenditures	<u>13,528,420</u>	<u>12,422,420</u>	<u>12,302,051</u>	<u>(120,369)</u>
OTHER FINANCING USES:				
Transfers out	<u>(13,531,396)</u>	<u>(13,031,396)</u>	<u>(12,486,033)</u>	<u>545,363</u>
Total other financing uses	<u>(13,531,396)</u>	<u>(13,031,396)</u>	<u>(12,486,033)</u>	<u>545,363</u>
Net change in fund balance	(2,976)	(608,976)	(183,982)	424,994
Fund Balances, beginning of year	828,875	828,875	828,875	-
Prior Year Encumbrances	<u>2,810</u>	<u>2,810</u>	<u>2,810</u>	-
Fund Balances, end of year	<u>\$ 828,709</u>	<u>\$ 222,709</u>	<u>\$ 647,703</u>	<u>\$ 424,994</u>

See Notes to the Required Supplementary Information.

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
CDBG FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Intergovernmental revenues	\$ 423,696	473,696	\$ 488,814	\$ 15,118
Miscellaneous receipts and reimbursements	4,500	4,500	6,363	1,863
Total revenues	<u>428,196</u>	<u>478,196</u>	<u>495,177</u>	<u>16,981</u>
EXPENDITURES:				
Current:				
General government	328,112	595,612	529,523	66,089
Total expenditures	<u>328,112</u>	<u>595,612</u>	<u>529,523</u>	<u>66,089</u>
Excess of revenues over expenditures	<u>100,084</u>	<u>(117,416)</u>	<u>(34,346)</u>	<u>83,070</u>
Fund Balances, beginning of year	133,718	133,718	133,718	-
Prior Year Encumbrances	<u>7,012</u>	<u>7,012</u>	<u>7,012</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 240,814</u>	<u>\$ 23,314</u>	<u>\$ 106,384</u>	<u>\$ 83,070</u>

See Notes to the Required Supplementary Information.

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2008

Basis of Budgeting

Basis of budgeting refers to when revenues and expenditures or expenses are recognized in the accounts. The City of Sidney's budget for all funds is prepared on a cash-encumbrance basis by which transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against an applicable appropriation. All annual appropriations lapse at year-end to the extent they have not been expended or lawfully encumbered. Fund balances shown are unencumbered cash balances. This basis is utilized for all interim financial statements issued during the year.

The basis of budgeting differs from the accounting principles generally accepted in the United States of America (GAAP) used for the City's year-end financial statements contained in the Comprehensive Annual Financial Report (CAFR). Under that basis of accounting, revenues are generally recognized when the obligation to the City arises; the budget basis, however, recognizes revenue only when cash has been received. In the CAFR, expenditures are generally recognized in the period in which they are incurred. Under the budget basis, expenditures are recognized when cash has been disbursed or when an encumbrance has been placed against an appropriation.

Unencumbered appropriations lapse at year end. State law provides that, generally, no contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Finance Officer first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract. (O.R.C. 5705.41)

Budget Process

The policy of the City is to have the annual operating and capital budgets approved prior to January 1 of each year.

The City follows procedures prescribed by State law and local policy in establishing its budgets as follows:

1. About January 1, the City must submit to the County Budget Commission a statement, classified by fund, of estimated cash receipts for the year and beginning-of-year unencumbered fund balances. The County Budget Commission certifies these estimates and issues an Official Certificate of Estimated Resources, (the "Certificate") limiting the maximum amount the City may expend from a given fund during the year to the estimated resources available. The City may, from time to time throughout the year, request an amended Certificate to reflect updated resource estimates.
2. The *five-year financial plan* is updated on an annual basis, usually in September. The plan is prepared after receiving input from all departments. The plan shall include all major operating funds and all capital improvement funds of the City. The purpose of this plan is to:
 - a. Identify major policy issues for City Council consideration prior to the preparation of the annual budget;

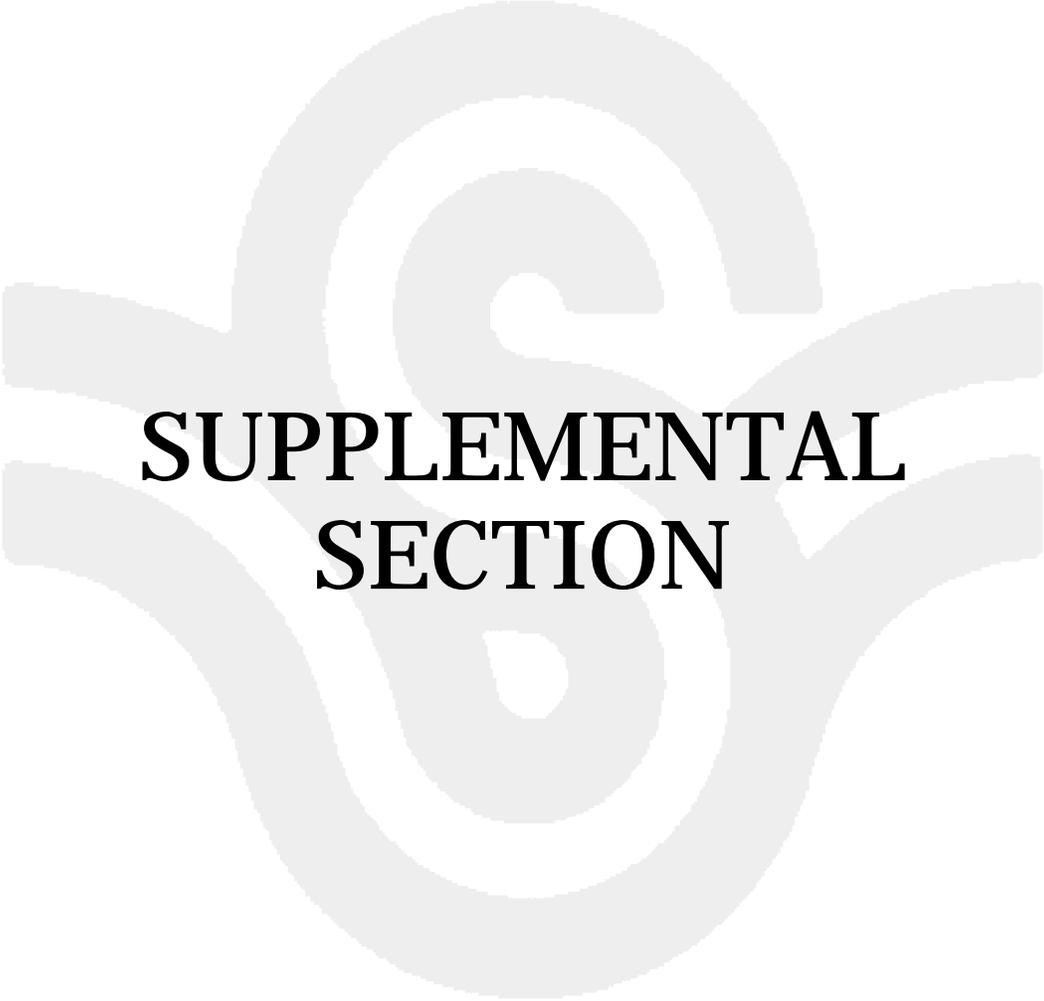
CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2008

- b. establish capital project priorities and make advance preparation for the funding of projects within the five-year horizon;
 - c. make conservative financial projections for all major operating funds and all capital improvements to provide assurance that adequate funding exists for proposed projects and services;
 - d. identify financial trends in advance or in the early stages so that timely corrective action can be taken, if needed;
 - e. communicate the City's intermediate plans to the public and provide an opportunity for the public to offer input.
3. The *operating budget* is recommended to Council based upon the City-Manager-approved requests submitted by each department. The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer input. The Council enacts the budget through passage of an ordinance. All funds of the City have annual budgets legally adopted by the City Council.
4. *Modifications to the budget* may be made from time to time during the budget year. The Statement of Financial Policies provides the permissible methods of amending the budget.

Reconciliation of Budget Basis to GAAP Basis

The adjustments necessary to convert the results of operations for the year ended December 31, 2008, from the GAAP basis to the budget basis are as follows:

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund	CDBG Fund
Net change in fund balance - <i>GAAP Basis</i>	\$ (1,800,231)	\$ (52,421)	\$ 46,348	\$ 6,059
Increase / (decrease):				
Due to revenues	1,068,865	(3,040)	(41,772)	34,768
Due to expenditures	(961,419)	(197,230)	(6,873)	(75,173)
Due to other financing sources and uses	145,348	-	(181,685)	-
Excess/(deficiency) of revenues and other sources over/(under) expenditures and other uses - Budget Basis	<u>\$ (1,547,437)</u>	<u>\$ (252,691)</u>	<u>\$ (183,982)</u>	<u>\$ (34,346)</u>



**SUPPLEMENTAL
SECTION**

CITY OF SIDNEY, OHIO
Fund Descriptions

GENERAL FUND

The General Fund is used to account for government resources not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the City Charter and/or the general laws of the State of Ohio.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Major special revenue funds:

Municipal Income Tax Fund. To account for the collection, collection costs and distribution of City-levied income tax.

Street Repair & Maintenance Fund. To account for state-levied and controlled gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

C.D.B.G. Fund. To account for state funds and federal funds passed through state agencies for community development activities.

Non-major special revenue funds:

State Highway Fund. To account for the portion of the state gasoline tax and motor vehicle registration fees designated for street maintenance and repair of state highways within the City.

County Auto License Fund. To account for county-levied motor vehicle registration fees designated for street construction, maintenance and repair.

Cemetery Fund. To account for the operation and maintenance of the cemetery facilities.

TIF – Kuther Road Fund. To account for the financial resources and expenditures related to the development of the water and sewer infrastructure along Kuther Road.

TIF – Menards Fund. To account for the financial resources and expenditures related to the development of the southwest sanitary sewer.

C.D.B.G. Revolving Loan Fund. To account for loans and repayment of loans for businesses who qualify for low interest loans for economic development.

C.D.B.G. Program Income Fund. To account for the income generated from C.D.B.G. grant programs. Funds must be used for grant-eligible activities.

H.O.M.E. Program Income Fund. To account for income generated from HOME grant programs, primarily loans and repayments of loans made in HOME-funded housing projects. Funds must be used for grant-eligible activities.

CRA Fund. To account for the annual fees paid by owners benefiting Community Reinvestment Area (CRA) tax abatement. This fee may be used to pay for expenses incurred in preparing the CRA annual report or expenses incurred by the tax incentive review committee.

Parking Meter/Off-Street Parking Fund. Accounts for the operation of the parking system and related expenditures. The operating expenditures and capital improvements are supported by fines, customer charges, and additional funding, as necessary, from the General Fund.

CITY OF SIDNEY, OHIO
Fund Descriptions

Probation Grant Fund. To account for funds received from the Ohio Department of Rehabilitation and Corrections for the operation of the Municipal Court's probation department.

Convention and Visitors' Bureau Fund. To account for 25% of the funds received from the 6% lodging tax for the operation of a convention and visitors' bureau. The remaining 75% of the tax proceeds are accounted for in the General Fund.

Health Department Building Lease Fund. To account for the operation and maintenance of the building that is leased to the county health department.

F.E.M.A. Grant Fund. To account for funds received from Federal Emergency Management Association (FEMA).

Separation Payment Fund. To account for the payment of eligible vacation and sick leave balances to employees at retirement, and the accumulation of resources for that purpose.

Insurance Fund. To account for funds received from insurance claims to repair or replace city assets.

Drug Law Enforcement Fund. To account for mandatory fines collected for drug offenses.

Law Enforcement Fund. To account for the proceeds from the confiscation of contraband.

Indigent Driver Alcohol Treatment Fund. To account for mandatory fines for DUI arrests that are used to treat drivers who cannot afford the rehabilitation.

Enforcement & Education Fund. To account for financial resources used to educate and treat persons with alcohol related problems and to enhance law enforcement activities as a deterrent to the operation of motor vehicles while under the influence of alcohol.

Imprest Cash Fund. To account for funds held in cash for various funds to allow for operating cash supplies.

Capital Investment Fund. To account for financial resources accumulated for the acquisition and construction of general fixed assets.

Cemetery Maintenance Fund. To account for that portion of cemetery sales revenue directed by City policy to be held for the perpetual care of Graceland Cemetery.

Mausoleum Maintenance Fund. To account for that portion of cemetery sales revenue directed by City policy to be held for the perpetual maintenance and repair of the mausoleum at Graceland Cemetery.

Municipal Court Special Projects Fund. To account for additional court fees levied in accordance with Ohio Revised Code for the purpose to acquire and pay for special projects of the court.

Indigent Driver Interlock and Alcohol Monitoring Fund (Municipal Court). To account for additional court fees levied in accordance with Ohio Revised Code for the purpose of providing alcohol monitoring equipment for those cases that cannot afford to purchase it.

Municipal Court Computer Fund. To account for additional court fees levied in accordance with Ohio Revised Code for the sole purpose of procuring and maintaining computer systems for the office of the clerk of courts.

CITY OF SIDNEY, OHIO
Fund Descriptions

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds and trust funds.

Major capital projects funds:

Capital Improvement Fund. To account for the income tax resources earmarked for capital improvements used for general improvement of all City facilities and operations.

Non-major capital projects fund:

Special Assessment Construction Fund. To account for the financial resources used for the improvement of sidewalks and dangerous buildings within the City.

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises for which 1) the intent of the government's legislative body is that goods or services provided to the general public on a continuing basis be financed or recovered primarily through user charges or 2) the government's legislative body has decided that periodic determination of net income is appropriate for accountability purposes.

Major enterprise funds:

Water Fund. Accounts for the operation of the waterworks distribution system and related expenses, including capital improvement and debt service. The operation is exclusively financed by customer user charges.

Sewer Fund. Accounts for the operation of the sanitary sewer collection and treatment system and related expenses, including capital improvement and debt service. The operation is exclusively financed by customer user charges.

Solid Waste Fund. Accounts for the operation of the solid waste collection system and related expenses, including capital improvements. The operations are financed through user charges and a subsidy from the General Fund.

Stormwater Fund. Accounts for the operation and maintenance of the stormwater system, and related expenses, including capital improvement. The operating expenses are financed through user charges, and as necessary, a subsidy from the General Fund. The Capital Improvements are subsidized by the General Fund.

Non-major enterprise funds:

Transportation Fund. Accounts for the operation and maintenance of the Shelby Public Transit (formerly Dial-A-Ride) service, and related expenses, including capital improvement. The operating expenses and capital improvements are supported by customer charges and governmental grants. Any remaining funding is split 65% subsidy from the General Fund and 35% subsidy from Shelby County.

CITY OF SIDNEY, OHIO
Fund Descriptions

Airport Fund. Accounts for the operation of the airport facility and related expenses, including capital improvement. The operating expenses and capital improvements are supported by customer charges and a subsidy, as necessary, from the General Fund.

Swimming Pool Fund. Accounts for the operation of the public swimming pool and related expenses, including capital improvements. The operating expenses are financed through user charges while the capital improvements are subsidized by the General Fund.

Yard Waste Fund. Accounts for the operation of the yard waste collection system and related expenses, including capital improvements. The operations are financed through a subsidy from the General Fund.

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Service Center Building Fund. To account for the operation of the Service Center building. This activity is funded by charges to City departments that use this services.

Garage/Fleet Operation Fund. To account for the operation of the municipal garage. This activity is funded by charges to City departments that use this service.

Technology Fund. To account for the costs of purchasing and maintaining the City's computer and phone systems and the allocation of those costs to the using departments on a cost-reimbursement basis.

AGENCY FUNDS

Agency funds are used to account for assets held on behalf of other parties.

Municipal Court Fund. To account for assets received and disbursed by the Municipal Court as agent and custodian relative to civil or criminal court matters.

Medical Reimbursement Fund. To account for employee payroll withholdings designated for employees' medical reimbursement accounts established under a Section 125 Cafeteria Plan.

Port Jefferson Fund. To account for funds collected on behalf of the Village of Port Jefferson. These funds are collected with sewer bills from residents of the Village.

River Clean Up Fund. To account for funds collected and disbursed on behalf of the Upper Great Miami River Watershed Protection Project.

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	Non-major Special Revenue Funds	Non-major Capital Projects Fund - Special Assessment Construction Fund	Total Non-major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Pooled cash	\$ 817,127	\$ 4,841	\$ 821,968
Restricted cash and investments	18,746	-	18,746
Cash held by outside agent	16,573	-	16,573
Pooled investments	1,974,374	11,745	1,986,119
Receivables:			
Property taxes	98,285	-	98,285
Interest	15,946	-	15,946
Loans	24,781	-	24,781
Special assessments	-	7,818	7,818
Other	57,496	-	57,496
Receivables from other governments	128,006	-	128,006
Prepaid items	<u>356</u>	<u>-</u>	<u>356</u>
 Total assets	 <u>\$ 3,151,690</u>	 <u>\$ 24,404</u>	 <u>\$ 3,176,094</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 33,650	\$ -	\$ 33,650
Salaries and benefits payable	10,922	-	10,922
Due to other funds	74,391	-	74,391
Notes Payable	896,000	-	896,000
Deferred revenue	<u>218,430</u>	<u>7,818</u>	<u>226,248</u>
 Total liabilities	 <u>1,233,393</u>	 <u>7,818</u>	 <u>1,241,211</u>
Fund Balances:			
Reserved for:			
Prepaid items	356	-	356
Long-term loans receivable	24,781	-	24,781
Encumbrances	15,828	-	15,828
Unreserved	<u>1,877,332</u>	<u>16,586</u>	<u>1,893,918</u>
 Total fund balances	 <u>1,918,297</u>	 <u>16,586</u>	 <u>1,934,883</u>
 Total liabilities and fund balances	 <u>\$ 3,151,690</u>	 <u>\$ 24,404</u>	 <u>\$ 3,176,094</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Non-major Special Revenue Funds	Non-major Capital Projects Fund - Special Assessment Construction Fund	Total Non-major Governmental Funds
REVENUES:			
Local taxes	\$ 140,058	\$ -	\$ 140,058
Intergovernmental revenues	323,631	-	323,631
Special assessments	500	8,814	9,314
Charges for services	207,547	-	207,547
Fines, licenses and permits	108,158	-	108,158
Investment income	80,553	-	80,553
Miscellaneous receipts and reimbursements	32,925	-	32,925
	<u>893,372</u>	<u>8,814</u>	<u>902,186</u>
EXPENDITURES:			
Current:			
General government	37,862	-	37,862
Police	68,491	-	68,491
Judicial	116,345	-	116,345
Health	220,980	-	220,980
Street repairs and maintenance	138,124	-	138,124
Community development	738,146	-	738,146
Community environment	44,238	5,224	49,462
Parks and recreation	61,429	-	61,429
Basic utility services	23,543	-	23,543
Capital outlay	592,236	-	592,236
	<u>2,041,394</u>	<u>5,224</u>	<u>2,046,618</u>
Deficiency of revenues under expenditures	<u>(1,148,022)</u>	<u>3,590</u>	<u>(1,144,432)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	417,290	-	417,290
Transfers out	(10,000)	-	(10,000)
	<u>407,290</u>	<u>-</u>	<u>407,290</u>
Net change in fund balance	(740,732)	3,590	(737,142)
Fund balances, beginning of year	<u>2,659,029</u>	<u>12,996</u>	<u>2,672,025</u>
Fund balances, end of year	<u>\$ 1,918,297</u>	<u>\$ 16,586</u>	<u>\$ 1,934,883</u>

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2008

(continued)

	State Highway	County Auto License	Cemetery	TIF - Kuther Rd	TIF - Menards	C.D.B.G. Revolving Loan	C.D.B.G. Program Income
ASSETS							
Pooled cash	\$ 6,241	\$ 1,322	\$ 23,450	\$ 31	\$ 16,523	\$ 32,465	\$ 1,072
Cash held by outside agent	-	16,573	-	-	-	-	-
Restricted cash and investments	-	-	-	18,746	-	-	-
Pooled investments	15,135	3,206	56,892	75	40,086	78,723	2,600
Receivables:							
Property taxes	-	-	-	10,878	87,407	-	-
Interest	232	-	-	-	-	1,308	39
Loans	-	-	-	-	-	24,781	-
Other	-	-	32,906	-	-	-	-
Receivables from other governments	53,615	-	-	-	-	-	-
Prepaid items	-	-	356	-	-	-	-
Total assets	\$ 75,223	\$ 21,101	\$ 113,604	\$ 29,730	\$ 144,016	\$ 137,277	\$ 3,711
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 1,131	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	6,928	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Notes payable	-	-	-	246,000	650,000	-	-
Deferred revenue	48,829	16,573	32,906	10,878	87,407	1,082	35
Total liabilities	48,829	16,573	40,965	256,878	737,407	1,082	35
Fund Balances:							
Reserved for:							
Prepaid items	-	-	356	-	-	-	-
Long-term loans receivable	-	-	-	-	-	24,781	-
Encumbrances	-	2,122	8,875	-	-	-	-
Unreserved	26,394	2,406	63,408	(227,148)	(593,391)	111,414	3,676
Total fund balances	26,394	4,528	72,639	(227,148)	(593,391)	136,195	3,676
Total liabilities and fund balances	\$ 75,223	\$ 21,101	\$ 113,604	\$ 29,730	\$ 144,016	\$ 137,277	\$ 3,711

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2008

(continued)

	H.O.M.E. Program Income	CRA	Parking Meter/ Off-Street Parking	Probation Grant	Convention and Visitors Bureau	Health Department Building Lease	FEMA Grant	Separation Payment
ASSETS								
Pooled cash	\$ 18,089	\$ 146	\$ 28,946	\$ 1,425	\$ 1,099	\$ 43,135	\$ 3	\$ 201,554
Cash held by outside agent	-	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-	-
Pooled investments	43,864	354	70,226	3,456	2,667	104,648	6	488,498
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Interest	672	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	-	74,391	-
Prepaid items	-	-	-	-	-	-	-	-
Total assets	\$ 62,625	\$ 500	\$ 99,172	\$ 4,881	\$ 3,766	\$ 147,783	\$ 74,400	\$ 689,852
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 5,387	\$ -	\$ 750	\$ -	\$ 3,766	\$ 3,848	\$ -	\$ -
Salaries and benefits payable	-	-	1,521	2,473	-	-	-	-
Due to other funds	-	-	-	-	-	-	74,391	-
Notes payable	-	-	-	-	-	-	-	-
Deferred revenue	603	-	-	-	-	-	-	-
Total liabilities	5,990	-	2,271	2,473	3,766	3,848	74,391	-
Fund Balances:								
Reserved for:								
Prepaid items	-	-	-	-	-	-	-	-
Long-term loans receivable	-	-	-	-	-	-	-	-
Encumbrances	-	-	236	-	-	83	-	-
Unreserved	56,635	500	96,665	2,408	-	143,852	9	689,852
Total fund balances	56,635	500	96,901	2,408	-	143,935	9	689,852
Total liabilities and fund balance:	\$ 62,625	\$ 500	\$ 99,172	\$ 4,881	\$ 3,766	\$ 147,783	\$ 74,400	\$ 689,852

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2008

(continued)

	Insurance	Drug Law Enforcement	Law Enforcement	Indigent Driver Alcohol Treatment	Enforcement & Education	Imprest Cash	Capital Investment
ASSETS							
Pooled cash	\$ 5,808	\$ 2,002	\$ 7,559	\$ 27,987	\$ 6,003	\$ 3,100	\$ 131,910
Cash held by outside agent	-	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-	-
Pooled investments	14,091	4,857	18,338	67,899	14,564	-	319,865
Receivables:							
Property taxes	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	4,896
Loans	-	-	-	-	-	-	-
Other	-	1,026	-	585	351	-	-
Receivables from other governments	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Total assets	\$ 19,899	\$ 7,885	\$ 25,897	\$ 96,471	\$ 20,918	\$ 3,100	\$ 456,671
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 8,460	\$ 203	\$ 4,666	\$ 5,324	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	4,396
Total liabilities	\$ 8,460	\$ 203	\$ 4,666	\$ 5,324	\$ -	\$ -	\$ 4,396
Fund Balances:							
Reserved for:							
Prepaid items	-	-	-	-	-	-	-
Long-term loans receivable	-	-	-	-	-	-	-
Encumbrances	-	-	4,512	-	-	-	-
Unreserved	11,439	7,682	16,719	91,147	20,918	3,100	452,275
Total fund balances	\$ 11,439	\$ 7,682	\$ 21,231	\$ 91,147	\$ 20,918	\$ 3,100	\$ 452,275
Total liabilities and fund balances	\$ 19,899	\$ 7,885	\$ 25,897	\$ 96,471	\$ 20,918	\$ 3,100	\$ 456,671

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2008

	Cemetery Maintenance	Mausoleum Maintenance	Municipal Court Special Projects	Indigent Driver Interlock & Alcohol Monitoring	Municipal Court Computer	Non-major Special Revenue Funds Totals
ASSETS						
Pooled cash	\$ 230,368	\$ 6,690	\$ 13,144	\$ 447	\$ 6,808	\$ 817,127
Cash held by outside agent	-	-	-	-	-	16,573
Restricted cash and investments	-	-	-	-	-	18,746
Pooled investments	558,612	16,222	31,889	1,083	16,518	1,974,374
Receivables:						
Property taxes	-	-	-	-	-	98,285
Interest	8,551	248	-	-	-	15,946
Loans	-	-	-	-	-	24,781
Other	6,993	828	10,712	950	3,145	57,496
Receivables from other governments	-	-	-	-	-	128,006
Prepaid items	-	-	-	-	-	356
Total assets	\$ 804,524	\$ 23,988	\$ 55,745	\$ 2,480	\$ 26,471	\$ 3,151,690
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 115	-	\$ -	-	\$ -	\$ 33,650
Salaries and benefits payable	-	-	-	-	-	10,922
Due to other funds	-	-	-	-	-	74,391
Notes payable	-	-	-	-	-	896,000
Deferred revenue	14,670	1,051	-	-	-	218,430
Total liabilities	14,785	1,051	-	-	-	1,233,393
Fund Balances:						
Reserved for:						
Prepaid items	-	-	-	-	-	356
Long-term loans receivable	-	-	-	-	-	24,781
Encumbrances	-	-	-	-	-	15,828
Unreserved	789,739	22,937	55,745	2,480	26,471	1,877,332
Total fund balances	789,739	22,937	55,745	2,480	26,471	1,918,297
Total liabilities and fund balances	\$ 804,524	\$ 23,988	\$ 55,745	\$ 2,480	\$ 26,471	\$ 3,151,690

**CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	State Highway	County Auto License	Cemetery	TIF - Kuther Rd	TIF - Menards	C.D.B.G. Revolving Loan	C.D.B.G. Program Income
REVENUES:							
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ 77,453	\$ -	\$ -
Intergovernmental revenues	91,225	106,473	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-
Charges for services	-	-	95,446	-	-	-	-
Fines, licenses and permits	-	-	-	-	-	-	-
Investment income	4,178	-	-	-	354	10,565	267
Miscellaneous receipts and reimbursements	-	-	2,470	-	-	1,056	-
Total revenues	95,403	106,473	97,916	-	77,807	11,621	267
EXPENDITURES:							
Current:							
General government	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-
Health	-	-	207,531	-	-	-	-
Street repairs and maintenance	100,000	-	-	-	-	-	-
Community development	-	-	-	370	671,198	-	-
Community environment	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-	-
Capital outlay	-	102,428	778	226,778	-	211,081	2,221
Debt service:							
Interest	-	-	-	-	-	-	-
Total expenditures	100,000	102,428	208,309	227,148	671,198	211,081	2,221
Excess (deficiency) of revenues over (under) expenditures	(4,597)	4,045	(110,393)	(227,148)	(593,391)	(199,460)	(1,954)
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	132,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	132,000	-	-	-	-
Net change in fund balance	(4,597)	4,045	21,607	(227,148)	(593,391)	(199,460)	(1,954)
Fund balances, beginning of year	30,991	483	51,032	-	-	335,655	5,630
Fund balances, end of year	26,394	4,528	72,639	(227,148)	(593,391)	136,195	3,676

CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF REV (continued)
 FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	H.O.M.E. Program Income	CRA	Parking Meter/ Off-Street Parking	Probation Grant	Convention and Visitors Bureau	Health Department Building Lease	FEMA Grant	Separation Payment
REVENUES:								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ 62,605	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	51,542	-	-	74,391	-
Special Assessments	-	500	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines, licenses and permits	-	-	35,820	-	-	-	-	-
Investment income	4,229	-	-	-	-	-	-	-
Miscellaneous receipts and reimbursements	-	-	-	-	-	20,299	-	-
Total revenues	4,229	500	35,820	51,542	62,605	20,299	74,391	-
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	882	-
Police	-	-	-	-	-	-	541	-
Judicial	-	-	-	49,977	-	-	-	10,482
Health	-	-	-	-	-	13,115	-	-
Street repairs and maintenance	-	-	-	-	-	-	38,124	-
Community development	-	-	-	-	66,578	-	-	-
Community environment	-	-	44,238	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	20,341	41,088
Basic utility services	-	-	-	-	-	-	14,503	9,040
Capital outlay	6,386	-	-	-	-	-	-	-
Debt service:								
Interest	-	-	-	-	-	-	-	-
Total expenditures	6,386	-	44,238	49,977	66,578	13,115	74,391	60,610
Excess (deficiency) of revenues over (under) expenditures	(2,157)	500	(8,418)	1,565	(3,973)	7,184	-	(60,610)
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	-	-	259,490
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	259,490
Net change in fund balance	(2,157)	500	(8,418)	1,565	(3,973)	7,184	-	198,880
Fund balances, beginning of year	58,792	-	105,319	843	3,973	136,751	9	490,972
Fund balances, end of year	\$ 56,635	\$ 500	\$ 96,901	\$ 2,408	\$ -	\$ 143,935	\$ 9	\$ 689,852

CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (continued)

NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Insurance	Drug Law Enforcement	Law Enforcement	Indigent Driver Alcohol Treatment	Enforcement & Education	Imprest Cash	Capital Investment
REVENUES:							
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines, licenses and permits	-	15,392	29,919	19,827	7,200	-	-
Investment income	-	-	-	-	-	-	21,879
Miscellaneous receipts and reimbursements	9,100	-	-	-	-	-	-
Total revenues	9,100	15,392	29,919	19,827	7,200	-	21,879
EXPENDITURES:							
Current:							
General government	36,980	-	-	-	-	-	-
Police	-	29,340	31,844	-	6,766	-	-
Judicial	-	-	-	20,464	-	-	-
Health	-	-	-	-	-	-	-
Street repairs and maintenance	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-	-
Capital outlay	-	-	28,987	-	-	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
Total expenditures	36,980	29,340	60,831	20,464	6,766	-	-
Excess (deficiency) of revenues over (under) expenditures	(27,880)	(13,948)	(30,912)	(637)	434	-	21,879
OTHER FINANCING SOURCES (USES):							
Transfers in	25,000	-	-	-	-	800	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	25,000	-	-	-	-	800	-
Net change in fund balance	(2,880)	(13,948)	(30,912)	(637)	434	800	21,879
Fund balances, beginning of year	14,319	21,630	52,143	91,784	20,484	2,300	430,396
Fund balances, end of year	\$ 11,439	\$ 7,682	\$ 21,231	\$ 91,147	\$ 20,918	\$ 3,100	\$ 452,275

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Cemetery Maintenance	Mausoleum Maintenance	Municipal Court Special Projects	Indigent Driver Interlock & Alcohol Monitoring	Municipal Court Computer	Non-major Special Revenue Funds Totals
REVENUES:						
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,058
Intergovernmental revenues	-	-	-	-	-	323,631
Special Assessments	-	-	-	-	-	500
Charges for services	8,442	53	55,745	2,480	45,381	207,547
Fines, licenses and permits	-	-	-	-	-	108,158
Investment income	37,974	1,107	-	-	-	80,553
Miscellaneous receipts and reimbursements	-	-	-	-	-	32,925
Total revenues	46,416	1,160	55,745	2,480	45,381	893,372
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	37,862
Police	-	-	-	-	-	68,491
Judicial	-	-	-	-	35,422	116,345
Health	334	-	-	-	-	220,980
Street repairs and maintenance	-	-	-	-	-	138,124
Community development	-	-	-	-	-	738,146
Community environment	-	-	-	-	-	44,238
Parks and recreation	-	-	-	-	-	61,429
Basic utility services	-	-	-	-	-	23,543
Capital outlay	-	-	-	-	13,577	592,236
Debt service:						
Interest	-	-	-	-	-	-
Total expenditures	334	-	-	-	48,999	2,041,394
Excess (deficiency) of revenues over (under) expenditures	46,082	1,160	55,745	2,480	(3,618)	(1,148,022)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	417,290
Transfers out	(10,000)	-	-	-	-	(10,000)
Total other financing sources (uses)	(10,000)	-	-	-	-	407,290
Net change in fund balance	36,082	1,160	55,745	2,480	(3,618)	(740,732)
Fund balances, beginning of year	753,657	21,777	-	-	30,089	2,659,029
Fund balances, end of year	789,739	22,937	55,745	2,480	26,471	1,918,297

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2008**

	Transportation	Airport	Swimming Pool	Yard Waste	Non-major Enterprise Funds Totals
ASSETS					
Current assets:					
Pooled cash	\$ 36,986	\$ 20,126	\$ 5,341	\$ 1,414	\$ 63,867
Pooled investments	89,732	48,826	12,957	3,431	154,946
Receivables:					
Accounts	15,727	-	-	-	15,727
Other	-	979	-	-	979
Receivables from other governments	262,758	-	-	-	262,758
Inventory	-	18,950	-	-	18,950
Prepaid items	141	800	68	-	1,009
	<u>405,344</u>	<u>89,681</u>	<u>18,366</u>	<u>4,845</u>	<u>518,236</u>
Total current assets					
Noncurrent assets:					
Capital assets:					
Capital assets not subject to depreciation:					
Land	-	454,854	-	11,340	466,194
Construction in progress	1,098,211	69,112	-	-	1,167,323
Capital assets net of accumulated depreciation	<u>170,964</u>	<u>1,187,531</u>	<u>1,086,590</u>	<u>29,419</u>	<u>2,474,504</u>
	<u>1,269,175</u>	<u>1,711,497</u>	<u>1,086,590</u>	<u>40,759</u>	<u>4,108,021</u>
Total noncurrent assets					
	<u>\$ 1,674,519</u>	<u>\$ 1,801,178</u>	<u>\$ 1,104,956</u>	<u>\$ 45,604</u>	<u>\$ 4,626,257</u>
Total assets					
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 365,230	\$ 9,375	\$ 333	\$ 16,770	\$ 391,708
Salaries and benefits payable	18,451	-	1,692	-	20,143
Compensated absences	116	-	-	-	116
	<u>383,797</u>	<u>9,375</u>	<u>2,025</u>	<u>16,770</u>	<u>411,967</u>
Total current liabilities					
Noncurrent liabilities:					
Compensated absences	<u>34,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,685</u>
Total noncurrent liabilities	<u>34,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,685</u>
	<u>418,482</u>	<u>9,375</u>	<u>2,025</u>	<u>16,770</u>	<u>446,652</u>
Total liabilities					
NET ASSETS					
Invested in capital assets, net of related debt	1,269,175	1,711,497	1,086,590	40,759	4,108,021
Unrestricted	(13,138)	80,306	16,341	(11,925)	71,584
	<u>1,256,037</u>	<u>1,791,803</u>	<u>1,102,931</u>	<u>28,834</u>	<u>4,179,605</u>
Total net assets					
	<u>\$ 1,674,519</u>	<u>\$ 1,801,178</u>	<u>\$ 1,104,956</u>	<u>\$ 45,604</u>	<u>\$ 4,626,257</u>
Total liabilities and net assets					

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Transportation	Airport	Swimming Pool	Yard Waste	Non-major Enterprise Funds Totals
OPERATING REVENUES:					
Charges for services	\$ 213,487	\$ 194,269	\$ 87,021	\$ -	\$ 494,777
Other revenue	-	18,595	650	-	19,245
Total operating revenues	<u>213,487</u>	<u>212,864</u>	<u>87,671</u>	<u>-</u>	<u>514,022</u>
OPERATING EXPENSES:					
Personal services	435,507	-	97,401	-	532,908
Operations and maintenance	194,190	311,034	42,333	153,925	701,482
Depreciation	96,180	60,219	31,300	8,610	196,309
Total operating expenses	<u>725,877</u>	<u>371,253</u>	<u>171,034</u>	<u>162,535</u>	<u>1,430,699</u>
Operating loss	<u>(512,390)</u>	<u>(158,389)</u>	<u>(83,363)</u>	<u>(162,535)</u>	<u>(916,677)</u>
NONOPERATING REVENUE:					
Intergovernmental	1,203,530	114,547	-	-	1,318,077
Gain on disposal of assets	4,350	-	-	-	4,350
Total nonoperating revenue	<u>1,207,880</u>	<u>114,547</u>	<u>-</u>	<u>-</u>	<u>1,322,427</u>
Loss before contributions and transfers	<u>695,490</u>	<u>(43,842)</u>	<u>(83,363)</u>	<u>(162,535)</u>	<u>405,750</u>
Capital contributions	-	93,154	-	-	93,154
Transfers in	142,171	114,209	58,600	191,369	506,349
Transfers out	(1,490)	-	-	-	(1,490)
Change in net assets	836,171	163,521	(24,763)	28,834	1,003,763
Net assets, beginning of year	<u>419,866</u>	<u>1,628,282</u>	<u>1,127,694</u>	<u>-</u>	<u>3,175,842</u>
Net assets, end of year	<u>\$ 1,256,037</u>	<u>\$ 1,791,803</u>	<u>\$ 1,102,931</u>	<u>\$ 28,834</u>	<u>\$ 4,179,605</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Transportation	Airport	Swimming Pool	Yard Waste	Non-major Enterprise Funds Totals
Cash flows from operating activities:					
Receipts from customers and users	\$ 316,942	211,885	\$ 87,671	\$ -	\$ 616,498
Payments to suppliers	(257,198)	(306,195)	(36,216)	(113,971)	(713,580)
Payments to employees	(438,126)	-	(97,329)	-	(535,455)
Payments for interfund services used	(143,830)	(15,036)	(6,020)	(23,184)	(188,070)
Net cash used by operating activities	(522,212)	(109,346)	(51,894)	(137,155)	(820,607)
Cash flows from noncapital financing activities:					
Transfers in	142,171	114,209	58,600	142,000	456,980
Transfers out	(1,490)	-	-	-	(1,490)
Intergovernmental	1,203,530	114,547	-	-	1,318,077
Net cash provided by noncapital financing activities	1,344,211	228,756	58,600	142,000	1,773,567
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	4,350	-	-	-	4,350
Acquisition of capital assets	(787,052)	(90,563)	-	-	(877,615)
Net cash used by capital and related financing activities	(782,702)	(90,563)	-	-	(873,265)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	36,852	-	-	36,852
Purchase of investments	(16,834)	(52,235)	(3,291)	(3,431)	(75,791)
Net cash used for investing activities	(16,834)	(15,383)	(3,291)	(3,431)	(38,939)
Net increase in pooled cash and cash equivalents	22,463	13,464	3,415	1,414	40,756
Pooled cash and cash equivalents, beginning of year	14,523	6,662	1,926	-	23,111
Pooled cash and cash equivalents, end of year	\$ 36,986	\$ 20,126	\$ 5,341	\$ 1,414	\$ 63,867
Reconciliation of operating loss to net cash used by operating activities:					
Operating income (loss)	\$ (512,390)	\$ (158,389)	\$ (83,363)	\$ (162,535)	\$ (916,677)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:					
Depreciation	96,180	60,219	31,300	8,610	196,309
Change in assets and liabilities:					
Accounts receivable	26,302	-	-	-	26,302
Other receivables	(95,549)	(979)	-	-	(96,528)
Inventory	-	(18,950)	-	-	(18,950)
Prepaid items	17	711	(68)	-	660
Accounts payable	(34,153)	8,042	165	16,770	(9,176)
Salaries and benefits payable and compensated absences	(2,619)	-	72	-	(2,547)
Net cash used by operating activities	\$ (522,212)	\$ (109,346)	\$ (51,894)	\$ (137,155)	\$ (820,607)
Noncash investing, capital and related financing activities:					
Contributions of capital assets from government	\$ -	\$ 93,154	\$ -	\$ -	\$ 93,154
Purchase of equipment on account	\$ 363,985	\$ 1,333	\$ -	\$ -	\$ 365,318
Transfer net book value of equipment	\$ -	\$ -	\$ -	\$ 49,369	\$ 49,369

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 2008**

	Service Center Building	Garage/Fleet Operations	Technology	Internal Service Totals
ASSETS				
Current assets:				
Pooled cash	\$ 13,274	\$ 3,218	\$ 6,686	\$ 23,178
Pooled investments	32,204	7,806	16,222	56,232
Inventory	1,885	36,724	2,057	40,666
Prepaid items	<u>1,628</u>	<u>1,558</u>	<u>22,897</u>	<u>26,083</u>
Total current assets	<u>48,991</u>	<u>49,306</u>	<u>47,862</u>	<u>146,159</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	<u>417,972</u>	<u>20,909</u>	<u>181,610</u>	<u>620,491</u>
Total noncurrent assets	<u>417,972</u>	<u>20,909</u>	<u>181,610</u>	<u>620,491</u>
Total assets	<u>\$ 466,963</u>	<u>\$ 70,215</u>	<u>\$ 229,472</u>	<u>\$ 766,650</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 11,588	\$ 13,976	\$ 8,890	\$ 34,454
Salaries and benefits payable	<u>554</u>	<u>8,069</u>	<u>12,003</u>	<u>20,626</u>
Total current liabilities	<u>12,142</u>	<u>22,045</u>	<u>20,893</u>	<u>55,080</u>
Noncurrent liabilities:				
Compensated absences	<u>384</u>	<u>3,341</u>	<u>9,144</u>	<u>12,869</u>
Total noncurrent liabilities	<u>384</u>	<u>3,341</u>	<u>9,144</u>	<u>12,869</u>
Total liabilities	<u>12,526</u>	<u>25,386</u>	<u>30,037</u>	<u>67,949</u>
NET ASSETS				
Invested in capital assets, net of related debt	417,972	20,909	181,610	620,491
Unrestricted	<u>36,465</u>	<u>23,920</u>	<u>17,825</u>	<u>78,210</u>
Total net assets	<u>454,437</u>	<u>44,829</u>	<u>199,435</u>	<u>698,701</u>
Total liabilities and net assets	<u>\$ 466,963</u>	<u>\$ 70,215</u>	<u>\$ 229,472</u>	<u>\$ 766,650</u>

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

	Service Center Building	Garage/Fleet Operations	Technology	Internal Service Totals
OPERATING REVENUES:				
Charges for services	\$ 150,927	\$ 761,564	\$ 515,185	\$ 1,427,676
Other revenue	<u>-</u>	<u>540</u>	<u>729</u>	<u>1,269</u>
Total operating revenues	<u>150,927</u>	<u>762,104</u>	<u>515,914</u>	<u>1,428,945</u>
OPERATING EXPENSES:				
Personal services	13,576	202,338	270,068	485,982
Operations and maintenance	136,407	544,428	231,874	912,709
Depreciation	<u>29,405</u>	<u>2,712</u>	<u>60,364</u>	<u>92,481</u>
Total operating expenses	<u>179,388</u>	<u>749,478</u>	<u>562,306</u>	<u>1,491,172</u>
Operating income (loss)	<u>(28,461)</u>	<u>12,626</u>	<u>(46,392)</u>	<u>(62,227)</u>
Capital contributions	8,560	-	10,587	19,147
Transfers in	5,594	-	-	5,594
Transfers out	<u>-</u>	<u>(5,594)</u>	<u>-</u>	<u>(5,594)</u>
	<u>14,154</u>	<u>(5,594)</u>	<u>10,587</u>	<u>19,147</u>
Change in net assets	(14,307)	7,032	(35,805)	(43,080)
Net assets, beginning of year	<u>468,744</u>	<u>37,797</u>	<u>235,240</u>	<u>741,781</u>
Net assets, end of year	<u>\$ 454,437</u>	<u>\$ 44,829</u>	<u>\$ 199,435</u>	<u>\$ 698,701</u>

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

	<u>Service Center Building</u>	<u>Garage/Fleet Operations</u>	<u>Technology</u>	<u>Internal Service Totals</u>
Cash flows from operating activities:				
Receipts from interfund services	\$ 150,927	\$ 762,104	\$ 515,914	\$ 1,428,945
Payments to suppliers	(124,121)	(511,438)	(227,531)	(863,090)
Payments to employees	(13,874)	(205,176)	(265,623)	(484,673)
Payments or reimbursements for interfund services used or provided	(9,717)	(36,375)	(17)	(46,109)
	<u>3,215</u>	<u>9,115</u>	<u>22,743</u>	<u>35,073</u>
Net cash provided by (used for) by operating activities				
Cash flows from capital and related financing activities:				
Acquisition of capital assets	-	(9,184)	(21,457)	(30,641)
	<u>-</u>	<u>(9,184)</u>	<u>(21,457)</u>	<u>(30,641)</u>
Net cash used for capital and related financing activities				
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	10,862	5,161	6,464	22,487
Purchase of investments	(7,824)	(3,717)	(4,656)	(16,197)
	<u>3,038</u>	<u>1,444</u>	<u>1,808</u>	<u>6,290</u>
Net cash provided by (used for) investing activities				
Net increase (decrease) in pooled cash and investments	6,253	1,375	3,094	10,722
Pooled cash and investments, beginning of year	<u>7,021</u>	<u>1,843</u>	<u>3,592</u>	<u>12,456</u>
Pooled cash and investments, end of year	<u>\$ 13,274</u>	<u>\$ 3,218</u>	<u>\$ 6,686</u>	<u>\$ 23,178</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (28,461)	\$ 12,626	\$ (46,392)	\$ (62,227)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	29,405	2,712	60,364	92,481
Change in assets and liabilities:				
Due from other funds	-	-	-	-
Prepaid items	(1,206)	1,464	(198)	60
Inventory	(436)	(7,898)	780	(7,554)
Accounts payable	4,211	3,049	3,744	11,004
Salaries and benefits payable and compensated absences	(298)	(2,838)	4,445	1,309
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 3,215</u>	<u>\$ 9,115</u>	<u>\$ 22,743</u>	<u>\$ 35,073</u>
Noncash investing, capital and related financing activities:				
Contributions of capital assets from government	\$ 8,560	\$ -	\$ 10,587	\$ 19,147
Transfer net book value of equipment	\$ 5,594	\$ (5,594)	\$ -	\$ -

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2008

	Municipal Court	Medical Reimbursement	Port Jefferson	River Clean-Up	Agency Funds Totals
ASSETS					
Pooled cash	\$ -	\$ 1,177	\$ 2,268	\$ 7,461	\$ 10,906
Pooled investments	-	2,859	5,507	18,113	26,479
Municipal Court checking account	171,765	-	-	-	171,765
Accounts receivable	-	-	7,980	-	7,980
	<u>-</u>	<u>-</u>	<u>7,980</u>	<u>-</u>	<u>7,980</u>
Total assets	<u>\$ 171,765</u>	<u>\$ 4,036</u>	<u>\$ 15,755</u>	<u>\$ 25,574</u>	<u>\$ 217,130</u>
LIABILITIES					
Due to employees	\$ -	\$ 6,232	\$ -	\$ -	\$ 6,232
Due to other governments	98,510	-	15,755	-	114,265
Undistributed monies	<u>73,255</u>	<u>(2,196)</u>	<u>-</u>	<u>25,574</u>	<u>96,633</u>
Total liabilities	<u>\$ 171,765</u>	<u>\$ 4,036</u>	<u>\$ 15,755</u>	<u>\$ 25,574</u>	<u>\$ 217,130</u>

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Balance at January 1, 2008	Additions	Deductions	Balance at December 31, 2008
<u>Municipal Court Fund</u>				
ASSETS				
Municipal Court checking account	\$ 149,014	\$ 1,971,448	\$ 1,948,697	\$ 171,765
LIABILITIES				
Due to other governments	\$ 114,402	\$ 1,344,787	\$ 1,360,679	\$ 98,510
Undistributed monies	34,612	626,661	588,018	73,255
Total liabilities	\$ 149,014	\$ 1,971,448	\$ 1,948,697	\$ 171,765
<u>Medical Reimbursement Fund</u>				
ASSETS				
Pooled cash	\$ 965	\$ 93,582	\$ 93,370	\$ 1,177
Pooled investments	4,845	-	1,986	2,859
Total assets	\$ 5,810	\$ 93,582	\$ 95,356	\$ 4,036
LIABILITIES				
Due to employees	\$ 3,057	\$ 93,582	\$ 90,407	\$ 6,232
Undistributed monies	2,753	-	4,949	(2,196)
Total liabilities	\$ 5,810	\$ 93,582	\$ 95,356	\$ 4,036
<u>Port Jefferson Fund</u>				
ASSETS				
Pooled cash	\$ 1,098	\$ 61,684	\$ 60,514	\$ 2,268
Pooled investments	5,510	-	3	5,507
Accounts receivable	6,317	63,347	61,684	7,980
Total assets	\$ 12,925	\$ 125,031	\$ 122,201	\$ 15,755
LIABILITIES				
Due to other governments	\$ 12,925	\$ 125,031	\$ 122,201	\$ 15,755
<u>River Clean-Up Fund</u>				
ASSETS				
Pooled cash	\$ 2,664	\$ 18,688	\$ 13,891	\$ 7,461
Pooled investments	13,369	4,744	-	18,113
Total assets	\$ 16,033	\$ 23,432	\$ 13,891	\$ 25,574
LIABILITIES				
Undistributed monies	\$ 16,033	\$ 23,432	\$ 13,891	\$ 25,574
<u>Total Fiduciary Funds</u>				
ASSETS				
Pooled cash	\$ 4,727	\$ 173,954	\$ 167,775	\$ 10,906
Pooled investments	23,724	4,744	1,989	26,479
Municipal Court checking account	149,014	1,971,448	1,948,697	171,765
Accounts receivable	6,317	63,347	61,684	7,980
Total assets	\$ 183,782	\$ 2,213,493	\$ 2,180,145	\$ 217,130
LIABILITIES				
Due to employees	\$ 3,057	\$ 93,582	\$ 90,407	\$ 6,232
Due to other governments	127,327	1,469,818	1,482,880	114,265
Undistributed monies	53,398	650,093	606,858	96,633
Total liabilities	\$ 183,782	\$ 2,213,493	\$ 2,180,145	\$ 217,130



OHIO

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 1,761,500	\$ 1,636,923	\$ (124,577)
Intergovernmental revenues	1,357,800	1,484,204	126,404
Special assessments	223,050	235,731	12,681
Charges for services	1,468,306	1,442,588	(25,718)
Fines, licenses and permits	142,700	135,965	(6,735)
Investment income	525,035	690,773	165,738
Miscellaneous receipts and reimbursements	908,933	905,890	(3,043)
Total revenues	<u>6,387,324</u>	<u>6,532,074</u>	<u>144,750</u>
EXPENDITURES:			
Current:			
General government			
City Council			
Personal services	96,395	95,850	545
Contractual, materials and other	44,789	40,481	4,308
City Administration			
Personal services	324,715	321,758	2,957
Contractual, materials and other	46,077	41,751	4,326
Finance			
Personal services	388,730	388,434	296
Contractual, materials and other	134,606	126,027	8,579
Law Director			
Personal services	77,660	77,522	138
Contractual, materials and other	40,825	35,122	5,703
Personnel			
Personal services	145,900	145,300	600
Contractual, materials and other	141,266	107,348	33,918
County Auditor Deductions			
Contractual, materials and other	131,705	130,038	1,667
Purchasing			
Personal services	109,970	108,799	1,171
Contractual, materials and other	39,259	34,622	4,637
City Hall			
Personal services	61,150	59,749	1,401
Contractual, materials and other	200,433	199,136	1,297
Miscellaneous			
Contractual, materials and other	503,996	443,440	60,556
Total general government	<u>2,487,476</u>	<u>2,355,377</u>	<u>132,099</u>
Police			
Police Services			
Personal services	4,685,430	4,635,123	50,307
Contractual, materials and other	1,014,739	906,192	108,547
Street Lighting Department			
Contractual, materials and other	280,634	259,906	20,728
Total police	<u>5,980,803</u>	<u>5,801,221</u>	<u>179,582</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

(continued)

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
Fire			
Fire Services			
Personal services	3,723,341	3,697,405	25,936
Contractual, materials and other	624,234	586,155	38,079
Total fire	<u>4,347,575</u>	<u>4,283,560</u>	<u>64,015</u>
Judicial			
Municipal Court			
Personal services	859,285	849,393	9,892
Contractual, materials and other	311,400	294,917	16,483
Prosecutor			
Personal services	144,700	144,114	586
Contractual, materials and other	70,762	68,429	2,333
Total judicial	<u>1,386,147</u>	<u>1,356,853</u>	<u>29,294</u>
Community environment			
Building Inspection			
Personal services	137,120	135,500	1,620
Contractual, materials and other	18,564	16,287	2,277
Engineering			
Personal services	608,200	602,490	5,710
Contractual, materials and other	88,341	80,373	7,968
Public Works			
Personal services	108,200	107,985	215
Contractual, materials and other	13,180	11,030	2,150
Code Enforcement			
Personal services	87,320	85,078	2,242
Contractual, materials and other	17,574	16,174	1,400
Total community environment	<u>1,078,499</u>	<u>1,054,917</u>	<u>23,582</u>
Community development			
Community Planning & Development			
Personal services	97,870	96,113	1,757
Contractual, materials and other	41,031	38,879	2,152
Total community development	<u>138,901</u>	<u>134,992</u>	<u>3,909</u>
Parks and recreation			
Parks & Recreation - Administration			
Personal services	75,200	73,832	1,368
Contractual, materials and other	30,059	28,325	1,734
Parks & Recreation - Programs			
Personal services	108,750	106,513	2,237
Contractual, materials and other	67,845	65,892	1,953

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

(continued)

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
	<u> </u>	<u> </u>	<u> </u>
Parks & Public Grounds			
Personal services	741,650	723,552	18,098
Contractual, materials and other	308,896	294,000	14,896
Urban Forest			
Contractual, materials and other	100,566	90,371	10,195
Senior Center			
Contractual, materials and other	57,695	55,061	2,634
	<u>1,490,661</u>	<u>1,437,546</u>	<u>53,115</u>
Total parks and recreation			
	<u>16,910,062</u>	<u>16,424,466</u>	<u>485,596</u>
Total expenditures			
Deficiency of revenues under expenditures	<u>(10,522,738)</u>	<u>(9,892,392)</u>	<u>630,346</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	10,140,117	9,988,826	(151,291)
Transfers out	<u>(1,643,871)</u>	<u>(1,643,871)</u>	<u>-</u>
Total other financing sources	<u>8,496,246</u>	<u>8,344,955</u>	<u>(151,291)</u>
Net change in fund balance	<u>(2,026,492)</u>	<u>(1,547,437)</u>	<u>479,055</u>
Fund Balances, beginning of year	6,410,603	6,410,603	-
Prior Year Encumbrances	156,530	156,530	-
Fund Balances, end of year	<u>\$ 4,540,641</u>	<u>\$ 5,019,696</u>	<u>\$ 479,055</u>



OHIO

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
STREET REPAIR AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 1,264,203	\$ 1,143,695	\$ (120,508)
Miscellaneous receipts and reimbursements	<u>131,700</u>	<u>179,408</u>	<u>47,708</u>
Total revenues	<u>1,395,903</u>	<u>1,323,103</u>	<u>(72,800)</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Personal services	793,370	767,866	25,504
Contractual, materials and other	<u>808,504</u>	<u>775,928</u>	<u>32,576</u>
Total expenditures	<u>1,601,874</u>	<u>1,543,794</u>	<u>58,080</u>
Deficiency of revenues under expenditures	<u>(205,971)</u>	<u>(220,691)</u>	<u>(14,720)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(32,000)</u>	<u>(32,000)</u>	<u>-</u>
Total other financing sources uses	<u>(32,000)</u>	<u>(32,000)</u>	<u>-</u>
Net change in fund balance	(237,971)	(252,691)	(14,720)
Fund Balances, beginning of year	407,923	407,923	-
Prior Year Encumbrances	44,988	44,988	-
Fund Balances, end of year	<u>\$ 214,940</u>	<u>\$ 200,220</u>	<u>\$ (14,720)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
MUNICIPAL INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 12,649,954	\$ 12,522,229	\$ (127,725)
Miscellaneous receipts and reimbursements	-	195	195
Total revenues	<u>12,649,954</u>	<u>12,522,424</u>	<u>(127,530)</u>
EXPENDITURES:			
Current:			
General government			
Personal services	192,350	191,314	1,036
Contractual, materials and other	<u>35,184</u>	<u>29,059</u>	<u>6,125</u>
Total expenditures	<u>227,534</u>	<u>220,373</u>	<u>7,161</u>
Excess of revenues over expenditures	<u>12,422,420</u>	<u>12,302,051</u>	<u>(120,369)</u>
OTHER FINANCING USES:			
Transfers out	<u>(13,031,396)</u>	<u>(12,486,033)</u>	<u>545,363</u>
Total other financing uses	<u>(13,031,396)</u>	<u>(12,486,033)</u>	<u>545,363</u>
Net change in fund balance	(608,976)	(183,982)	424,994
Fund Balances, beginning of year	828,875	828,875	-
Prior Year Encumbrances	2,810	2,810	-
Fund Balances, end of year	<u>\$ 222,709</u>	<u>\$ 647,703</u>	<u>\$ 424,994</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
C.D.B.G. FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 473,696	\$ 488,814	\$ 15,118
Investment income	4,500	6,363	1,863
Total revenues	<u>478,196</u>	<u>495,177</u>	<u>16,981</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>595,612</u>	<u>529,523</u>	<u>66,089</u>
Total expenditures	<u>595,612</u>	<u>529,523</u>	<u>66,089</u>
Excess (deficiency) of revenues over (under) expenditures	(117,416)	(34,346)	83,070
Fund Balances, beginning of year	133,718	133,718	-
Prior Year Encumbrances	7,012	7,012	-
Fund Balances, end of year	<u>\$ 23,314</u>	<u>\$ 106,384</u>	<u>\$ 83,070</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 105,275	\$ 92,672	\$ (12,603)
Investment income	1,500	4,546	3,046
Total revenues	<u>106,775</u>	<u>97,218</u>	<u>(9,557)</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Contractual, materials and other	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Excess of revenues over expenditures	6,775	(2,782)	(9,557)
Fund Balances, beginning of year	24,165	24,165	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 30,940</u>	<u>\$ 21,383</u>	<u>\$ (9,557)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
COUNTY AUTO LICENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 110,000	\$ 106,473	\$ (3,527)
Total revenues	<u>110,000</u>	<u>106,473</u>	<u>(3,527)</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Contractual, materials and other	<u>110,000</u>	<u>104,551</u>	<u>5,449</u>
Total expenditures	<u>110,000</u>	<u>104,551</u>	<u>5,449</u>
Deficiency of revenues under expenditures	-	1,922	1,922
Fund Balances, beginning of year	483	483	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 483</u>	<u>\$ 2,405</u>	<u>\$ 1,922</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 76,675	\$ 95,770	\$ 19,095
Miscellaneous receipts and reimbursements	-	2,470	2,470
Total revenues	<u>76,675</u>	<u>98,240</u>	<u>21,565</u>
EXPENDITURES:			
Current:			
Health			
Personal services	178,160	175,121	3,039
Contractual, materials and other	<u>56,878</u>	<u>46,499</u>	<u>10,379</u>
Total expenditures	<u>235,038</u>	<u>221,620</u>	<u>13,418</u>
Deficiency of revenues under expenditures	<u>(158,363)</u>	<u>(123,380)</u>	<u>34,983</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>132,000</u>	<u>132,000</u>	-
Total other financing sources	<u>132,000</u>	<u>132,000</u>	-
Net change in fund balance	(26,363)	8,620	34,983
Fund Balances, beginning of year	58,841	58,841	-
Prior Year Encumbrances	<u>3,010</u>	<u>3,010</u>	-
Fund Balances, end of year	<u>\$ 35,488</u>	<u>\$ 70,471</u>	<u>\$ 34,983</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
TIF -KUTHER ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous	\$ 246,000	\$ 246,105	\$ 105
Total revenues	<u>246,000</u>	<u>246,105</u>	<u>105</u>
EXPENDITURES			
Current:			
Community development			
Contractual, materials and other	<u>246,000</u>	<u>243,841</u>	<u>2,159</u>
Total expenditures	<u>246,000</u>	<u>243,841</u>	<u>2,159</u>
Excess of revenues over expenditures	-	2,264	2,264
Fund Balances, beginning of year	240,000	240,000	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 240,000</u>	<u>\$ 242,264</u>	<u>\$ 2,264</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
TIF -MENARDS FUND
OTHER FINANCING SOURCES (USES):
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local Taxes	\$ 77,000	\$ 77,453	\$ 453
Miscellaneous	650,000	650,354	354
Total revenues	<u>727,000</u>	<u>727,807</u>	<u>807</u>
EXPENDITURES			
Current:			
Community development			
Contractual, materials and other	674,802	671,198	3,604
Total expenditures	<u>674,802</u>	<u>671,198</u>	<u>3,604</u>
Excess of revenues over expenditures	52,198	56,609	4,411
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 52,198</u>	<u>\$ 56,609</u>	<u>\$ 4,411</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
C.D.B.G. REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 25,683	\$ 30,688	\$ 5,005
Miscellaneous receipts and reimbursements	-	1,056	1,056
Total revenues	<u>25,683</u>	<u>31,744</u>	<u>6,061</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	222,956	211,082	11,874
Total expenditures	<u>222,956</u>	<u>211,082</u>	<u>11,874</u>
Deficiency of revenues under expenditures	(197,273)	(179,338)	17,935
Fund Balances, beginning of year	77,608	77,608	-
Prior Year Encumbrances	212,956	212,956	-
Fund Balances, end of year	<u>\$ 93,291</u>	<u>\$ 111,226</u>	<u>\$ 17,935</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
C.D.B.G. PROGRAM INCOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	180	351	171
Total revenues	<u>180</u>	<u>351</u>	<u>171</u>
EXPENDITURES			
Current:			
Community development			
Contractual, materials and other	2,400	2,220	180
Total expenditures	<u>2,400</u>	<u>2,220</u>	<u>180</u>
Excess (deficiency) of revenues over (under) expenditures	(2,220)	(1,869)	351
Fund Balances, beginning of year	5,542	5,542	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 3,322</u>	<u>\$ 3,673</u>	<u>\$ 351</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
H.O.M.E. PROGRAM INCOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 1,900	\$ 5,104	\$ 3,204
Total revenues	<u>1,900</u>	<u>5,104</u>	<u>3,204</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	57,870	1,000	56,870
Total expenditures	<u>57,870</u>	<u>1,000</u>	<u>56,870</u>
Excess (deficiency) of revenues over (under) expenditures	(55,970)	4,104	60,074
Fund Balances, beginning of year	57,871	57,871	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 1,901</u>	<u>\$ 61,975</u>	<u>\$ 60,074</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CRA FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES			
Special assessments	500	500	-
Total Revenues	500	500	-
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	500	-	500
Total expenditures	500	-	500
Net change in fund balance	-	500	500
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 500</u>

**CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
PARKING METER AND OFF-STREET PARKING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 40,300	\$ 38,289	\$ (2,011)
Total revenues	40,300	38,289	(2,011)
EXPENDITURES:			
Current:			
Police			
Personal services	34,000	33,354	646
Contractual, materials and other	12,690	10,426	2,264
Total expenditures	46,690	43,780	2,910
Excess of revenues over expenditures	(6,390)	(5,491)	899
Fund Balances, beginning of year	103,247	103,247	-
Prior Year Encumbrances	1,180	1,180	-
Fund Balances, end of year	<u>\$ 98,037</u>	<u>\$ 98,936</u>	<u>\$ 899</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
PROBATION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 50,785	\$ 51,542	\$ 757
Total revenues	<u>50,785</u>	<u>51,542</u>	<u>757</u>
EXPENDITURES:			
Current:			
Judicial			
Personal services	51,400	50,784	616
Contractual, materials and other	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Total expenditures	<u>53,000</u>	<u>50,784</u>	<u>2,216</u>
Deficiency of revenues under expenditures	(2,215)	758	2,973
Fund Balances, beginning of year	4,123	4,123	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 1,908</u>	<u>\$ 4,881</u>	<u>\$ 2,973</u>

**CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CONVENTION AND VISITORS' BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 70,225	\$ 66,578	\$ (3,647)
Total revenues	<u>70,225</u>	<u>66,578</u>	<u>(3,647)</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>80,500</u>	<u>77,039</u>	<u>3,461</u>
Total expenditures	<u>80,500</u>	<u>77,039</u>	<u>3,461</u>
Deficiency of revenues under expenditures	(10,275)	(10,461)	(186)
Fund Balances, beginning of year	10,461	10,461	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 186</u>	<u>\$ -</u>	<u>\$ (186)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
HEALTH DEPARTMENT BUILDING LEASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 36,000	\$ 20,299	\$ (15,701)
Total revenues	<u>36,000</u>	<u>20,299</u>	<u>(15,701)</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	<u>16,240</u>	<u>13,197</u>	<u>3,043</u>
Total expenditures	<u>16,240</u>	<u>13,197</u>	<u>3,043</u>
Excess of revenues over expenditures	19,760	7,102	(12,658)
Fund Balances, beginning of year	136,450	136,450	-
Prior Year Encumbrances	<u>300</u>	<u>300</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 156,510</u>	<u>\$ 143,852</u>	<u>\$ (12,658)</u>

**CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
FEMA GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund Balances, beginning of year	9	9	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
SEPARATION PAYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES:			
Current:			
General government			
Personal services	<u>158,900</u>	<u>60,609</u>	<u>98,291</u>
Total expenditures	<u>158,900</u>	<u>60,609</u>	<u>98,291</u>
Deficiency of revenues under expenditures	(158,900)	(60,609)	98,291
OTHER FINANCING SOURCES:			
Transfers in	<u>259,490</u>	<u>259,490</u>	<u>-</u>
Total Other Financing Sources	<u>259,490</u>	<u>259,490</u>	<u>-</u>
Net change in fund balance	100,590	198,881	98,291
Fund Balances, beginning of year	490,971	490,971	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 591,561</u>	<u>\$ 689,852</u>	<u>\$ 98,291</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 8,000	\$ 10,678	\$ 2,678
Total revenues	<u>8,000</u>	<u>10,678</u>	<u>2,678</u>
EXPENDITURES:			
Current:			
General government			
Contractual, materials and other	<u>37,997</u>	<u>34,119</u>	<u>3,878</u>
Total expenditures	<u>37,997</u>	<u>34,119</u>	<u>3,878</u>
Deficiency of revenues under expenditures	(29,997)	(23,441)	6,556
OTHER FINANCING SOURCES:			
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total other financing sources	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	(4,997)	1,559	6,556
Fund Balances, beginning of year	15,344	15,344	-
Prior Year Encumbrances	2,997	2,997	-
Fund Balances, end of year	<u>\$ 13,344</u>	<u>\$ 19,900</u>	<u>\$ 6,556</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 8,000	\$ 15,063	\$ 7,063
Miscellaneous receipts and reimbursements	<u>-</u>	<u>(2,820)</u>	<u>(2,820)</u>
Total revenues	<u>8,000</u>	<u>12,243</u>	<u>4,243</u>
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	<u>30,420</u>	<u>29,418</u>	<u>1,002</u>
Total expenditures	<u>30,420</u>	<u>29,418</u>	<u>1,002</u>
Deficiency of revenues under expenditures	(22,420)	(17,175)	5,245
Fund Balances, beginning of year	23,904	23,904	-
Prior Year Encumbrances	130	130	-
Fund Balances, end of year	<u>\$ 1,614</u>	<u>\$ 6,859</u>	<u>\$ 5,245</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES			
Miscellaneous receipts and reimbursements	31,800	32,739	939
Total Revenues	31,800	32,739	939
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	67,090	65,343	1,747
Total Expenditures	67,090	65,343	1,747
Excess (deficiency) of revenues over (under) expenditures	(35,290)	(32,604)	2,686
Fund Balances, beginning of year	48,983	48,983	-
Prior Year Encumbrances	340	340	-
Fund Balances, end of year	<u>\$ 14,033</u>	<u>\$ 16,719</u>	<u>\$ 2,686</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
INDIGENT DRIVER ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 18,000	\$ 20,138	\$ 2,138
Total revenues	18,000	20,138	2,138
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	50,000	15,769	34,231
Total expenditures	50,000	15,769	34,231
Deficiency of revenues under expenditures	(32,000)	4,369	36,369
Fund Balances, beginning of year	91,517	91,517	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 59,517</u>	<u>\$ 95,886</u>	<u>\$ 36,369</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
ENFORCEMENT & EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 6,500	\$ 7,525	\$ 1,025
Total revenues	<u>6,500</u>	<u>7,525</u>	<u>1,025</u>
EXPENDITURES:			
Current:			
Police			
Personal services	6,790	6,767	23
Contractual, materials and other	<u>1,740</u>	<u>239</u>	<u>1,501</u>
Total expenditures	<u>8,530</u>	<u>7,006</u>	<u>1,524</u>
Deficiency of revenues under expenditures	(2,030)	519	2,549
Fund Balances, beginning of year	19,808	19,808	-
Prior Year Encumbrances	240	240	-
Fund Balances, end of year	<u>\$ 18,018</u>	<u>\$ 20,567</u>	<u>\$ 2,549</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
IMPREST CASH FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-
OTHER FINANCING SOURCES:			
Transfers in	<u>800</u>	<u>800</u>	<u>-</u>
Total other financing sources	<u>800</u>	<u>800</u>	<u>-</u>
Net change in fund balance	800	800	-
Fund Balances, beginning of year	2,300	2,300	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 3,100</u>	<u>\$ 3,100</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CAPITAL INVESTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 21,000	\$ 28,276	\$ 7,276
Total revenues	<u>21,000</u>	<u>28,276</u>	<u>7,276</u>
EXPENDITURES	-	-	-
Excess of revenues over expenditures	<u>21,000</u>	<u>28,276</u>	<u>7,276</u>
Fund Balances, beginning of year	423,656	423,656	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 444,656</u>	<u>\$ 451,932</u>	<u>\$ 7,276</u>

**CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CEMETERY MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 9,000	\$ 8,574	\$ (426)
Investment income	29,000	49,177	20,177
Total revenues	<u>38,000</u>	<u>57,751</u>	<u>19,751</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	<u>400</u>	<u>333</u>	<u>67</u>
Total expenditures	<u>400</u>	<u>333</u>	<u>67</u>
Excess of revenues over expenditures	37,600	57,418	19,818
OTHER FINANCING USES:			
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	27,600	47,418	19,818
Fund Balances, beginning of year	741,837	741,837	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 769,437</u>	<u>\$ 789,255</u>	<u>\$ 19,818</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
MAUSOLEUM MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 500	\$ 53	\$ (447)
Investment income	850	1,431	581
Total revenues	<u>1,350</u>	<u>1,484</u>	<u>134</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	1,350	1,484	134
Fund Balances, beginning of year	21,436	21,436	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 22,786</u>	<u>\$ 22,920</u>	<u>\$ 134</u>

**CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
MUNICIPAL COURT SPECIAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ -	\$ 45,033	\$ 45,033
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	45,033	45,033
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 45,033</u>	<u>\$ 45,033</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
INDIGENT DRIVER I&A MONITORING FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ -	\$ 1,530	\$ 1,530
EXPENDITURES	-	-	-
Net change in fund balance	-	1,530	1,530
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 1,530</u>	<u>\$ 1,530</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
MUNICIPAL COURT COMPUTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES			
Charges for services	50,570	46,721	\$ (3,849)
Total Revenues	<u>50,570</u>	<u>46,721</u>	<u>(3,849)</u>
EXPENDITURES			
Current:			
Judicial			
Contractual, materials and other	49,000	49,000	-
Total expenditures	<u>49,000</u>	<u>49,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	1,570	(2,279)	(3,849)
Fund Balances, beginning of year	25,605	25,605	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 27,175</u>	<u>\$ 23,326</u>	<u>\$ (3,849)</u>



OHIO

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 489,645	\$ 561,001	\$ 71,356
Miscellaneous receipts and reimbursements	-	23,888	23,888
Total revenues	<u>489,645</u>	<u>584,889</u>	<u>95,244</u>
EXPENDITURES:			
Capital Outlay:			
Contractual, materials and other	<u>5,236,931</u>	<u>4,416,874</u>	<u>820,057</u>
Total expenditures	<u>5,236,931</u>	<u>4,416,874</u>	<u>820,057</u>
Deficiency of revenues under expenditures	<u>(4,747,286)</u>	<u>(3,831,985)</u>	<u>915,301</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(279,050)	(94,909)	184,141
Sale of asset	-	31,743	31,743
Transfers in	<u>3,372,279</u>	<u>3,347,207</u>	<u>(25,072)</u>
Total other financing sources	<u>3,093,229</u>	<u>3,284,041</u>	<u>190,812</u>
Net change in fund balance	(1,654,057)	(547,944)	1,106,113
Fund Balances, beginning of year	544,763	544,763	-
Prior Year Encumbrances	<u>1,245,981</u>	<u>1,245,981</u>	-
Fund Balances, end of year	<u>\$ 136,687</u>	<u>\$ 1,242,800</u>	<u>\$ 1,106,113</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
SPECIAL ASSESSMENT CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Special assessments	\$ 6,000	\$ 8,814	\$ 2,814
Total revenues	<u>6,000</u>	<u>8,814</u>	<u>2,814</u>
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	<u>16,840</u>	<u>5,224</u>	<u>11,616</u>
Total expenditures	<u>16,840</u>	<u>5,224</u>	<u>11,616</u>
Deficiency of revenues under expenditures	(10,840)	3,590	14,430
Fund Balances, beginning of year	5,256	5,256	-
Prior Year Encumbrances	<u>7,740</u>	<u>7,740</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 2,156</u>	<u>\$ 16,586</u>	<u>\$ 14,430</u>



OHIO



STATISTICAL SECTION

CITY OF SIDNEY, OHIO
Statistical Section
December 31, 2008

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

<u>Contents</u>	<u>Page</u>
<p>Financial Trends (Schedules 1 – 4) These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p>	103 – 107
<p>Revenue Capacity (Schedules 5 – 6) These schedules contain information to help the reader assess the City’s most significant local revenue source, the municipal income tax.</p>	108 – 109
<p>Debt Capacity (Schedules 7 - 9) These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</p>	110 – 112
<p>Economic and Demographic Information (Schedules 10 – 11) These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.</p>	113 – 114
<p>Operating Information (Schedules 12 – 14) These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</p>	115 – 117

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2000; schedules presenting government-wide information include information beginning in that year.



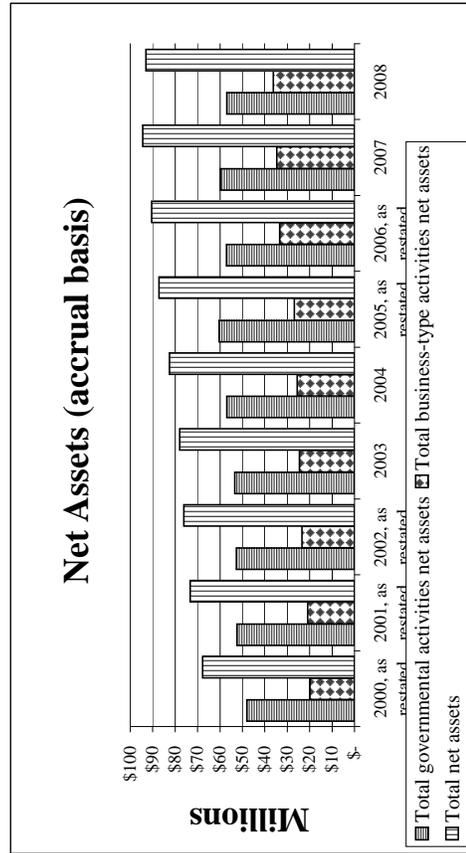
OHIO

CITY OF SIDNEY, OHIO
NET ASSETS BY CATEGORY
LAST NINE FISCAL YEARS

Schedule 1

	Year Ended December 31,								
	2000, as restated	2001, as restated	2002, as restated	2003	2004	2005, as restated	2006, as restated	2007	2008
Governmental activities									
Invested in capital assets, net of related debt	\$ 34,168,370	\$ 41,074,076	\$ 41,586,478	\$ 41,850,468	44,263,989	46,330,165	41,944,422	43,858,848	43,433,659
Restricted for:									
Other purposes	1,980,660	1,672,998	1,607,694	1,374,427	1,764,537	1,342,722	1,546,232	1,321,211	1,042,116
Unrestricted	11,818,243	9,694,440	9,523,194	10,240,893	10,957,084	12,637,014	13,638,819	14,559,542	12,449,516
Total governmental activities net assets	47,967,273	52,441,514	52,717,366	53,465,788	56,985,610	60,309,901	57,129,473	59,739,601	56,925,291
Business-type activities									
Invested in capital assets, net of related debt	15,865,656	16,502,437	19,338,974	19,460,644	21,277,102	23,223,096	29,250,922	29,300,583	31,074,156
Restricted	-	-	-	-	-	-	-	-	160,420
Unrestricted	3,981,195	4,406,065	4,045,806	5,108,748	4,327,735	3,643,310	4,059,842	5,387,473	4,928,706
Total business-type activities net assets	19,846,851	20,908,502	23,384,780	24,569,392	25,604,837	26,866,406	33,310,764	34,688,056	36,163,282
Total									
Invested in capital assets, net of related debt	50,034,026	57,576,513	60,925,452	61,311,112	65,541,091	69,553,261	71,195,344	73,159,431	74,507,815
Restricted for:									
Other purposes	1,980,660	1,672,998	1,607,694	1,374,427	1,764,537	1,342,722	1,546,232	1,321,211	1,202,536
Unrestricted	15,799,438	14,100,505	13,569,000	15,349,641	15,284,819	16,280,324	17,698,661	19,947,015	17,378,222
Total net assets	\$ 67,814,124	\$ 73,350,016	\$ 76,102,146	\$ 78,035,180	\$ 82,590,447	\$ 87,176,307	\$ 90,440,237	\$ 94,427,657	\$ 93,088,573

Note: Accounting standards require that the net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City.



Note: The following restatements of prior years' balances are reflected in the above schedule:
 -- Change in threshold for recording capital assets was raised from \$2,500 to \$5,000.
 -- Retroactive restatement of governmental infrastructure acquired before January 1, 2000.
 -- Addition of sewer and water infrastructure not capitalized in prior years.
 -- Correction of airport capital assets
 -- Change of transportation and stormwater management funds from governmental activities to business-type activities

CITY OF SIDNEY, OHIO
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS

	Year Ended December 31,								
	2000, as restated	2001, as restated	2002, as restated	2003	2004	2005, as restated	2006, as restated	2007	2008
Expenses									
Governmental activities:									
General government	1,723,485	1,998,119	1,905,469	1,782,921	1,489,376	1,614,428	1,741,846	1,726,929	1,842,173
Public safety	8,600,737	9,722,217	9,888,848	9,878,689	10,499,661	10,892,271	11,435,091	12,226,710	12,634,520
Health	174,196	261,687	270,727	295,910	218,608	202,737	214,883	227,045	239,068
Transportation	2,104,864	2,272,067	2,318,094	2,569,392	2,772,945	3,074,878	2,692,044	3,163,599	3,308,905
Community environment	1,298,061	1,190,075	1,379,329	1,313,960	1,430,611	1,368,786	1,426,466	1,618,014	1,887,736
Parks and recreation	1,150,509	1,211,315	1,338,190	1,400,906	1,427,369	1,469,323	1,461,172	1,628,824	1,670,604
Basic utility services	308,467	318,291	370,166	378,706	487,141	460,118	-	54,531	24,630
Interest on long-term debt	125,165	121,785	115,448	114,958	266,501	425,995	411,424	392,921	386,824
Total governmental activities expenses	15,485,484	17,095,556	17,586,271	17,735,442	18,565,189	19,535,559	19,382,926	21,038,573	21,994,460
Business-type activities:									
Water	2,515,576	2,588,130	2,599,989	2,657,083	2,930,771	2,959,127	3,253,577	3,908,385	3,581,450
Sewer	2,191,821	2,307,869	2,286,024	2,791,159	3,125,699	3,466,500	3,464,976	3,720,157	3,812,880
Stormwater	-	-	-	-	-	-	644,140	567,091	538,199
Solid Waste	999,249	915,794	1,012,932	1,003,765	1,038,399	1,048,669	1,126,873	1,086,908	1,002,412
Other business-type activities	314,250	286,496	324,786	364,138	448,909	493,991	1,095,913	996,388	1,433,523
Total business-type activities expenses	6,020,896	6,098,289	6,223,731	6,816,145	7,543,778	7,968,287	9,585,479	10,278,929	10,368,464
Total Expenses	21,506,380	23,193,845	23,810,002	24,551,587	26,108,967	27,503,846	28,968,405	31,317,502	32,362,924
Program Revenues									
Governmental activities:									
General government	1,492,875	1,495,815	1,399,883	1,850,965	1,901,789	1,893,515	1,857,089	2,109,221	1,735,248
Public safety	129,641	133,616	173,214	115,028	150,921	97,804	129,886	120,151	139,266
Health	3,520,102	5,597,599	1,944,035	1,799,891	4,985,199	3,917,009	3,505,690	2,516,499	1,858,465
Transportation	553,089	817,184	494,836	483,702	497,796	660,033	410,455	590,043	580,146
Community environment	101,749	31,132	28,670	65,267	29,718	235,658	72,453	64,939	111,888
Parks and recreation	-	-	-	-	-	17,224	-	-	14,503
Basic utility services	5,797,456	8,075,346	4,040,638	4,314,853	7,565,423	6,821,223	5,975,573	5,406,654	4,440,398
Total governmental activities program revenues	2,879,475	2,835,353	3,127,229	3,109,280	3,321,811	3,562,350	3,540,699	4,105,837	3,454,995
Business-type activities:									
Water	2,958,403	2,935,486	3,213,919	3,357,205	3,453,028	3,821,448	3,706,858	4,564,326	3,321,692
Sewer	763,583	666,804	884,872	845,898	927,527	874,119	841,242	893,935	1,016,660
Stormwater	236,221	213,127	281,415	254,713	548,303	609,976	980,687	1,041,434	316,988
Other business-type activities	6,837,682	6,650,770	7,507,435	7,567,096	8,250,669	8,867,893	9,069,486	10,881,425	9,942,434
Total business-type activities program revenues	(1,723,485)	(1,998,119)	(1,905,469)	(1,782,921)	(1,489,376)	(1,614,428)	(1,741,846)	(1,726,929)	(1,842,173)
Net (Expense) Revenue ^(a)	(7,107,862)	(8,226,402)	(8,488,965)	(8,027,724)	(8,597,872)	(8,998,756)	(9,578,002)	(10,117,489)	(10,899,272)
Governmental activities:									
Public safety	(44,555)	(128,071)	(97,513)	(180,882)	(67,687)	(104,933)	(84,997)	(106,894)	(99,802)
Health	1,415,238	3,325,532	(374,059)	(769,501)	2,212,254	842,131	813,646	(647,100)	(1,450,440)
Transportation	(744,972)	(372,891)	(884,493)	(830,258)	(932,815)	(708,753)	(1,016,011)	(1,027,971)	(1,307,590)
Community environment	(1,048,760)	(1,180,183)	(1,309,520)	(1,335,639)	(1,397,651)	(1,233,885)	(1,388,719)	(1,563,885)	(1,558,716)
Parks and recreation	(308,467)	(318,291)	(370,166)	(378,706)	(460,118)	(469,917)	(54,531)	(54,531)	(10,127)
Basic utility services	(125,165)	(121,785)	(115,448)	(114,958)	(266,501)	(425,995)	(411,424)	(392,921)	(386,824)
Interest on long-term debt	(9,688,028)	(9,020,210)	(13,545,633)	(13,420,589)	(10,999,766)	(12,714,336)	(13,407,353)	(15,631,919)	(17,554,062)
Total governmental activities	(9,688,028)	(9,020,210)	(13,545,633)	(13,420,589)	(10,999,766)	(12,714,336)	(13,407,353)	(15,631,919)	(17,554,062)

CITY OF SIDNEY, OHIO
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS

(continued)

Schedule 2

	Year Ended December 31,								
	2000, as restated	2001, as restated	2002, as restated	2003	2004	2005, as restated	2006, as restated	2007	2008
Net (Expense) Revenue ^(a)									
Business-type activities:									
Water	363,899	247,223	527,240	452,197	391,040	603,223	287,122	197,452	(126,455)
Sewer	766,582	627,617	927,895	566,046	327,329	354,948	241,882	844,169	(491,188)
Solid Waste	(235,666)	(248,990)	(128,060)	(107,867)	(110,872)	(174,550)	197,102	(192,973)	14,248
Stormwater	-	-	-	-	-	-	(1,126,873)	(291,198)	(221,211)
Other business-type activities	(78,029)	(73,369)	(43,371)	(109,425)	99,394	115,985	(115,226)	45,046	398,576
Total business-type activities	816,786	552,481	1,283,704	750,951	706,891	899,606	(515,993)	602,496	(426,030)
Total	(8,871,242)	(8,467,729)	(12,261,929)	(12,669,638)	(10,292,875)	(11,814,730)	(13,923,346)	(15,029,423)	(17,980,092)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Income taxes	10,663,264	10,713,675	10,952,386	11,180,689	11,313,150	12,707,698	13,261,167	13,417,106	12,505,553
Property taxes	1,330,086	1,317,123	1,266,026	1,250,527	1,321,566	1,336,737	1,492,187	1,481,916	1,440,528
Other taxes	561,207	189,818	505,464	618,180	585,600	688,045	507,960	819,030	693,003
Grants and contributions: not restricted to specific prog	1,114,811	1,117,526	1,273,415	1,146,863	1,287,579	1,174,034	1,183,356	1,610,680	1,135,782
Investment earnings	1,108,964	779,823	447,751	171,516	243,088	340,469	545,906	894,963	561,282
(Loss) gain on sale/disposal of capital assets	(29,845)	(40,253)	(68,845)	9,300	12,983	10,430	24,248	-	4,070
Miscellaneous	297,769	155,936	67,249	88,705	42,357	76,941	46,216	573,924	68,482
Transfers	(32,237)	(732,853)	(620,419)	(351,422)	(286,635)	(295,727)	(190,440)	(555,572)	(1,668,948)
Total governmental activities	15,014,019	13,500,795	13,823,027	14,114,358	14,519,688	16,038,627	16,870,600	18,242,047	14,739,752
Business-type activities:									
Investment earnings	-	-	135,481	76,870	39,519	64,736	118,884	219,224	227,958
(Loss) gain on sale/disposal of capital assets	-	-	800	5,369	2,400	1,500	7,352	-	4,350
Transfers	-	-	620,419	351,422	286,635	295,727	190,440	555,572	1,668,948
Total business-type activities	-	-	756,700	433,661	328,554	361,963	316,676	774,796	1,901,256
Total	15,014,019	13,500,795	14,579,727	14,548,019	14,848,242	16,400,590	17,187,276	19,016,843	16,641,008
Change in Net Assets									
Governmental activities	5,325,991	4,480,585	277,394	693,769	3,519,922	3,324,291	3,463,247	2,610,128	(2,814,310)
Business-type activities	816,786	552,481	2,040,404	1,184,612	1,035,445	1,261,569	(199,317)	1,377,292	1,475,226
Total	6,142,777	5,033,066	2,317,798	1,878,381	4,555,367	4,585,860	3,263,930	3,987,420	(1,339,084)

^(a) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program.

It indicates the degree to which a function or program is supported by its own fees and program-specific grants versus its reliance upon funding from taxes and other governmental revenues.

Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

Schedule 3

**CITY OF SIDNEY, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	December 31,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved for:										
Inventory	\$ 58,360	\$ 49,828	\$ 55,145	\$ 51,800	\$ 42,560	\$ 41,583	\$ 35,817	\$ 36,018	\$ 49,255	\$ 48,516
Prepaid items	-	36,044	37,179	46,045	41,776	43,949	31,608	24,389	21,576	23,793
Encumbrances	34,400	185,280	145,807	157,350	106,148	95,417	20,441	692,064	104,072	125,775
Unreserved	3,691,491	3,050,871	2,981,401	2,707,516	2,710,617	2,894,238	3,753,439	4,344,745	6,079,886	4,256,474
Total general fund	<u>\$ 3,784,251</u>	<u>\$ 3,322,023</u>	<u>\$ 3,219,532</u>	<u>\$ 2,962,711</u>	<u>\$ 2,901,101</u>	<u>\$ 3,075,187</u>	<u>\$ 3,841,305</u>	<u>\$ 5,097,216</u>	<u>\$ 6,254,789</u>	<u>\$ 4,454,558</u>
All Other Governmental Funds										
Reserved for:										
Inventory	\$ 74,932	\$ 69,568	\$ 83,592	\$ 108,045	\$ 88,655	\$ 85,260	\$ 76,273	\$ 92,915	\$ 52,740	\$ 101,224
Prepaid items	-	60,002	57,895	53,795	50,444	97,254	91,248	85,851	1,342	1,154
Long-term loans receivable	128,199	223,204	118,784	107,284	95,191	82,474	69,112	55,066	40,301	24,781
Encumbrances	3,626,507	1,048,962	1,106,024	529,435	1,016,744	4,845,128	728,243	896,553	1,210,351	386,292
Unreserved, reported in:										
Special revenue funds	4,298,002	5,438,619	4,361,742	4,329,121	3,909,666	4,948,733	5,352,567	5,348,396	4,782,780	4,082,591
Capital projects funds	2,860,969	2,384,613	386,758	1,175,574	889,892	2,682,669	1,373,103	1,252,773	616,675	1,282,636
Total all other governmental funds	<u>\$ 10,988,609</u>	<u>\$ 9,224,968</u>	<u>\$ 6,114,795</u>	<u>\$ 6,303,254</u>	<u>\$ 6,050,592</u>	<u>\$ 12,741,518</u>	<u>\$ 7,690,546</u>	<u>\$ 7,731,554</u>	<u>\$ 6,704,189</u>	<u>\$ 5,878,678</u>

Note: The following changes that occurred on the 2007 balances and are not reflected in prior years are reflected in the above schedule:

- Change of transportation and stormwater management funds from governmental activities to business-type activities
- Correction of an error for bond issuance costs

**CITY OF SIDNEY, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	For Year Ended December 31,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Local taxes	13,192,036	11,703,628	11,089,189	12,714,069	12,543,684	13,445,397	14,365,781	14,851,099	14,988,112	14,338,595
Intergovernmental revenues	2,901,054	3,267,850	3,632,296	3,353,670	3,320,149	3,810,313	5,067,711	4,071,733	3,788,406	3,885,983
Special assessments	273,589	263,167	245,742	241,912	227,605	229,316	236,104	223,510	258,866	245,045
Charges for services	469,453	716,325	709,333	768,098	969,279	1,421,837	1,622,762	1,587,491	1,737,641	1,671,362
Fines, licenses and permits	683,212	404,054	429,437	317,800	287,411	256,498	258,766	269,686	267,507	240,658
Investment income	611,734	948,322	823,690	522,063	268,883	207,837	334,897	612,932	880,706	610,887
Miscellaneous receipts and reimbursements	267,942	568,047	326,270	326,443	303,245	308,898	321,297	289,589	797,011	304,689
Total revenues	18,399,020	17,871,393	17,255,957	18,244,055	17,920,256	19,680,096	22,207,318	21,906,040	22,718,249	21,297,219
EXPENDITURES:										
Current:										
General government	2,063,421	1,759,529	1,965,157	1,912,226	1,837,408	1,440,284	1,605,525	1,542,352	1,629,417	1,754,338
Public safety	7,794,337	8,349,842	9,120,432	9,162,996	9,300,073	9,861,029	10,311,264	10,483,625	11,183,654	11,594,488
Health	147,127	230,152	242,231	249,787	259,649	189,070	185,517	194,161	209,334	220,980
Transportation	1,309,352	1,291,164	1,221,388	1,275,471	1,504,254	1,644,318	1,922,641	1,751,984	1,424,212	1,484,688
Community environment & development	749,486	991,344	915,690	1,016,647	1,013,585	1,105,093	1,222,594	1,286,229	1,310,180	2,090,973
Parks and recreation	941,694	1,080,551	1,044,188	1,213,672	1,246,529	1,251,521	1,352,572	1,255,863	1,366,273	1,422,988
Basic utility services	137,337	157,069	159,406	204,342	222,810	284,370	283,767	398,791	45,593	23,543
Capital outlay	3,937,626	6,654,781	5,128,957	2,627,354	2,449,097	4,247,656	8,568,102	2,723,186	3,888,697	4,039,330
Debt service:										
Principal	120,000	120,000	120,000	120,000	125,000	130,000	425,000	435,000	445,000	435,000
Interest and other charges	129,181	114,498	122,219	115,895	115,522	239,721	429,276	413,338	388,520	369,535
Total expenditures	17,329,561	20,748,930	20,039,668	17,898,390	18,073,927	20,393,062	26,306,258	20,484,529	21,890,880	23,435,863
Excess (deficiency) of revenues over (under) expenditures	1,069,459	(2,877,537)	(2,783,711)	345,665	(153,671)	(712,966)	(4,098,940)	1,421,511	827,369	(2,138,644)
OTHER FINANCING SOURCES (USES):										
Transfers in	15,301,323	13,005,598	11,360,480	11,288,315	11,320,014	12,028,819	12,605,445	13,956,196	14,189,448	13,571,638
Proceeds from issuance of bonds	-	-	-	-	-	7,600,000	-	-	-	-
Sale of fixed assets	18,329	24,544	21,387	21,300	14,400	26,525	10,430	31,448	74,328	26,392
Transfers out	(15,526,623)	(13,046,831)	(11,810,820)	(11,477,315)	(11,495,014)	(12,132,019)	(12,801,789)	(14,112,236)	(14,747,305)	(14,085,128)
Total other financing sources (uses)	(206,971)	(16,689)	(428,953)	(167,700)	(160,600)	7,523,325	(185,914)	(124,592)	(483,529)	(487,098)
Net change in fund balances	\$ 862,488	\$ (2,894,226)	\$ (3,212,664)	\$ 177,965	\$ (314,271)	\$ 6,810,359	\$ (4,284,854)	\$ 1,296,919	\$ 343,840	\$ (2,625,742)
Debt service as a percentage of noncapital expenditures	1.4%	1.1%	1.5%	1.5%	1.5%	2.2%	4.7%	4.7%	4.5%	4.0%

CITY OF SIDNEY, OHIO

Schedule 5

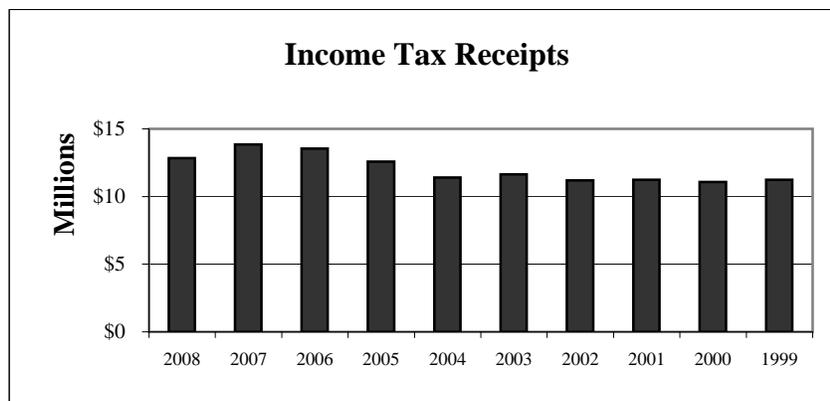
INCOME TAX BY PAYER TYPE AND INCOME TAX RATE

LAST TEN FISCAL YEARS (*cash basis of accounting -- excluding refunds*)

Year	Individuals		Net Profits	Total	Income Tax Rate
	Withheld by Employer	Paid by Taxpayer			
2008	\$ 10,275,568	\$ 604,777	\$ 1,962,835	\$ 12,843,180	1.50%
2007	\$ 11,034,099	\$ 562,897	\$ 2,251,588	\$ 13,848,583	1.50%
2006	\$ 10,564,424	\$ 594,202	\$ 2,376,810	\$ 13,535,436	1.50%
2005	\$ 10,304,368	\$ 401,908	\$ 1,869,366	\$ 12,575,642	1.50%
2004	\$ 9,584,082	\$ 422,876	\$ 1,401,307	\$ 11,408,265	1.50%
2003	\$ 9,454,838	\$ 443,801	\$ 1,730,053	\$ 11,628,692	1.50%
2002	\$ 9,191,973	\$ 458,471	\$ 1,545,088	\$ 11,195,532	1.50%
2001	\$ 9,134,504	\$ 465,735	\$ 1,637,333	\$ 11,237,572	1.50%
2000	\$ 8,757,119	\$ 491,777	\$ 1,822,063	\$ 11,070,959	1.50%
1999	\$ 8,430,776	\$ 463,307	\$ 2,351,018	\$ 11,245,101	1.50%

Source: City of Sidney, Ohio, Income Tax Department

This City levies a 1.5% income tax on all wages, salaries, commissions and other compensation paid by employers and the net profits from a business or professional person earned within the City, excluding income from intangible personal property. In addition, City residents pay City income tax on income earned outside the City, net of a credit for income taxes paid to other municipalities. Employers within the City withhold income tax on employee compensation and remit at least quarterly.



CITY OF SIDNEY, OHIO
RANKING OF TOP TEN INCOME TAX WITHHOLDERS
CURRENT YEAR AND TEN YEARS AGO (cash basis of accounting)

Schedule 6

2008	
Rank	Name
1	Emerson Climate (formerly Copeland Corp)
2	Wilson Memorial Hospital
3	NK Parts Industries, Inc.
4	Sidney Board of Education
5	Cargill, Inc
6	Superior Metal
7	Honda of America Mfg
8	County Auditors Office
9	Freshway Foods
10	IAC Sidney LLC
Combined percentage of Total income taxes 27.39%	

1999		
2008 Rank	Rank	Name
1	1	Copeland Corporation
6	2	American Trim LLC
7	3	Honda of America Mfg
-	4	Alcoa Building Products, Inc
2	5	Wilson Memorial Hospital
4	6	Sidney Board of Education
-	7	Gilardi, AM & Sons Inc
10	8	Eagle-Picher Industries, Inc.
8	9	County Auditors Office
-	10	Lear
Combined percentage of Total income taxes 30.03%		

Source: City of Sidney, Ohio, Income Tax Department

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer. The City chose not to disclose percentages and number of filers by income level because the City does not require all taxpayers to file a return, therefore it does not have, nor can it obtain, this type of information.

CITY OF SIDNEY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Schedule 7

Year	<u>General Bonded Debt</u>			<u>Business-Type Activities</u>				
	General Obligation Bonds	Percentage of actual property value	Per Capita	Water Bonds	Sewer General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2008	\$ 8,966,000	4.28%	\$ 804	\$ 650,000	\$ 6,485,000	\$ 16,101,000	1.50%	\$ 804
2007	\$ 8,505,500	4.09%	\$ 802	\$ 200,000	\$ 7,450,000	\$ 16,155,500	1.37%	\$ 802
2006	\$ 8,950,000	3.98%	\$ 847	\$ -	\$ 8,105,000	\$ 17,055,000	1.39%	\$ 847
2005	\$ 9,385,000	3.92%	\$ 882	\$ 250,000	\$ 8,155,000	\$ 17,790,000	1.13%	\$ 882
2004	\$ 9,810,000	4.21%	\$ 947	\$ 500,000	\$ 8,775,000	\$ 19,085,000	1.31%	\$ 947
2003	\$ 2,340,000	2.82%	\$ 615	\$ 750,000	\$ 9,365,000	\$ 12,455,000	0.88%	\$ 615
2002	\$ 2,465,000	3.04%	\$ 660	\$ 1,000,000	\$ 9,925,000	\$ 13,390,000	0.95%	\$ 660
2001	\$ 2,585,000	3.41%	\$ 701	\$ 1,250,000	\$ 10,450,000	\$ 14,285,000	1.06%	\$ 701
2000	\$ 2,705,000	2.01%	\$ 409	\$ 1,500,000	\$ 4,055,000	\$ 8,260,000	0.63%	\$ 409
1999	\$ 2,825,000	2.27%	\$ 471	\$ 1,750,000	\$ 4,540,000	\$ 9,115,000	0.71%	\$ 471

**CITY OF SIDNEY, OHIO
RATIOS OF OUTSTANDING DEBT AND LEGAL DEBT MARGINS
LAST TEN YEARS**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Obligation Bonds	\$ 9,115,000	\$ 8,260,000	\$ 14,285,000	\$ 13,390,000	\$ 12,455,000	\$ 19,085,000	\$ 17,790,000	\$ 17,055,000	\$ 16,155,500	\$ 16,101,000
Assessed value of taxable property ^(a)	\$ 401,899,287	\$ 410,154,105	\$ 418,557,164	\$ 440,544,340	\$ 442,272,291	\$ 453,740,892	\$ 454,122,536	\$ 428,275,580	\$ 395,352,640	\$ 376,375,950
General Obligation Bonds as percent of total assessed value of taxable property	2.27%	2.01%	3.41%	3.04%	2.82%	4.21%	3.92%	3.98%	4.09%	4.28%
Estimated actual value of taxable property ^(a)	1,285,641,548	1,315,201,174	1,344,326,965	1,414,316,000	1,409,770,730	1,458,980,574	1,569,576,558	1,223,644,514	1,180,703,463	1,075,359,857
General Obligation Bonds as percent of total estimated actual value of taxable property	0.71%	0.63%	1.06%	0.95%	0.88%	1.31%	1.13%	1.39%	1.37%	1.50%
Population ^(b)	19,350	20,211	20,378	20,276	20,249	20,147	20,171	20,139	20,139	20,019
General Obligation Bonds Per capita	\$ 471	\$ 409	\$ 701	\$ 660	\$ 615	\$ 947	\$ 882	\$ 847	\$ 802	\$ 804
Less debt not subject to limitations										
Self-supporting securities issued for water systems or facilities	\$ (1,750,000)	\$ (1,500,000)	\$ (1,250,000)	\$ (1,000,000)	\$ (750,000)	\$ (500,000)	\$ (250,000)	\$ -	\$ (200,000)	\$ (650,000)
Self-supporting securities issued for sanitary sewer systems or facilities	\$ (4,540,000)	\$ (4,055,000)	\$ (10,450,000)	\$ (9,925,000)	\$ (9,365,000)	\$ (8,775,000)	\$ (8,155,000)	\$ (8,105,000)	\$ (7,450,000)	\$ (6,485,000)
Less: Bond Retirement Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net debt subject to 10-1/2% limitation ^(c)	\$ 2,825,000	\$ 2,705,000	\$ 2,585,000	\$ 2,465,000	\$ 2,340,000	\$ 9,810,000	\$ 9,385,000	\$ 8,950,000	\$ 8,505,500	\$ 8,966,000
Voted and Unvoted Debt Limit -- 10-1/2% of assessed value	\$ 42,199,425	\$ 43,066,181	\$ 43,948,502	\$ 46,257,156	\$ 46,438,591	\$ 47,642,794	\$ 47,682,866	\$ 44,968,936	\$ 41,512,027	\$ 39,519,475
Legal Debt Margin within 10-1/2% Limitator	\$ 39,374,425	\$ 40,361,181	\$ 41,363,502	\$ 43,792,156	\$ 44,098,591	\$ 37,832,794	\$ 38,297,866	\$ 36,018,936	\$ 33,006,527	\$ 30,553,475
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	6.69%	6.28%	5.88%	5.33%	5.04%	20.59%	19.68%	19.90%	20.49%	22.69%
Net debt subject to 5-1/2% limitation ^(d)	\$ 2,825,000	\$ 2,705,000	\$ 2,585,000	\$ 2,465,000	\$ 2,340,000	\$ 9,810,000	\$ 9,385,000	\$ 8,950,000	\$ 8,505,500	\$ 8,966,000
Unvoted Debt Limit -- 5-1/2% of assessed value	\$ 22,104,461	\$ 22,558,476	\$ 23,020,644	\$ 24,229,939	\$ 24,324,976	\$ 24,955,749	\$ 24,976,739	\$ 23,555,157	\$ 21,744,395	\$ 20,700,677
Legal Debt Margin within 5-1/2% Limitator	\$ 19,279,461	\$ 19,853,476	\$ 20,435,644	\$ 21,764,939	\$ 21,984,976	\$ 15,145,749	\$ 15,591,739	\$ 14,605,157	\$ 13,238,895	\$ 11,734,677
Net debt within limitations for Unvoted debt as a percentage of debt limit	12.78%	11.99%	11.23%	10.17%	9.62%	39.31%	37.57%	38.00%	39.12%	43.31%

^(a) Source for assessed value and estimated actual value data: Shelby County Auditor

^(b) Source for population: For years 1998 - 1999 and 2001 - 2008, U.S. Bureau of the Census-Population Estimates Program. For year 2000, U.S. Bureau of the Census-2000 Federal Census.

^(c) The Ohio Revised Code provides that the aggregate principal amount of voted and unvoted "net indebtedness" may not exceed 10-1/2% of the assessed valuation.

^(d) The Ohio Revised Code provides that the aggregate principal amount of unvoted "net indebtedness" may not exceed 5-1/2% of the assessed valuation.

**CITY OF SIDNEY, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION DEBT
 DECEMBER 31, 2007**

Schedule 9

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Sidney</u>	<u>Amount Applicable to City of Sidney</u>
City of Sidney	\$ 8,966,000 ⁽¹⁾	100%	\$8,966,000
Sidney City School District ⁽²⁾	\$19,289,980	100%	\$19,289,980
Shelby County ⁽³⁾	\$437,371	100%	\$437,371

⁽¹⁾ Excludes general obligation debt that is being repaid from enterprise (water and sewer) fees.

⁽²⁾ Source: Treasurer of Sidney City Schools

⁽³⁾ Source: Shelby County Auditor

**CITY OF SIDNEY, OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

Schedule 10

Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ^{(1)(b)}	Median Age ^{(1)(b)}	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾	Total Assessed Property Value ⁽⁴⁾	Estimated Actual Property Value ⁽⁴⁾
1999	19,350 (1)(a)	\$19,075	33.9 yrs	3,953	4.1%	\$401,899,287	\$1,285,641,548
2000	20,211 (1)(b)	\$19,075	33.9 yrs	3,887	4.2%	\$410,154,105	\$1,315,201,174
2001	20,378 (1)(a)	\$19,075	33.9 yrs	3,896	4.0%	\$418,557,164	\$1,344,326,965
2002	20,276 (1)(a)	\$19,075	33.9 yrs	3,918	4.6%	\$440,544,340	\$1,414,316,000
2003	20,249 (1)(a)	\$19,075	33.9 yrs	3,609	4.9%	\$442,272,291	\$1,409,770,730
2004	20,147 (1)(a)	\$19,075	33.9 yrs	3,941	4.4%	\$453,740,892	\$1,458,980,574
2005	20,171 (1)(a)	\$19,075	33.9 yrs	3,923	4.9%	\$454,122,536	\$1,569,576,558
2006	20,139 (1)(a)	\$19,075	33.9 yrs	3,934	4.5%	\$428,275,580	\$1,223,644,514
2007	20,139 (1)(a)	\$19,075	33.9 yrs	3,978	4.8%	\$395,352,640	\$1,180,703,463
2008	20,019 (1)(a)	\$19,075	33.9 yrs	3,995	6.1%	\$376,375,950	\$1,075,359,857

⁽¹⁾ Source: ^(a) U.S. Bureau of the Census - Population Estimates Program, Population Division;

^(b) U.S. Bureau of the Census - 2000 Federal Census

⁽²⁾ Source: Sidney City Schools Board of Education

⁽³⁾ Source: Bureau of Labor Statistics, U.S. Dept. of Labor

⁽⁴⁾ Source: Shelby County Auditor

Note: Total personal income amounts are not available for the City of Sidney therefore, estimated actual value of taxable property is used instead.

**CITY OF SIDNEY, OHIO
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND SIX YEARS AGO**

Schedule 11

2008			2002		
	<u>Employer</u>	<u>Approximate Number of Employees</u>		<u>Employer</u>	<u>Approximate Number of Employees</u>
1	Emerson Climate (formerly Copeland Corp)	1,700	1	Copeland Corporation	2,200
2	Wilson Memorial Hospital	765	2	NK Parts Industries	1,100
3	NK Parts Industries	643	3	Stolle Products	800
4	Superior Metal Products/American Trim	550	4	Wilson Memorial Hospital	665
5	Sidney Board of Education	480	5	Wal-Mart Super Center	600
6	Augusta Sportswear	470	6	Con Agra	484
7	Wal-Mart Super Center	450	7	Sidney Board of Education	459
8	Freshway Foods	371	8	Alcoa Building Products	450
9	Cargill, Inc	369	9	Ross Aluminum Foundries	425
10	Advanced Composites	269	10	Cargill, Inc.	373
	Total	6,067		Total	7,556

Source: West Ohio Development Council

Note: The listing of principle employers from nine years ago is not available. Total number of employees within the City of Sidney is not available.

**CITY OF SIDNEY, OHIO
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS**

Schedule 12

Function/program	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government:	15.74	15.74	15.74	16.74	16.75	16.75	16.75	16.75	17.48	17.48
Police										
Officers	36.00	37.00	38.00	39.00	40.00	40.00	40.00	40.00	40.00	40.00
Civilians	13.57	13.77	14.45	14.45	14.84	14.84	15.84	15.84	15.84	15.84
Fire										
Firefighters and officers	36.00	36.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	38.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Judicial	13.60	16.66	17.65	17.84	17.89	17.95	17.88	17.95	17.95	17.95
Health - cemetery	2.92	2.85	2.85	3.23	3.38	3.38	3.32	3.32	3.08	3.08
Public transportation	8.47	9.05	8.99	8.99	8.37	9.35	12.55	12.38	12.28	13.89
Street repair & maintenance	11.60	11.83	11.65	11.89	11.79	11.79	12.29	12.04	11.67	11.67
Community development	1.00	1.26	1.26	1.26	1.26	1.23	1.23	1.23	1.23	1.23
Community environment	11.14	11.14	11.37	11.37	11.04	11.29	11.25	11.51	11.51	11.51
Parks and recreation	17.65	16.82	17.75	17.39	17.90	17.62	17.60	16.90	16.90	17.23
Basic utility services - stormwater management	2.96	2.96	2.96	2.96	2.96	2.96	3.06	4.06	4.06	4.06
Water	21.10	21.50	21.60	21.60	21.55	21.46	21.77	21.77	21.77	21.77
Sewer	14.42	14.36	14.36	14.36	14.13	14.00	15.33	15.33	15.33	15.33
Solid waste	3.10	2.87	2.87	2.87	2.87	2.76	0.10	0.10	-	-
Airport	-	-	-	-	-	0.25	0.25	0.25	-	-
Swimming pool	3.31	3.29	3.54	3.54	3.76	3.76	4.05	5.06	4.05	5.06
Service center including city garage	4.95	4.95	4.95	5.15	5.19	4.69	4.44	4.44	4.04	3.79
Information technology	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Total	<u>220.53</u>	<u>225.05</u>	<u>230.99</u>	<u>233.64</u>	<u>234.68</u>	<u>235.08</u>	<u>238.71</u>	<u>239.93</u>	<u>238.19</u>	<u>242.89</u>

Source: City of Sidney, Ohio, Appropriation Budgets for applicable years

**CITY OF SIDNEY, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Schedule 13

Function/program	For Year Ended December 31,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Accounts payable checks processed	6,473	6,333	6,783	6,571	6,138	5,644	5,590	5,181	5,543	5,990
Purchase orders issued	2,040	2,155	1,915	1,850	1,865	1,870	1,825	1,611	1,680	1,700
Police										
Calls for service processed	36,928	37,770	37,942	37,548	36,676	37,330	37,445	36,825	34,880	37,230
9-1-1 calls processed	3,445	3,334	3,762	3,864	3,905	4,230	3,734	3,810	4,067	4,304
Adult & juvenile arrests	2,534	2,963	2,767	3,000	2,493	2,811	2,888	2,615	1,739	1,697
Traffic citations	2,473	2,761	2,562	3,885	3,976	3,340	3,478	3,261	2,923	2,602
Fire										
Fire calls	611	556	552	568	602	632	735	610	632	687
EMS calls	2,375	2,485	2,432	2,475	2,452	2,603	2,585	2,540	2,702	2,685
Municipal Court										
New cases filed	11,104	13,318	13,798	13,471	12,435	9,070	10,419	11,284	11,816	12,000
Cases completed	11,382	13,806	14,407	14,424	13,116	9,696	10,913	11,663	11,918	12,100
Prisoners transported by bailiff	953	1,081	1,203	1,250	991	982	1,147	1,246	1,300	875
Cemetery										
Burials	115	88	98	95	80	103	73	68	71	90
Grave sales	88	50	85	70	47	79	49	58	37	55
Public Transportation										
Total ridership	47,024	53,032	48,457	40,710	41,427	49,877	48,218	47,429	43,277	45,000
Streets and highways										
Miles of street responsibility	90.5	92.6	95.3	95.9	96.2	97.0	98.0	97.5	97.5	97.5
Traffic signal intersections	49	53	52	51	52	51	50	50	50	50
Planning										
Sign permits issued	28	46	61	48	68	72	43	41	53	47
ZBA applications reviewed	53	29	24	25	31	23	21	15	15	30
Building inspection										
Building permits issued	307	294	278	309	586	292	259	251	265	234
Building inspections	738	921	993	1,045	1,898	1,103	1,103	1,618	833	716
Engineering										
Sanitary sewer inspections	99	95	274	107	104	101	94	67	51	70
Parks and recreation										
Free clinics organized and directed	10	10	13	16	17	20	20	37	37	38
Free clinics (attendance)	662	583	590	707	444	609	764	1,526	1,494	2,285
Park shelters maintained	30	32	34	33	33	33	33	33	33	33
Trees planted	150	120	170	150	250	274	150	100	100	84
Senior Center members	1,100	1,198	1,350	1,307	1,200	1,200	1,200	1,200	1,200	1,200
Utility Billing										
Customers (mail/drop box)	20,165	20,542	14,570	16,206	15,353	15,412	15,179	15,300	15,530	15,685
Customers (walk-in)	25,025	25,300	31,784	33,351	33,475	35,170	36,446	36,800	37,120	37,491
Water										
Gallons of water processed (in millions)	1,254	1,290	1,223	1,142	1,141	1,365	1,339	1,375	1,375	1,382
Lime sludge processed/removed (dry tons)	2,702	4,687	8,461	20,699	43,476	5,632	-	10,000	10,000	10,300
Water main breaks	15	27	16	18	18	18	23	17	34	24
Regular meter readings obtained	40,910	39,574	31,839	32,578	33,555	34,976	19,621	34,888	34,403	35,000
Sewer										
Wastewater processed (million gallons per day)	4.27	4.40	4.80	5.40	5.50	5.10	6.00	5.80	6	7
Biosolids processed (dry tons)	584	1,128	972	1,095	593	725	855	723	1,002	1,200
Feet of sewer cleaned	55,308	80,390	155,581	173,000	90,000	90,000	137,969	112,663	105,901	112,000
Swimming Pool										
Daily admissions	18,357	13,641	17,912	21,469	13,548	12,032	20,181	16,912	16,354	16,400
Season passes	340	323	295	413	360	379	479	521	564	575
Information Technology										
Number of personal computers maintained	80	95	126	131	136	148	165	192	205	205
Service Center - Garage										
Units in fleet	228	228	235	247	251	235	236	239	235	235

Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 1999 - 2007. Estimated statistics for 2008.

CITY OF SIDNEY, OHIO
 CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Schedule 14

<u>Function/Program</u>	<u>Year Ended December 31,</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Street Repair & Maintenance ⁽¹⁾										
Miles of streets	90.30	92.62	95.32	95.89	96.35	98.61	99.73	100.14	100.75	100.43
Basic utility services - stormwater management ⁽¹⁾										
Miles of storm sewers	63.20	65.40	69.01	69.31	69.90	71.78	73.29	73.27	74.46	74.67
Parks and recreation ⁽²⁾										
Acres of parks maintained	381	386	387	380	380	380	380	430	430	430
Acres of public grounds maintained	250	250	250	250	250	250	250	250	250	250
Neighborhood parks	14	14	15	15	14	14	14	15	15	15
Sewer ⁽¹⁾										
Miles of sanitary sewers	107.81	109.28	112.15	113.70	114.36	116.19	117.86	118.81	119.86	120.50
Water ⁽¹⁾										
Miles of water mains	107.24	109.18	112.51	113.79	114.33	117.11	118.22	118.58	119.85	119.91

⁽¹⁾ Source: City of Sidney, Ohio, Engineering Department.

⁽²⁾ Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 1999 - 2007. Estimated statistics for 2008.