

**City of Sidney, Ohio**

**Comprehensive Annual Financial Report**

**Year Ended December 31, 2010**



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

City of Sidney



Ohio

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**CITY OF SIDNEY, OHIO  
LIST OF PRINCIPAL OFFICIALS  
DECEMBER 31, 2010**

**CITY COUNCIL MEMBERS**

Michael Barhorst, Mayor  
Martha Milligan, Vice-Mayor  
Frank Mariano  
Katie McMillan  
Thomas Miller  
Terry Pellman  
Steve Wagner

**CITY MANAGER**

Steve Stilwell

**SENIOR DIRECTORS**

Thomas L. Judy, CPA	Assistant City Manager
Ginger Adams, CPA	Finance Officer
Bradley Jones	Fire Chief
Kevin Gessler	Police Chief
Chris Clark	Public Works Director
Michael Smith	Law Director
Duane Gaier	Parks & Recreation Director
Barbara Dulworth	Community Services Director
Joyce Goubeaux	City Clerk



**City of Sidney**

**Letter of Transmittal for 2010 Comprehensive Annual Financial Report**

June 29, 2011

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, 2010, 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.

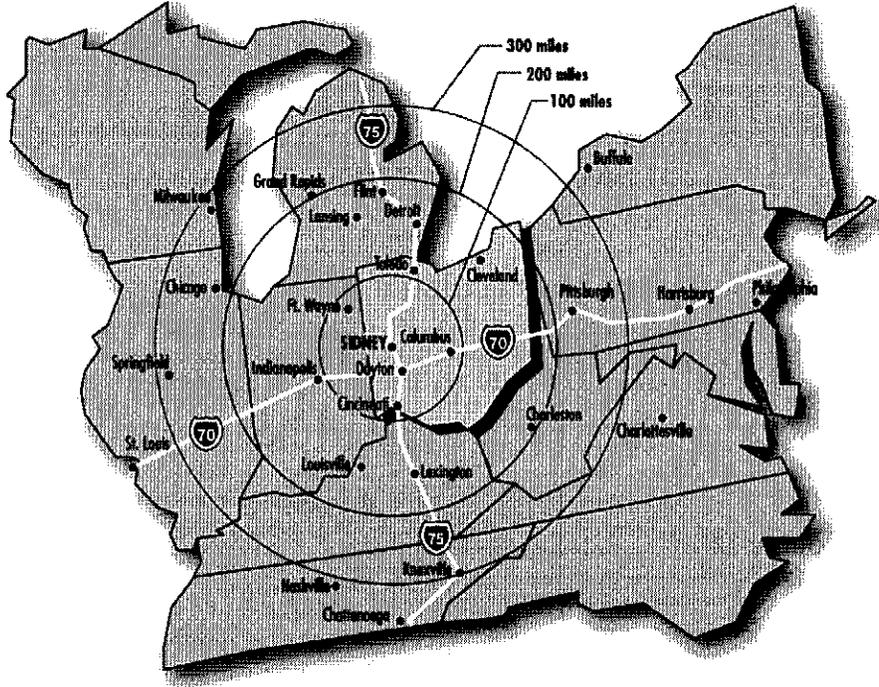
City of Sidney staff prepared all statements, schedules, and other presentations in this report. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that is established for this 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.

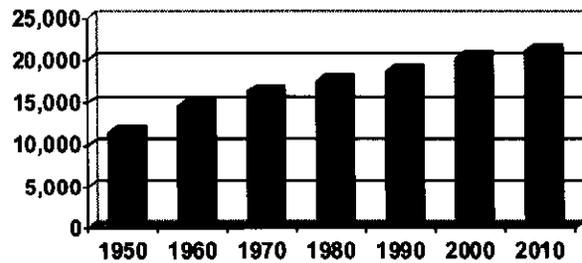
## THE CITY OF SIDNEY

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. More recently, the 2010 Census indicated a population of 21,229, an increase of 5.0% from the 2000 census.

**City of Sidney Population  
1950-2010**



### **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 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.

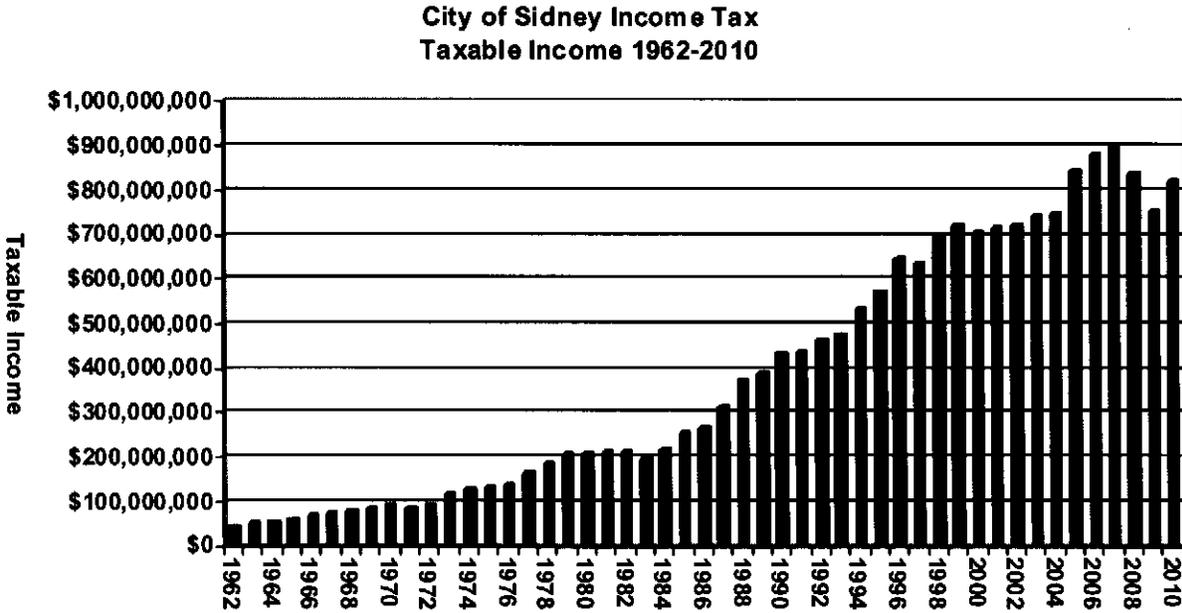
As a budgetary control, a purchasing control system is maintained which generally requires that an applicable appropriation be encumbered, or reserved, before a purchase may be made or a contract executed.

## **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. There was a “bounce back” year of considerable growth in 2005 with an increase in taxable income of 12.7%. However, the recession resulted in the loss of nearly 20% of the City’s tax base from 2007 to 2009. Average growth for the decade ended December 31, 2009 was 0.35%.

In 2010, there was a partial rebound as the City’s income tax base grew 11% over 2009. This increase is entirely due to growth in the taxable net profits of the City’s businesses. Taxes paid on business profits, typically comprising about 20% of total collections, were up nearly 80% in 2010 over 2009. Elevated unemployment rates continue to hamper withholding receipts. Taxes withheld by employers on behalf of their employees generally makes up about 80% of our total income tax collections. That portion ended 2010 down 1.2% (or approximately \$116,000) from 2009.

**2010 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 dependent upon one sector of the economy. The ten largest employers operating within the City in 2010 were:

<u>Employer</u>	<u>Primary Business</u>	<u>Ave. no. of employees</u>
Emerson Climate Technologies (formerly Copeland Corporation)	Air compressor manufacturing	1,533
Wilson Memorial Hospital	Acute care facility	725
NK Parts Industries	Test, assemble, and ship auto parts	491
Sidney Board of Education	Public education	414
Cargill, Inc.	Soybean refining, meal & oil	390
Superior Metal / American Trim	Auto and appliance stampings	337
Holloway Sportswear	Sportswear and jackets	330
Freshway Foods	Processor of fresh foods	300
Wal-Mart Supercenter	Retail store	283
Advanced Composites	Color pellets for plastic automotive products	191

*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 2008 City of Troy survey that rated 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. Tipp City conducted a similar study in 2009 and Sidney ranked the *lowest cost* city when compared to 27 area cities.

Sidney's utility rates compare very favorably with area communities. Based on the City of Oakwood's 2010 survey of 63 area communities, Sidney's combined water and sewer was 5<sup>th</sup> lowest, coming in at 28% below survey average, 16% less than neighboring City of Troy and 39% 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.

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 increment 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 that, 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. In 2009, another TIF arrangement was approved to finance future construction of public infrastructure to serve the Echo Business Center subdivision located on Vandemark Road. 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. The City has used this planning process to make early identification of financial trends and timely implementation of financial strategies to counteract the impact of recent economic difficulties. Due to recent economic conditions, the City has begun to update the five-year financial plan more often than annually in order to make mid-year budget adjustments as necessary. The goal is to make timely expenditure reductions as necessary to maintain fiscal stability for now and the future.

### **Major Initiatives**

#### **For the Year and the Future:**

- Of particular concern among many municipalities around the state is the proposed State of Ohio budget for the biennium beginning July 1, 2011. The proposed State budget presently calls for a 50% reduction of Local Government Fund distributions by 2013, elimination of the estate tax in 2013, and an accelerated phase-out of the tangible personal property tax reimbursement that will reduce the City's reimbursement beginning in 2011. The impact of these changes on the City's General Fund is currently estimated to be a reduction of nearly \$3.1 million over the five-year period from 2011 to 2015.
- Given the uncertainty of future income tax levels and local government distributions, the City has continued many of the budget strategies begun in 2009. These strategies include:
  - *Reducing the workforce through attrition and targeted reductions of staffing.* The 2011 budget reflects Citywide staffing of nearly 216 full-time equivalents. This is a reduction of over 26 full-time equivalents, or an 11%

staffing reduction since 2008 accomplished through attrition of full-time positions, reductions in seasonal labor and layoffs of some part-time personnel. In mid-2011, a reorganization of the Engineering Division resulted in the abolishment of four positions.

- The expectation is that most vacated positions will remain vacant in the foreseeable future.
- The City's most recent five-year plan includes four additional positions becoming vacant via attrition and remaining unfilled.
- Reduced staffing levels compromise the City's ability to respond to customer requests, caused the elimination of free summer recreation programs, and led to limitations on many activities, including street sweeping, cemetery maintenance, water valve maintenance, hydrant replacement, sewer inflow and infiltration program, street crack sealing, and park maintenance. Staffing reductions include an 11% reduction in firefighter staffing and 13% in police patrol officers.
- *Limited wage increases.* The collective bargaining agreement with the firefighter union ties wage scale increases to income tax collections. Depending upon the level of income tax collections in 2011, their wage scale for 2012 could range from no increase to 3.0%.
- *Deferral of maintenance, improvements and non-essential purchases.* Many large purchases continue to be deferred until finances improve. This is an effective short-term strategy, but the benefit decreases over time as aging equipment becomes expensive to maintain and may compromise safety.
  - Of particular concern is the condition of Sidney's streets, which have deteriorated noticeably. Funding limitations, coupled with higher asphalt prices, has put the street resurfacing program on a 45+ year replacement cycle instead of a more acceptable 12- to 15-year repair and replacement cycle. City staff and Council are exploring other funding options and plan to address this shortfall later in 2011.
- The funding of the new Water Source Reserve Fund continued. Initially begun in 2007 with funds totaling \$300,000, this reserve has grown to approximately \$1.2 million at December 31, 2010. The intent is to build a reserve that can then be used to fund the construction of the long-term new water source project. During 2010, the City issued Recovery Zone Economic Development bonds totaling \$2.54 million to be used for the purchase of the water source property and other project costs. Considering the current financial 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. 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 and upgrading the section of Wapakoneta Avenue from I-75 to Parkwood Street is scheduled for 2011. The majority of this project is expected to be grant-funded.
- To increase the air traffic flow to and from Sidney, the relocation and extension of a runway and other improvements at the Sidney Municipal Airport are planned. These improvements are contingent on federal funding.

- Standard & Poor's acknowledged the City's "strong financial management policies" and upgraded the City's bond rating to AA in 2009 and reaffirmed that rating in 2010. Considering recent economic times, this is a considerable achievement. City staff and Council are committed to making the financial adjustments necessary to maintain the strong financial position of 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, 2009. 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 twelve consecutive years. We believe that this comprehensive annual financial report for the year ended December 31, 2010 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.

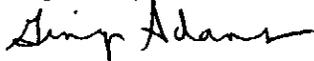
*Distinguished Budget Presentation Award.* The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for 2010, the twelfth consecutive year the City has received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget 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 Assistant 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.

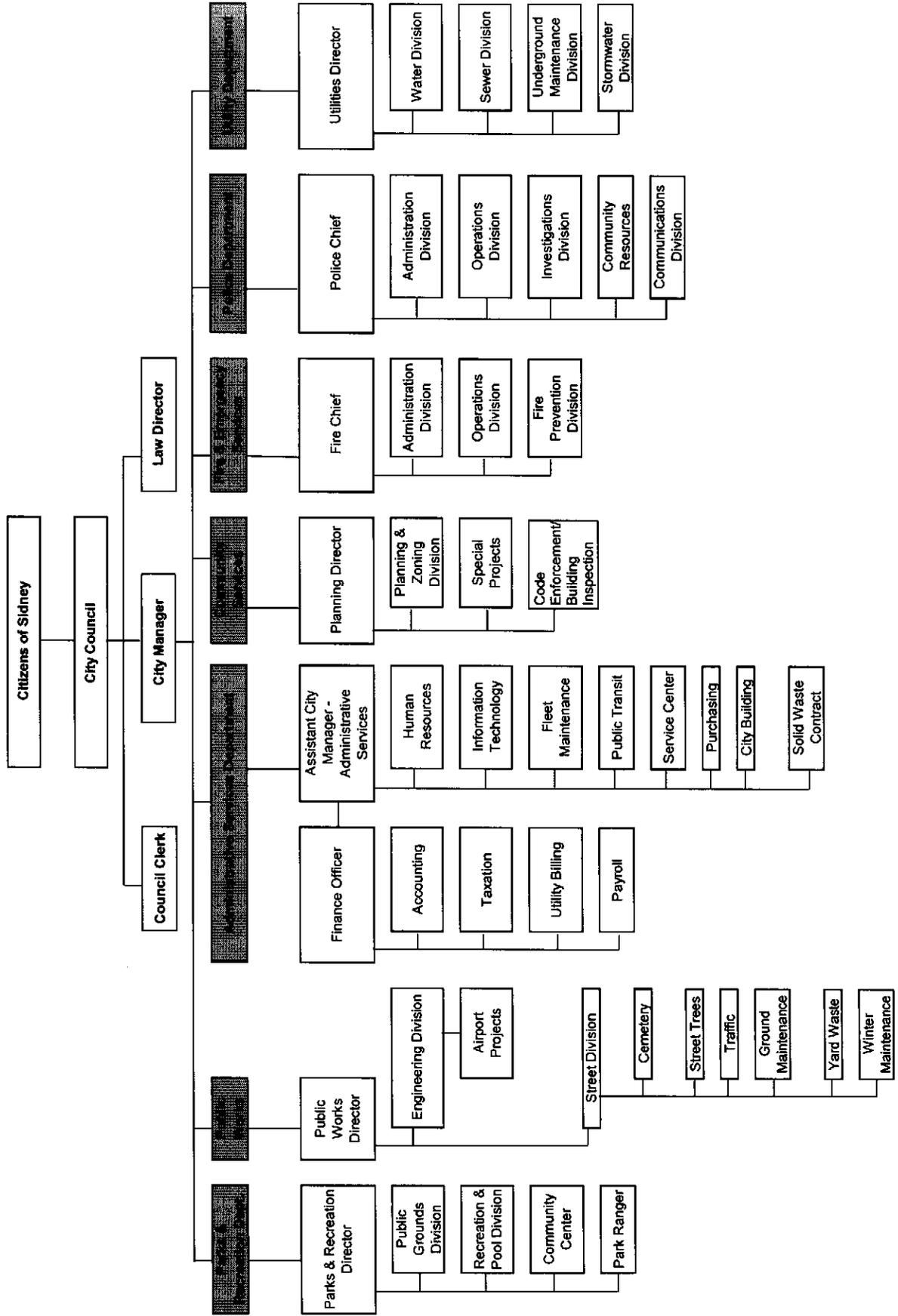
Finally, special thanks are extended to Mayor Michael Barhorst and all other members of City Council whose support enables the City of Sidney to strive for excellence in its financial reporting and to maintain high standards of financial integrity.

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, 2009

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President

Executive Director

**CITY OF SIDNEY**



**OHIO**

## **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, 2010, 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, 2010, 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 29, 2011 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 and the budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires 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, Hackett ; Co.*

Springfield, Ohio  
June 29, 2011

**CITY OF SIDNEY, OHIO**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2010*  
*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, 2010. Readers should also review the basic financial statements on pages 14 – 23 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 2010?" 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 14) reports all assets and liabilities of the City as of December 31, 2010. 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 15) 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, 2010. 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 and yard waste collection, stormwater, public transportation, airport, and swimming pool.

**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, Capital Improvement Fund, Water Fund, Sewer Fund, and Stormwater Fund. The creation of some funds is mandated by law and others are created by

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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 17 and 19.

The City of Sidney maintains 36 separate governmental funds. The governmental fund financial statements on pages 16 through 19 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, and Stormwater Fund are all considered to be major funds and are displayed separately in the proprietary fund statements on pages 20 through 22. The City has five 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, revenue collections, 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 four 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.

- *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 23 of this report. Detailed financial data for those funds can be found in the combining statements in the supplementary information section of this report.

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**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 24 – 43 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 44 to 47 of this report.

**The City of Sidney as a Whole**

The following table presents condensed information on net assets as of December 31, 2010 and 2009.

	<b>Net Assets</b>					
	<b>December 31, 2010 and 2009</b>					
	<b><u>Governmental Activities</u></b>		<b><u>Business-Type Activities</u></b>		<b><u>Total</u></b>	
	<b><u>2010</u></b>	<b><u>2009 as restated</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2009 as restated</u></b>
<b><u>Assets:</u></b>						
Current and other assets	\$ 16,299,842	\$ 15,659,962	\$ 8,541,862	\$ 6,650,737	\$ 24,841,704	\$ 22,310,699
Capital assets	<u>52,734,989</u>	<u>54,135,506</u>	<u>44,582,481</u>	<u>38,784,651</u>	<u>97,317,470</u>	<u>92,920,157</u>
Total assets	<u>69,034,831</u>	<u>69,795,468</u>	<u>53,124,343</u>	<u>45,435,388</u>	<u>122,159,174</u>	<u>115,230,856</u>
<b><u>Liabilities:</u></b>						
Long-term liabilities	9,993,394	10,463,160	13,227,663	7,503,125	23,221,057	17,966,285
Other liabilities	<u>4,058,127</u>	<u>4,163,103</u>	<u>901,269</u>	<u>853,834</u>	<u>4,959,396</u>	<u>5,016,937</u>
Total liabilities	<u>14,051,521</u>	<u>14,626,263</u>	<u>14,128,932</u>	<u>8,356,959</u>	<u>28,180,453</u>	<u>22,983,222</u>
<b><u>Net Assets:</u></b>						
Invested in capital assets, net of debt	44,608,862	45,610,506	34,273,069	31,619,476	78,881,931	77,229,982
Restricted	1,782,614	1,641,658	-	-	1,782,614	1,641,658
Unrestricted	<u>8,591,834</u>	<u>7,917,041</u>	<u>4,722,342</u>	<u>5,458,953</u>	<u>13,314,176</u>	<u>13,375,994</u>
Total net assets	<u>\$ 54,983,310</u>	<u>\$ 55,169,205</u>	<u>\$ 38,995,411</u>	<u>\$ 37,078,429</u>	<u>\$ 93,978,721</u>	<u>\$ 92,247,634</u>

The City's assets were greater than its liabilities by \$93.9 million at the close of 2010, as compared to \$92.2 million at close of 2009, an increase of approximately \$1.7 million. The 2009 governmental activities and total net assets have been restated due to reclassification between restricted net assets and unrestricted net assets which does not affect total net assets.

The component, "invested in capital assets, net of related debt" increased \$1.7 million from \$77.2 million at December 31, 2009 to \$78.9 million at December 31, 2010. Increases in this category of net assets generally means that the sum of capital asset additions and bond principal repayments were more than the sum of depreciation expense and additional debt now associated with capital assets. Capital asset additions totaled \$8.9 million and bond principal repayments were approximately \$2.6 million. Depreciation expense was approximately \$4.5 million with additional debt proceeds of \$5.3 million. The City has worked to invest in and improve its capital infrastructure, particularly its roadway, water and sewer infrastructure.

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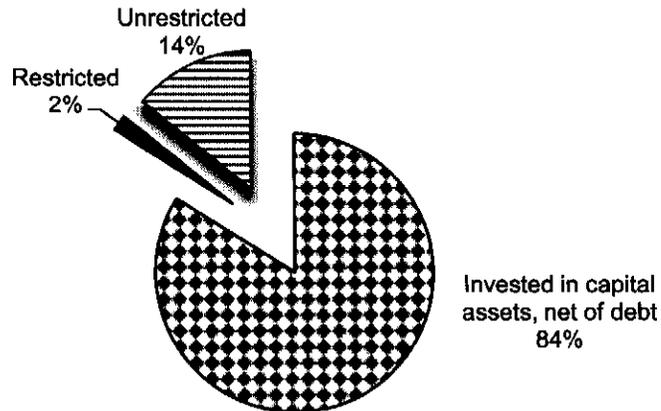
Restricted net assets are subject to external restrictions as to their use. This category increased approximately \$140,000, or 8.6%, from \$1.64 million at December 31, 2009 to \$1.78 million at December 31, 2010 primarily the result of a new court fee restricted by the State legislature to special projects of the Sidney Municipal Court.

Unrestricted net assets are available for future use as directed by City Council. Overall, this category decreased \$62,000 from approximately \$13,376,000 at December 31, 2009 to \$13,314,000 at December 31, 2010. It is important to note that although the total unrestricted net assets are \$13.3 million, the unrestricted net assets of the City's business-type activities, \$4.7 million, may not be used to fund governmental activities. Unrestricted net assets of the City's governmental activities increased nearly \$675,000, or 8.5%, from \$7.9 million to \$8.6 million. In 2010 the City experienced a partial rebound in income tax revenue and a reduction of operating expenses in response to continued budget reductions. For the City's business-type activities, the decrease in unrestricted net assets was approximately \$700,000, or 13.5%, from \$5.4 million to \$4.7 million. Generally, decreases in net assets indicate a deterioration of financial position. However, the unrestricted net assets of business-type activities decreased, not because of a deteriorating financial condition, but because purchases of capital assets and debt repayments were being made with unrestricted cash versus incurring new debt.

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 pie chart graphically illustrates the components of net assets.

**December 31, 2010 and December 31, 2009**



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The following table presents condensed information on the changes in net assets for the years ended December 31, 2010 and December 31, 2009.

**Changes in Net Assets For the Years Ended December 31, 2010 and 2009**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$2,035,348	\$1,826,508	\$8,306,975	\$8,488,180	\$10,342,323	\$10,314,688
Operating grants and contributions	1,465,467	1,401,094	457,716	391,757	1,923,183	1,792,851
Capital grants and contributions	1,375,867	2,454,174	2,931,102	1,873,296	4,306,969	4,327,470
<b>General revenues:</b>						
Income taxes	12,120,834	9,996,527	-	-	12,120,834	9,996,527
Property taxes	1,478,089	1,451,435	-	-	1,478,089	1,451,435
Other taxes	637,560	805,708	-	-	637,560	805,708
Grants and other contributions not restricted to specific programs	977,843	887,749	-	-	977,843	887,749
Investment income	114,967	132,406	75,020	75,652	189,987	208,058
Gain (loss) on sale of capital assets	31,689	21,017	20,502	-	52,191	21,017
Miscellaneous	442,446	242,371	117,007	-	559,453	242,371
<b>Total revenues</b>	<b>20,680,110</b>	<b>19,218,989</b>	<b>11,908,322</b>	<b>10,828,885</b>	<b>32,588,432</b>	<b>30,047,874</b>
<b>Expenses:</b>						
General government	928,165	1,314,285	-	-	928,165	1,314,285
Police	6,142,034	6,271,553	-	-	6,142,034	6,271,553
Fire	4,334,589	4,523,985	-	-	4,334,589	4,523,985
Judicial	1,563,723	1,636,905	-	-	1,563,723	1,636,905
Health	197,366	375,100	-	-	197,366	375,100
Street repair & maintenance	3,324,839	3,093,966	-	-	3,324,839	3,093,966
Community development	924,429	339,155	-	-	924,429	339,155
Community environment	1,301,521	1,167,276	-	-	1,301,521	1,167,276
Parks and recreation	1,388,202	1,504,878	-	-	1,388,202	1,504,878
Basic utility services	73,127	134,047	-	-	73,127	134,047
Interest on long-term debt	353,017	364,625	-	-	353,017	364,625
Water	-	-	3,400,452	3,219,126	3,400,452	3,219,126
Sewer	-	-	3,724,801	3,864,227	3,724,801	3,864,227
Solid waste	-	-	1,146,766	1,085,937	1,146,766	1,085,937
Stormwater	-	-	561,378	579,263	561,378	579,263
Transportation	-	-	884,641	780,465	884,641	780,465
Airport	-	-	340,392	314,093	340,392	314,093
Swimming pool	-	-	117,920	165,396	117,920	165,396
Yard waste	-	-	149,983	154,531	149,983	154,531
<b>Total expenses</b>	<b>20,531,012</b>	<b>20,725,775</b>	<b>10,326,333</b>	<b>10,163,038</b>	<b>30,857,345</b>	<b>30,888,813</b>
Excess (deficiency) before transfers	149,098	(1,506,786)	1,581,989	665,847	1,731,087	(840,939)
Transfers	(334,993)	(249,300)	334,993	249,300	-	-
<b>Change in net assets</b>	<b>(185,895)</b>	<b>(1,756,086)</b>	<b>1,916,982</b>	<b>915,147</b>	<b>1,731,087</b>	<b>(840,939)</b>
Net assets, beginning of year	55,169,205	56,925,291	37,078,429	36,163,282	92,247,634	93,088,573
<b>Net assets, end of year</b>	<b>\$ 54,983,310</b>	<b>\$ 55,169,205</b>	<b>\$ 38,995,411</b>	<b>\$ 37,078,429</b>	<b>\$ 93,978,721</b>	<b>\$ 92,247,634</b>

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The City's change in net assets increased approximately \$1,731,000 for the year ended December 31, 2010 as compared to a decrease of \$841,000 for the prior year.

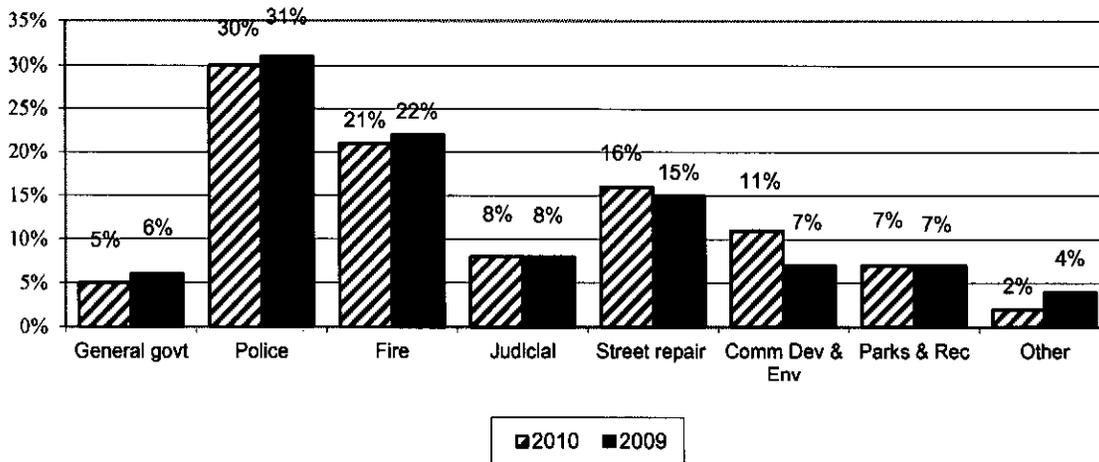
Total revenues increased nearly \$2.5 million, or 8.5%. Income tax revenue increased approximately \$2.1 million due primarily to an increase in taxes collected based on business net profits. Taxes collected from withholding payments have not yet returned to pre-recession levels. Business net profits 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.

Total expenses decreased approximately \$31,000 or 0.1%. Community development expenses for the city increased approximately \$585,000 or 172.6%. This is a result of increased CDBG related projects that are grant funded. These costs fluctuate drastically depending upon timing of grant-related expenditures. Both general government and fire expenses decreased approximately \$386,000 and \$189,000, respectively, from the prior year as a result of efforts to reduce spending and to not fill staff vacancies in 2010.

Governmental activities

Governmental net assets decreased nearly \$186,000 or 0.3%, from \$55.1 million at December 31, 2009 to \$54.9 million at December 31, 2010. Net assets invested in capital assets, net of related debt, decreased about \$1.0 million, or 2.2%, from \$45.6 million to \$44.6 million primarily due to a lull in new governmental capital projects during 2010. Restricted net assets increased approximately \$140,000 during the year. Unrestricted net assets increased about \$675,000, or 8.5%, from \$7.9 million to \$8.6 million, primarily a result of an improvement in income tax revenues and spending restraint. Increases in unrestricted net assets generally indicate an improvement 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 2009 to 2010. The two largest components of governmental expenses are public safety -- police and fire. Police makes up 30% to 31% of the total, while fire contributes another 21% to 22%. Judicial - consisting mainly of municipal court activities -- comprises about 8% of governmental activities' expenses. Street repair and maintenance (which includes winter street clean-up) accounts for about 15% to 16% of expenses. The community development and environment program, which includes such activities as community planning, engineering, building inspection, and code enforcement, makes up about 7% to 11% of expenses, varying according to the timing of CDBG projects. The parks and recreation program is responsible for 7% of governmental expenses.

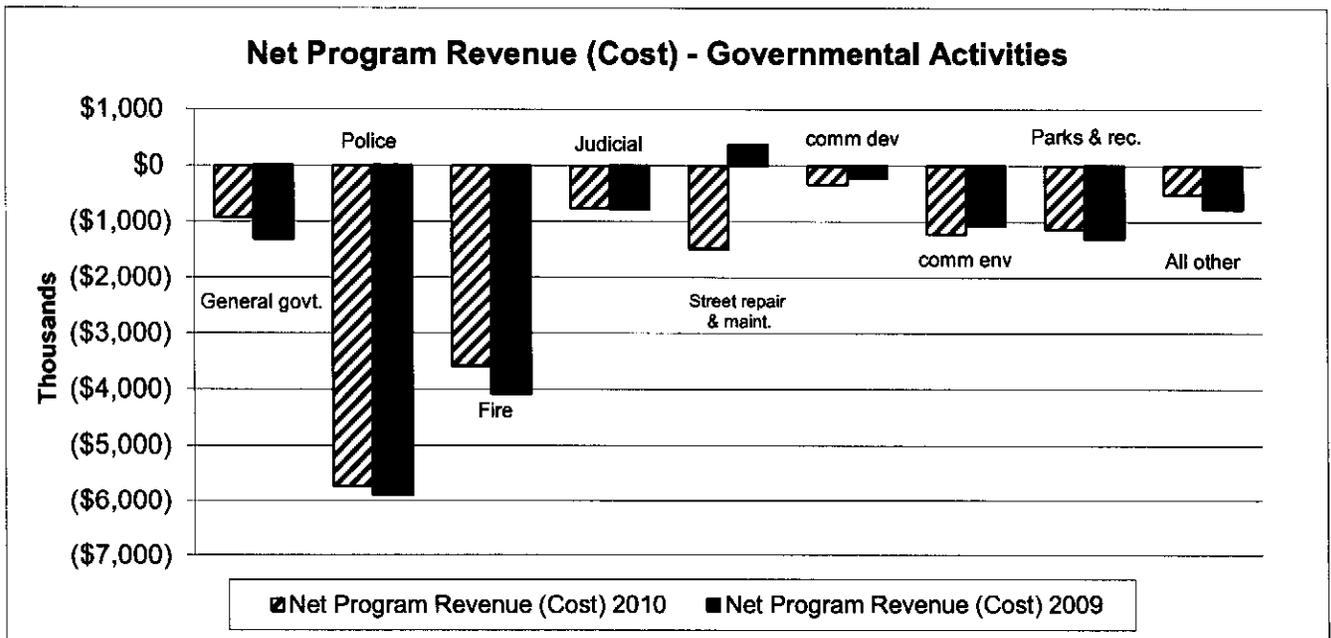
The Statement of Activities reports the expenses of each of the governmental activities programs and the related program revenue that offsets the cost of each program. The amount by which the cost of a particular program exceeds its program revenue represents the extent to which that program must be

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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**

	Year Ended December 31, 2010			Year Ended December 31, 2009		
	Expense	Program Revenue	Net Revenue (Cost)	Expense	Program Revenue	Net Revenue (Cost)
General government	\$ 928,165	\$ -	\$ (928,165)	\$ 1,314,285	\$ -	\$ (1,314,285)
Police	6,142,034	420,134	(5,721,900)	6,271,553	379,701	(5,891,852)
Fire	4,334,589	751,523	(3,583,066)	4,523,985	443,174	(4,080,811)
Judicial	1,563,723	804,453	(759,270)	1,636,905	867,504	(769,401)
Street repair & maintenance	3,324,839	1,842,707	(1,482,132)	3,093,966	3,459,464	365,498
Community development	924,429	596,581	(327,848)	339,155	125,651	(213,504)
Community environment	1,301,521	86,795	(1,214,726)	1,167,276	105,499	(1,061,777)
Parks & recreation	1,388,202	259,480	(1,128,722)	1,504,878	199,613	(1,305,265)
All others	623,510	115,009	(508,501)	873,772	101,170	(772,602)
<b>Total net assets</b>	<b>\$ 20,531,012</b>	<b>\$ 4,876,682</b>	<b>\$ (15,654,330)</b>	<b>\$ 20,725,775</b>	<b>\$ 5,681,776</b>	<b>\$ (15,043,999)</b>



Overall, the net program cost of governmental activities increased by \$610,000 or 4.1%. The largest fluctuation was the Street Repair & Maintenance program which changed from net program revenue of nearly \$365,000 in 2009 to net program cost of approximately \$1.5 million in 2010, primarily due to the 2009 grant funding of the Russell Road Widening project.

*Business-type activities*

Business-type activities' net assets increased approximately \$1.9 million, or 5.2%, from \$37.1 million to nearly \$39.0 million. While the category, "invested in capital assets, net of debt" increased approximately \$2.6 million, or 8.4%, the unrestricted category decreased nearly \$700,000, or 13.5%, indicating a use of unrestricted net assets to fund capital assets and the repayment of debt.

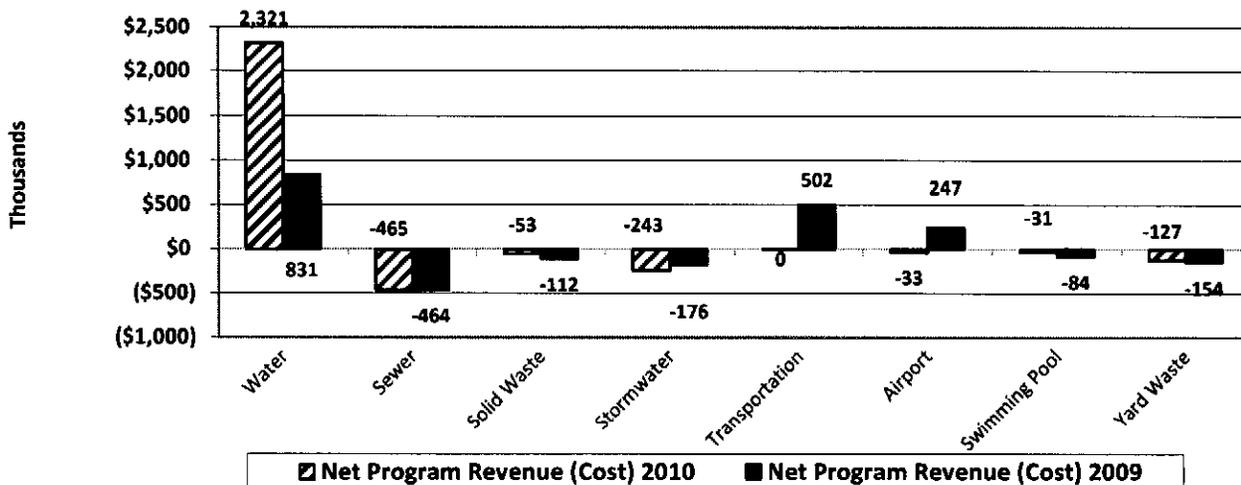
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It is the City's policy that revenues of some of the City's business-type activities (Water, Sewer and Solid Waste Fund) are expected to cover all program costs over the long term. The revenues of other business-type activities cover specified portions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

	Year Ended December 31, 2010			Year Ended December 31, 2009		
	Expense	Program	Net	Expense	Program	Net
		Revenue	Revenue (Cost)		Revenue	Revenue (Cost)
Water	\$ 3,400,452	\$ 5,721,059	\$ 2,320,607	\$ 3,219,126	\$ 4,050,081	\$ 830,955
Sewer	3,724,801	3,259,769	(465,032)	3,864,227	3,399,951	(464,276)
Solid Waste	1,146,766	1,094,019	(52,747)	1,085,937	974,202	(111,735)
Stormwater	561,378	318,396	(242,982)	579,263	403,100	(176,163)
Transportation	884,641	885,113	472	780,465	1,281,983	501,518
Airport	340,392	307,849	(32,543)	314,093	561,346	247,253
Swimming Pool	117,920	86,764	(31,156)	165,396	81,587	(83,809)
Yard Waste	149,983	22,824	(127,159)	154,531	983	(153,548)
Total business-type activities	<u>\$ 10,326,333</u>	<u>\$ 11,695,793</u>	<u>\$ 1,369,460</u>	<u>\$ 10,163,038</u>	<u>\$ 10,753,233</u>	<u>\$ 590,195</u>

**Net Program Revenue (Cost) - Business-Type Activities**



Overall, the net program revenue of the City's business-type activities increased from net program revenue of approximately \$590,000 in 2009 to net program revenue of almost \$1.4 million for year ended December 31, 2010. Program revenue for business-type activities increased approximately \$943,000 or 8.8%, while program expenses increased nearly \$163,000 or 1.6%. Key components of the changes in net program cost for each significant program charge are as follows:

- Water program revenues increased nearly \$1.7 million primarily due to grants awarded to the City as a result of the American Recovery & Reinvestment Act (ARRA). These awards are for various water distribution projects, water treatment plant upgrades and a new water meter reading system. ARRA grants received in 2010 totaled \$2.5 million as compared to \$777,000 in 2009. Water expenses are up in 2010 approximately \$181,000.
- Airport program revenues decreased about \$254,000 primarily due to grant funding provided by the Federal Aviation Administration for the runway extension project in 2009.

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- Transportation program revenue was higher in 2009 by approximately \$400,000 because of grant revenue received in 2009 from the Ohio Department of Transportation (ODOT) for the completion of the new transportation building.

**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, 2010 was nearly \$9.0 million. Approximately 86% 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 \$1.1 million 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 increased approximately \$1.0 million from \$8.0 million at December 31, 2009 to \$9.0 million at December 31, 2010. (See the governmental funds' balance sheets on pages 16 – 17.)

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 increased approximately \$544,000 for the year ended December 31, 2010. Income tax revenues allocated to the General fund increased approximately \$1.8 million from \$8.2 million in 2009 to \$10.0 million in 2010, as result of an increase in collection of taxes based on the net profits of companies doing business in the City of Sidney. General Fund expenditures decreased about \$650,000 or 4.5%. With continued economic uncertainty efforts were made to decrease expenditures citywide.

The Capital Improvement Fund is used to account for the income tax resources earmarked for capital improvements used for the general improvement of all City facilities and operations. For the year ended December 31, 2010, its fund balance increased nearly \$600,000 from \$1.0 million at December 31, 2009 to \$1.6 million at December 31, 2010. With economic uncertainty, spending on capital projects has either been reduced or delayed. Annually, twenty percent of the net income tax proceeds are allocated to this Fund.

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. Although intergovernmental revenues remained constant for 2010 as compared to 2009, these revenue sources remain below budget expectations. Expenditures decreased about \$107,000, or 8.0%, from 2009 to 2010, as this fund has been used to fund a portion of its capital projects. Its fund balance decreased by roughly \$73,000 from approximately \$323,000 at December 31, 2009 to nearly \$250,000 at December 31, 2010.

The City of Sidney's proprietary fund statements (found on pages 20-21) provide the same type of information found in the government-wide financial statements, but in more detail. Explanations of significant changes in these funds are found on pages 9-11.

**Capital asset and debt administration**

**Capital asset activity**

Significant capital activity for the year included:

- ✓ Approximately \$442,000 was added for street resurfacing.

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- ✓ Water distribution infrastructure and water plant equipment totaling approximately \$5.5 million was financed via the American Recovery & Reinvestment Act of 2009 in the form of 40% federal grant funding and the remainder as a 0% loan to be repaid, with water system revenues, to the Ohio Environmental Protection Agency (OEPA) over a 20-year period.

Additional detail on the capital asset activity for the year ended December 31, 2010 is presented in the Notes to the Basic Financial Statements in note 5 on pages 33 – 35.

Debt

During June 2010, various purpose General Obligation Bonds totaling \$1,650,000 were issued in order to refinance bond anticipation notes (BAN's). The various purposes of this debt are as follows:

<b>Purpose</b>	<b>Amount</b>
Water source testing. \$200,000 originally issued in 2007 to pay for the Army Corp of Engineers' grant match. Additional \$450,000 issued in 2008 to complete well field testing.	\$705,000
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, these BANs were refinanced as long-term bonds in 2010.	\$700,000
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, these BAN's were refinanced as long-term bonds in 2010.	\$110,000
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 and were refinanced as long-term bonds in 2010.	\$135,000
Total General Obligation Bond issuance for various purposes	\$1,650,000

In September 2010, the City issued Recovery Zone Economic Development Bonds totaling \$2,542,000. The proceeds from these taxable general obligation bonds are to be used for the water source property acquisition & other project costs.

During 2009, the City was awarded funding as a result of the American Recovery and Reinvestment Act of 2009 (ARRA) for various water meter and water distribution system improvements. The total project funding award was roughly \$7.3 million with approximately 40%, or \$2.9 million in the form of 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. The loan is backed solely by the revenue generated by water charges and does not pledge the general resources or the general credit of the City. At December 31, 2010, \$3,750,431 has been drawn on the loan.

On behalf of the owners of the Northbrook Mobile Home Park (NMHP), the City received ARRA funding for their new water distribution system improvements. Grant funding will be \$252,000. The remaining \$314,160 will be a zero-percent, twenty year loan. The loan is backed solely by the revenue generated by water charges and does not pledge the general resources or the general credit of the City. In accordance with an agreement between the City and the owners of NMHP, the owners are responsible for the debt payments, which begin in 2010. As collateral, the City is holding a first mortgage for \$200,000 and a personal guaranty for \$100,000. At December 31, 2010, the amount drawn on the loan was \$311,160.

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, 2010, that debt ceiling was \$20.9

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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 \$7.2 million of net indebtedness as of December 31, 2010, leaving a legal debt margin for unvoted debt of approximately \$13.7 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 \$39.8 million, leaving a total debt margin of approximately \$32.6 million.

A summary of debt outstanding at December 31, 2010 and 2009 is as follows:

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Governmental activities	\$ 8,126,127	\$ 8,525,000
Business-type activities	<u>12,847,172</u>	<u>7,165,171</u>
Total	<u>\$ 20,973,299</u>	<u>\$ 15,690,171</u>

Additional detailed data for all debt of the City of Sidney is presented in the Notes to the Basic Financial Statements in note 8 on pages 39 - 41 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.

**CITY OF SIDNEY, OHIO**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Pooled cash	\$ 8,950,594	\$ 4,037,112	\$ 12,987,706
Restricted cash	211	2,542,000	2,542,211
Cash held by outside agent	16,366	-	16,366
Receivables:			
Income taxes	2,791,230	-	2,791,230
Property taxes	1,296,173	-	1,296,173
Other taxes	14,849	-	14,849
Accounts	-	1,477,080	1,477,080
Interest	229	-	229
Loans	797,016	-	797,016
Special assessments	131,671	-	131,671
Grants	9,501	-	9,501
Other	302,041	73,006	375,047
Internal balances	247,200	(247,200)	-
Receivables from other governments	1,411,535	201,656	1,613,191
Inventory	157,208	277,920	435,128
Prepaid items	76,455	43,642	120,097
Bond issuance costs	97,563	136,646	234,209
Capital assets:			
Capital assets not subject to depreciation:			
Land	7,632,261	790,693	8,422,954
Construction in progress	120,237	4,914,028	5,034,265
Capital assets net of accumulated depreciation	<u>44,982,491</u>	<u>38,877,760</u>	<u>83,860,251</u>
<b>Total assets</b>	<b><u>\$ 69,034,831</u></b>	<b><u>\$ 53,124,343</u></b>	<b><u>\$ 122,159,174</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 883,032	\$ 398,340	\$ 1,281,372
Salaries and benefits payable	1,055,908	186,431	1,242,339
Unearned revenue	2,091,982	164,828	2,256,810
Accrued interest payable	27,205	40,909	68,114
Refundable deposits	-	110,761	110,761
Noncurrent liabilities:			
Due within one year	594,058	631,687	1,225,745
Due in more than one year	<u>9,399,336</u>	<u>12,595,976</u>	<u>21,995,312</u>
<b>Total liabilities</b>	<b><u>14,051,521</u></b>	<b><u>14,128,932</u></b>	<b><u>28,180,453</u></b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	44,608,862	34,273,069	78,881,931
Restricted for:			
Capital projects	80,189	-	80,189
Street repair and maintenance	951,649	-	951,649
Community development projects	165,032	-	165,032
Judicial costs	269,005	-	269,005
Other purposes - externally imposed restrictions	316,739	-	316,739
Unrestricted	<u>8,591,834</u>	<u>4,722,342</u>	<u>13,314,176</u>
<b>Total net assets</b>	<b><u>54,983,310</u></b>	<b><u>38,995,411</u></b>	<b><u>93,978,721</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 69,034,831</u></b>	<b><u>\$ 53,124,343</u></b>	<b><u>\$ 122,159,174</u></b>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	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
<b>Functions/Programs</b>							
<b>Governmental Activities:</b>							
General government	\$ 928,165	\$ -	\$ -	\$ -	\$ (928,165)		\$ (928,165)
Police	6,142,034	291,116	15,916	113,102	(5,721,900)		(5,721,900)
Fire	4,334,589	705,403	6,120	40,000	(3,583,066)		(3,583,066)
Judicial	1,563,723	757,559	46,894	-	(759,270)		(759,270)
Health	197,366	115,009	-	-	(82,357)		(82,357)
Street repair and maintenance	3,324,839	44,705	1,378,887	419,115	(1,482,132)		(1,482,132)
Community development	924,429	8,961	1,000	586,620	(327,848)		(327,848)
Community environment	1,301,521	86,795	-	-	(1,214,726)		(1,214,726)
Parks and recreation	1,388,202	25,800	16,650	217,030	(1,128,722)		(1,128,722)
Basic utility services	73,127	-	-	-	(73,127)		(73,127)
Interest on long-term debt	353,017	-	-	-	(353,017)		(353,017)
Total governmental activities	<u>20,531,012</u>	<u>2,035,348</u>	<u>1,465,467</u>	<u>1,375,867</u>	<u>(15,654,330)</u>		<u>(15,654,330)</u>
<b>Business-type activities:</b>							
Water	3,400,452	3,196,042	-	2,525,017		\$ 2,320,607	2,320,607
Sewer	3,724,801	3,180,498	-	79,271		(465,032)	(465,032)
Solid Waste	1,146,766	1,094,019	-	-		(52,747)	(52,747)
Stormwater	561,378	317,496	900	-		(242,982)	(242,982)
Transportation	884,641	183,381	456,816	244,916		472	472
Airport	340,392	225,951	-	81,898		(32,543)	(32,543)
Swimming Pool	117,920	86,764	-	-		(31,156)	(31,156)
Yard Waste	149,983	22,824	-	-		(127,159)	(127,159)
Total business-type activities	<u>10,326,333</u>	<u>8,306,975</u>	<u>457,716</u>	<u>2,931,102</u>		<u>1,369,460</u>	<u>1,369,460</u>
Total	<u>\$ 30,857,345</u>	<u>\$ 10,342,323</u>	<u>\$ 1,923,183</u>	<u>\$ 4,306,969</u>	<u>(15,654,330)</u>	<u>1,369,460</u>	<u>(14,284,870)</u>
<b>General revenues:</b>							
<b>Taxes:</b>							
Income taxes					12,120,834	-	12,120,834
Property taxes					1,478,089	-	1,478,089
Other taxes					637,560	-	637,560
Grants and contributions not restricted to specific programs					977,843	-	977,843
Investment earnings					114,967	75,020	189,987
Gain on sale of capital assets					31,689	20,502	52,191
Miscellaneous					442,446	117,007	559,453
Transfers					(334,993)	334,993	-
Total general revenues and transfers					<u>15,468,435</u>	<u>547,522</u>	<u>16,015,957</u>
Change in net assets					(185,895)	1,916,982	1,731,087
Net assets - beginning					<u>55,169,205</u>	<u>37,078,429</u>	<u>92,247,634</u>
Net assets - ending					<u>\$ 54,983,310</u>	<u>\$ 38,995,411</u>	<u>\$ 93,978,721</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010**

	General Fund	Street Repair & Maintenance Fund	Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Pooled cash	\$ 4,514,113	\$ 167,583	\$ 1,498,183	\$ 2,597,714	\$ 8,777,593
Restricted cash	-	-	211	-	211
Cash held by outside agent	-	-	-	16,366	16,366
Receivables:					
Income taxes	2,791,230	-	-	-	2,791,230
Property taxes	1,178,067	-	-	118,106	1,296,173
Other taxes	11,408	-	-	3,441	14,849
Interest	-	-	-	229	229
Loans	-	-	-	797,016	797,016
Special assessments	131,671	-	-	-	131,671
Grants	-	-	-	9,501	9,501
Other	242,638	-	2,485	56,873	301,996
Due from other funds	-	-	32,899	5,856	38,755
Receivables from other governments	503,279	675,902	181,593	50,761	1,411,535
Inventory	65,312	72,438	-	-	137,750
Prepaid items	30,918	456	80	10,426	41,880
<b>Total assets</b>	<b>\$ 9,468,636</b>	<b>\$ 916,379</b>	<b>\$ 1,715,451</b>	<b>\$ 3,666,289</b>	<b>\$ 15,766,755</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 633,895	\$ 27,370	\$ 90,658	\$ 92,924	\$ 844,847
Salaries and benefits payable	958,505	31,983	-	10,230	1,000,718
Due to other funds	32,899	-	2,429	919	36,247
Deferred revenue	3,259,927	606,916	10,400	1,027,099	4,904,342
<b>Total liabilities</b>	<b>4,885,226</b>	<b>666,269</b>	<b>103,487</b>	<b>1,131,172</b>	<b>6,786,154</b>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Inventory	65,312	72,438	-	-	137,750
Prepaid items	30,918	456	80	10,426	41,880
Encumbrances	112,982	15,566	868,749	99,612	1,096,909
<b>Unreserved, reported in:</b>					
General fund	4,374,198	-	-	-	4,374,198
Special revenue funds	-	161,650	-	2,302,805	2,464,455
Capital projects funds	-	-	743,135	122,274	865,409
<b>Total fund balances</b>	<b>4,583,410</b>	<b>250,110</b>	<b>1,611,964</b>	<b>2,535,117</b>	<b>8,980,601</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,468,636</b>	<b>\$ 916,379</b>	<b>\$ 1,715,451</b>	<b>\$ 3,666,289</b>	<b>\$ 15,766,755</b>

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, 2010**

Total governmental fund balances \$ 8,980,601

*Amounts reported for governmental activities in the statement of net assets are different because:*

Some assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital Assets	52,270,491
Unamortized bond costs	97,563

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Income taxes receivable	1,367,358
Other taxes and intergovernmental receivables	1,174,867
Other receivables	270,135

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.

Net assets of Internal Service Fund	507,712
Internal service fund activity allocated to enterprise funds	244,692

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds:

Bonds payable	(8,110,000)
Premium on bond	(16,127)
Compensated absences	(1,453,063)
Unfunded police and fire pension liability	(323,714)
Accrued interest on long-term debt	(27,205)

Net assets of governmental activities	<u>\$ 54,983,310</u>
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See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General Fund	Street Repair & Maintenance Fund	Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Local taxes	\$ 11,647,541	\$ -	\$ 2,365,547	\$ 190,324	\$ 14,203,412
Intergovernmental revenues	1,134,692	1,153,473	433,915	883,376	3,605,456
Special assessments	226,725	-	17,604	4,954	249,283
Charges for services	1,463,792	26,204	-	271,904	1,761,900
Fines, licenses and permits	126,571	-	-	62,094	188,665
Investment income	120,511	2,791	268	22,325	145,895
Miscellaneous receipts and reimbursements	259,965	85,669	101,195	176,613	623,442
<b>Total revenues</b>	<b>14,979,797</b>	<b>1,268,137</b>	<b>2,918,529</b>	<b>1,611,590</b>	<b>20,778,053</b>
<b>EXPENDITURES:</b>					
Current:					
General government	915,821	-	-	78,926	994,747
Police	5,702,651	-	-	34,308	5,736,959
Fire	4,037,275	-	-	74,872	4,112,147
Judicial	1,280,695	-	-	140,979	1,421,674
Health	-	-	-	193,334	193,334
Street repair and maintenance	-	1,341,090	-	102,463	1,443,553
Community development	119,103	-	-	331,887	450,990
Community environment	1,033,682	-	-	46,656	1,080,338
Parks and recreation	1,186,393	-	-	-	1,186,393
Basic utility services	-	-	-	14,127	14,127
Capital outlay	-	-	1,594,596	738,989	2,333,585
Debt service:					
Principal	-	-	460,000	900,000	1,360,000
Interest	-	-	332,360	27,706	360,066
<b>Total expenditures</b>	<b>14,275,620</b>	<b>1,341,090</b>	<b>2,386,956</b>	<b>2,684,247</b>	<b>20,687,913</b>
Excess (deficiency) of revenues over (under) expenditures	704,177	(72,953)	531,573	(1,072,657)	90,140
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	25,000	25,000
Sale of capital assets	-	-	56,389	-	56,389
Bonds issued	-	-	-	945,000	945,000
Premium on bonds	-	-	-	17,238	17,238
Transfers out	(160,000)	-	-	-	(160,000)
<b>Total other financing sources (uses)</b>	<b>(160,000)</b>	<b>-</b>	<b>56,389</b>	<b>987,238</b>	<b>883,627</b>
Net change in fund balances	544,177	(72,953)	587,962	(85,419)	973,767
Fund balances, beginning of year	4,039,233	323,063	1,024,002	2,620,536	8,006,834
Fund balances, end of year	\$ 4,583,410	\$ 250,110	\$ 1,611,964	\$ 2,535,117	\$ 8,980,601

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, 2010**

Net change in fund balances - total governmental funds \$ 973,767

*Amounts reported for governmental activities in the Statement of Activities are different because:*

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	1,215,081
Donated Capital Assets	210,005
Current year depreciation	(2,659,594)

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	(56,389)
Gain on sale of assets	31,689

Contributions of capital assets from governmental activities decrease net assets in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources. (55,000)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund:

Income taxes	(264,968)
Intergovernmental revenue	56,839
Investment income	(27,721)
Other revenue	(53,636)

Bond issuance costs related to the financing of debt is an expenditure in the governmental funds, but a long-term asset in the statement of net assets. 40,902

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,360,000

Proceeds from issuance of bonds is recorded as an other financing source in the governmental funds, but the issues increases long-term liabilities in the statement of net assets. (945,000)

Bond premium from the issuance of bonds is recorded as an other financing source in the governmental funds, but the premium increases long-term liabilities in the statement of net assets. (17,238)

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	67,698
Interest payable	5,938
Amortization of bond premium	1,111
Unfunded pension liability	11,383
Unamortized bond issuance costs	(8,591)

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.

Change in Net Assets	(72,418)
Less: Capital Contribution of governmental activity assets	(11,452)
Add: Enterprise allocation	11,699

Change in net assets of governmental activities \$ (185,895)

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO  
BALANCE SHEET  
PROPRIETARY FUNDS  
DECEMBER 31, 2010**

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Stormwater	Non-major Enterprise Funds		
<b>ASSETS</b>						
Current assets:						
Pooled cash	\$ 2,430,585	\$ 1,091,738	\$ 113,817	\$ 400,972	\$ 4,037,112	\$ 173,001
Restricted cash	2,542,000	-	-	-	2,542,000	-
Receivables:						
Accounts	662,102	651,324	57,168	106,486	1,477,080	-
Other	12,484	60,522	-	-	73,006	45
Receivables from other governments	115,843	-	-	85,813	201,656	-
Inventory	203,335	44,746	18,647	11,192	277,920	19,458
Due from other funds	-	-	-	2,429	2,429	-
Prepaid items	15,261	26,245	31	2,105	43,642	34,575
Total current assets	<u>5,981,610</u>	<u>1,874,575</u>	<u>189,663</u>	<u>608,997</u>	<u>8,654,845</u>	<u>227,079</u>
Noncurrent assets:						
Bond issuance costs	108,421	28,225	-	-	136,646	-
Capital assets:						
Capital assets not subject to depreciation:						
Land	143,179	126,320	-	521,194	790,693	-
Construction in progress	4,914,028	-	-	-	4,914,028	-
Capital assets net of accumulated depreciation	<u>9,794,808</u>	<u>19,535,398</u>	<u>5,263,379</u>	<u>4,284,175</u>	<u>38,877,760</u>	<u>464,498</u>
Total noncurrent assets	<u>14,960,436</u>	<u>19,689,943</u>	<u>5,263,379</u>	<u>4,805,369</u>	<u>44,719,127</u>	<u>464,498</u>
Total assets	<u>\$ 20,942,046</u>	<u>\$ 21,564,518</u>	<u>\$ 5,453,042</u>	<u>\$ 5,414,366</u>	<u>\$ 53,373,972</u>	<u>\$ 691,577</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 145,717	\$ 45,850	\$ 3,937	\$ 202,836	\$ 398,340	\$ 38,185
Salaries and benefits payable	72,665	68,670	16,034	29,062	186,431	55,190
Due to other funds	4,937	-	-	-	4,937	-
Current portion of long term debt	245,518	375,000	-	-	620,518	-
Compensated absences	2,034	8,785	350	-	11,169	1,158
Deferred revenue	-	-	-	164,828	164,828	-
Refundable deposits	110,761	-	-	-	110,761	-
Accrued interest payable	19,271	21,638	-	-	40,909	-
Total current liabilities	<u>600,903</u>	<u>519,943</u>	<u>20,321</u>	<u>396,726</u>	<u>1,537,893</u>	<u>94,533</u>
Noncurrent liabilities:						
Noncurrent portion of long term debt	6,831,654	5,395,000	-	-	12,226,654	-
Compensated absences	185,202	118,622	24,541	40,957	369,322	89,332
Total noncurrent liabilities	<u>7,016,856</u>	<u>5,513,622</u>	<u>24,541</u>	<u>40,957</u>	<u>12,595,976</u>	<u>89,332</u>
Total liabilities	<u>7,617,759</u>	<u>6,033,565</u>	<u>44,862</u>	<u>437,683</u>	<u>14,133,869</u>	<u>183,865</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	10,312,603	13,891,718	5,263,379	4,805,369	34,273,069	464,498
Unrestricted	3,011,684	1,639,235	144,801	171,314	4,967,034	43,214
Total net assets	<u>13,324,287</u>	<u>15,530,953</u>	<u>5,408,180</u>	<u>4,976,683</u>	<u>39,240,103</u>	<u>507,712</u>
Total liabilities and net assets	<u>\$ 20,942,046</u>	<u>\$ 21,564,518</u>	<u>\$ 5,453,042</u>	<u>\$ 5,414,366</u>	<u>\$ 53,373,972</u>	<u>\$ 691,577</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(244,692)	
Total net assets from above					<u>39,240,103</u>	
Net assets of business-type activities					<u>\$ 38,995,411</u>	

**CITY OF SIDNEY, OHIO**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Stormwater	Non-major Enterprise Funds		
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 3,161,735	\$ 3,180,498	\$ 317,496	\$ 1,594,153	\$ 8,253,882	\$ 1,826,021
Other revenue	43,824	-	59,000	67,276	170,100	15,642
Total operating revenues	<u>3,205,559</u>	<u>3,180,498</u>	<u>376,496</u>	<u>1,661,429</u>	<u>8,423,982</u>	<u>1,841,663</u>
<b>OPERATING EXPENSES:</b>						
Personal services	1,269,192	1,197,235	272,655	546,098	3,285,180	968,651
Operations and maintenance	1,692,897	1,324,215	74,714	1,868,670	4,960,496	870,573
Depreciation & amortization	398,089	924,907	210,102	223,400	1,756,498	86,309
Total operating expenses	<u>3,360,178</u>	<u>3,446,357</u>	<u>557,471</u>	<u>2,638,168</u>	<u>10,002,174</u>	<u>1,925,533</u>
Operating income (loss)	<u>(154,619)</u>	<u>(265,859)</u>	<u>(180,975)</u>	<u>(976,739)</u>	<u>(1,578,192)</u>	<u>(83,870)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income	56,011	19,009	-	-	75,020	-
Intergovernmental	-	-	900	456,816	457,716	-
Gain on disposal of assets	-	-	-	20,502	20,502	-
Interest expense	(36,529)	(275,931)	-	-	(312,460)	-
Total nonoperating revenues (expenses)	<u>19,482</u>	<u>(256,922)</u>	<u>900</u>	<u>477,318</u>	<u>240,778</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>(135,137)</u>	<u>(522,781)</u>	<u>(180,075)</u>	<u>(499,421)</u>	<u>(1,337,414)</u>	<u>(83,870)</u>
Capital contributions	-	144,993	-	55,000	199,993	11,452
Capital grants	2,525,017	79,271	-	326,814	2,931,102	-
Transfers in	-	-	-	135,000	135,000	-
Change in net assets	<u>2,389,880</u>	<u>(298,517)</u>	<u>(180,075)</u>	<u>17,393</u>	<u>1,928,681</u>	<u>(72,418)</u>
Total net assets - beginning of year	<u>10,934,407</u>	<u>15,829,470</u>	<u>5,588,255</u>	<u>4,959,290</u>		<u>580,130</u>
Total net assets - end of year	<u>\$ 13,324,287</u>	<u>\$ 15,530,953</u>	<u>\$ 5,408,180</u>	<u>\$ 4,976,683</u>		<u>\$ 507,712</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(11,699)	
Change in net assets of business-type activities					<u>\$ 1,916,982</u>	

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Stormwater	Non-major Enterprise Funds		
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 3,156,986	\$ 3,216,117	\$ 297,418	\$ 1,673,177	\$ 8,343,698	\$ 15,597
Receipts from interfund services	14,716	3,720	81,390	1,976	101,802	1,810,989
Payments to suppliers	(925,054)	(544,403)	(35,292)	(1,550,937)	(3,055,686)	(730,380)
Payments to employees	(1,249,283)	(1,162,555)	(267,385)	(540,374)	(3,219,597)	(955,383)
Payments for interfund services used	(771,171)	(751,609)	(43,735)	(327,268)	(1,893,783)	(78,272)
Net cash provided by (used for) operating activities	226,194	761,270	32,396	(743,426)	276,434	62,551
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	-	-	-	135,000	135,000	-
Intergovernmental	-	-	900	456,816	457,716	-
Net cash provided by noncapital financing activities	-	-	900	591,816	592,716	-
<b>Cash flows from capital and related financing activities:</b>						
Acquisition of capital assets	(6,284,526)	(651,843)	(11,000)	(363,804)	(7,311,173)	-
Proceeds from sale of capital assets	-	-	-	20,502	20,502	-
Bond Issuance Costs	(112,160)	-	-	-	(112,160)	-
Proceeds from the issuance of capital debt	6,282,374	-	-	-	6,282,374	-
Principal paid on capital debt	(235,377)	(365,000)	-	-	(600,377)	-
Interest paid on capital debt	(22,490)	(277,299)	-	-	(299,789)	-
Intergovernmental	2,525,017	79,271	-	326,814	2,931,102	-
Net cash provided by (used for) capital and related financing activities	2,152,838	(1,214,871)	(11,000)	(16,488)	910,479	-
<b>Cash flows from investing activities:</b>						
Proceeds from sales and maturities of investments	1,814,671	1,091,490	66,242	411,885	3,384,288	79,943
Interest on investments	78,261	32,427	-	-	110,688	-
Net cash provided by investing activities	1,892,932	1,123,917	66,242	411,885	3,494,976	79,943
Net increase in pooled cash	4,271,964	670,316	88,538	243,787	5,274,605	142,494
Pooled cash, beginning of year	700,621	421,422	25,279	157,185	1,304,507	30,507
Pooled cash, end of year	\$ 4,972,585	\$ 1,091,738	\$ 113,817	\$ 400,972	\$ 6,579,112	\$ 173,001
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (154,619)	\$ (265,859)	\$ (180,975)	\$ (976,739)	\$ (1,578,192)	\$ (83,870)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation & amortization	398,089	924,907	210,102	223,400	1,756,498	86,309
Change in assets and liabilities:						
Accounts receivable	50,259	(304)	2,312	1,475	53,742	-
Other receivables	(87,065)	39,644	-	1,202	(46,219)	(45)
Due from other funds	-	-	-	(2,429)	(2,429)	-
Prepaid items	(1,070)	10,524	15	(662)	8,807	19,674
Inventory	9,146	3,812	348	25,500	38,806	2,672
Accounts payable	(11,404)	13,866	(4,676)	(34,373)	(36,587)	24,543
Salaries and benefits payable and compensated absences	19,909	34,680	5,270	5,724	65,583	13,268
Due to other funds	4,937	-	-	-	4,937	-
Refundable deposits	(1,988)	-	-	-	(1,988)	-
Deferred revenue	-	-	-	13,476	13,476	-
Net cash provided (used) by operating activities	\$ 226,194	\$ 761,270	\$ 32,396	\$ (743,426)	\$ 276,434	\$ 62,551
<b>Noncash investing, capital and financing activities:</b>						
Purchase of equipment on account	\$ 96,507	\$ 4,734	\$ -	\$ 16,385	\$ 117,626	\$ -
Prior year purchase of equipment on account	\$ 50,220	\$ -	\$ 6,000	\$ 24,585	\$ 80,805	\$ -
Contributions of capital assets from governmental funds	\$ -	\$ 144,993	\$ -	\$ 55,000	\$ 199,993	\$ 11,452
Retiring debt through issuance of new debt	\$ 670,000	\$ -	\$ -	\$ -	\$ 670,000	\$ -

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2010**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Pooled cash	\$ 40,555
Municipal Court checking account	147,527
Accounts receivable	<u>10,714</u>
 Total assets	 <u>\$ 198,796</u>
<b>LIABILITIES</b>	
Due to other governments	126,722
Undistributed monies	<u>72,074</u>
 Total liabilities	 <u>\$ 198,796</u>

See Notes to the Basic Financial Statements

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

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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: police, fire, judicial, 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, 2010.

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 statements.

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

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Exceptions to this general rule are charges between the government's water, sewer, stormwater 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 fiduciary 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. Fiduciary funds 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.

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

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Governmental Funds

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. Also 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.

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.

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, revenue collections and service center operations, provided to other departments of the City on a 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.

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

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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 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

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

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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.

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

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

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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. Inventory and Prepaid Items**

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, 2010 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.

**G. 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

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
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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

H. 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, 2010 amounted to \$234,209 net of accumulated amortization of \$91,671.

I. Compensated Absences

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.

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.

J. Pensions

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

K. Reserves and Designations

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

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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.

L. 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.

M. 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.

N. Financial Disclosure

Private-sector standards of accounting and reporting issued on or before November 30, 1989, are followed in both the government-wide and enterprise 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 enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

O. 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.

P. Restricted Assets

The City has certain resources from the bond issuance of enterprise fund Recovery Zone Economic Development Bonds in the amount of \$2,452,000. These resources are classified as restricted cash on the Statement of Net Assets because their use is limited by bond covenants. These certain resources are to fund the purchase of the Water Source acquisition and other water source project costs.

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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 was being used for road resurfacing projects.
- Imprest cash held on hand and was \$3,100 at December 31, 2010.

At December 31, 2010 the carrying amount of the City's deposits was \$15,734,365 and the bank balance was \$15,942,452. Of the bank balance:

1. \$413,894 was covered by federal depository insurance;
2. \$15,528,558 was collateralized with securities held by the pledging financial institution's trust departments or agents, but not in the City's name.

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.

*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.* 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%

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3. 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.

4. 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 2010 were levied on December 31, 2009 on assessed values listed as of January 1, 2009, the lien date. One-half of these taxes were due on February 14, 2010 with the remaining balance due on July 20, 2010.

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 was eliminated in 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 2009 upon which the 2010 levy was based was approximately \$379,705,390. The assessed value for 2010 upon which the 2011 levy will be based is approximately \$379,491,650.

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.

5. Capital Assets:

Capital asset activity for the year ended December 31, 2010 was as follows:

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**Governmental activities:**

	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 7,550,231	\$ 137,030	\$ -	\$ (55,000)	\$ 7,632,261
Construction in progress	3,244,402	67,944	-	(3,192,109)	120,237
Subtotal	<u>10,794,633</u>	<u>204,974</u>	<u>-</u>	<u>(3,247,109)</u>	<u>7,752,498</u>
<i>Capital assets being depreciated:</i>					
Buildings and improvements	17,817,904	24,336	-	12,550	17,854,790
Machinery and equipment	9,553,712	249,015	(417,074)	(10,430)	9,375,223
General infrastructure	42,119,151	946,761	-	3,179,559	46,245,471
Subtotal	<u>69,490,767</u>	<u>1,220,112</u>	<u>(417,074)</u>	<u>3,181,679</u>	<u>73,475,484</u>
Totals at historical cost	<u>80,285,400</u>	<u>1,425,086</u>	<u>(417,074)</u>	<u>(65,430)</u>	<u>81,227,982</u>
<i>Less accumulated depreciation for:</i>					
Buildings and improvements	4,472,180	448,581	-	-	4,920,761
Machinery and equipment	6,376,958	672,289	(392,374)	(10,430)	6,646,443
General infrastructure	15,300,756	1,625,033	-	-	16,925,789
Total accumulated depreciation	<u>26,149,894</u>	<u>2,745,903</u>	<u>(392,374)</u>	<u>(10,430)</u>	<u>28,492,993</u>
Net capital assets	<u>\$ 54,135,506</u>	<u>\$ (1,320,817)</u>	<u>\$ (24,700)</u>	<u>\$ (55,000)</u>	<u>\$ 52,734,989</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 48,390
Police	367,013
Fire	233,369
Judicial	134,646
Health	26,384
Street repairs and maintenance	1,703,054
Community development	3,579
Community environment	42,330
Parks and recreation	<u>172,844</u>
Total governmental activities depreciation expense	<u>\$ 2,731,609</u>
Portion of internal service funds' depreciation allocable to business-type activities	<u>14,294</u>
Total additions to accumulated depreciation of governmental activities	<u>\$ 2,745,903</u>

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
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**Business-type activities:**

	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 735,693	\$ -	\$ -	\$ 55,000	\$ 790,693
Construction in progress	2,304,352	3,623,687	-	(1,014,011)	4,914,028
Subtotal	<u>3,040,045</u>	<u>3,623,687</u>	<u>-</u>	<u>(959,011)</u>	<u>5,704,721</u>
<i>Capital assets being depreciated:</i>					
<b>Buildings, improvements and</b>					
Infrastructure	53,802,354	3,448,196	(15,333)	1,014,011	58,249,228
Machinery and equipment	9,535,112	436,437	(306,876)	10,430	9,675,103
Subtotal	<u>63,337,466</u>	<u>3,884,633</u>	<u>(322,209)</u>	<u>1,024,441</u>	<u>67,924,331</u>
Totals at historical cost	<u>66,377,511</u>	<u>7,508,320</u>	<u>(322,209)</u>	<u>65,430</u>	<u>73,629,052</u>
<i>Less accumulated depreciation for:</i>					
<b>Buildings, improvements and</b>					
Infrastructure	20,448,151	1,294,670	-	-	21,742,821
Machinery and equipment	7,144,709	455,487	(306,876)	10,430	7,303,750
Total accumulated depreciation	<u>27,592,860</u>	<u>1,750,157</u>	<u>(306,876)</u>	<u>10,430</u>	<u>29,046,571</u>
Net capital assets	<u>\$ 38,784,651</u>	<u>\$ 5,758,163</u>	<u>\$ (15,333)</u>	<u>\$ 55,000</u>	<u>\$ 44,582,481</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 394,350
Sewer	922,305
Transportation	116,813
Stormwater	210,102
Yard waste	8,610
Airport	66,677
Swimming Pool	<u>31,300</u>
Total additions to accumulated depreciation of business-type activities	<u>\$ 1,750,157</u>

6. **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 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

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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 Pension 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 member and employer contributions. For 2010, the member and employer contribution rates were consistent across all three plans. The 2010 member contribution rates were 10.0%.

The 2010 employer contribution rate was 14.00% of covered payroll. The City's contributions, representing 91% for 2010, 100% for 2009 and 2008 of employer's contributions for the years ended December 31, 2010, 2009, and 2008 were \$1,036,199, \$1,072,925, and \$1,069,967, respectively. The unpaid portion of \$88,491 is reported as liability in the respective funds.

**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 representing 75% for 2010, 100% for 2009 and 2008 for the years ended December 31, 2010, 2009 and 2008 were \$1,131,376, \$1,146,560, and \$1,143,074, respectively. The unpaid portion of \$286,272 is reported as liability in the respective funds.

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, 2010, the unfunded liability is payable, including principal and interest, in annual installments of \$21,672 through the year 2035. The principal balance of \$323,714 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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7. 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 2010, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.87%. The ORC currently limits the employer contributions to a rate not to exceed 14.00% of covered payroll for state and local employer units and 18.1% of covered payroll 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. The portion of employer contribution allocated to the health care for members in the Traditional Plan was 5.5% from January 1 to February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contribution allocated to the health care for members in the Combined Plan was 4.73% from January 1 to February 28, 2010 and 4.23% from March 1 through December 31, 2010. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provide, 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, 2010, 2009 and 2008, was \$375,235, \$452,049, and \$534,984 respectively; 91% has been contributed for 2010 and 100% for 2009 and 2008.

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

B. Ohio Police and Fire Pension Fund

The City of Sidney contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides healthcare benefits including coverage for

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medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement 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. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate Ohio Police and Fire Pension to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits 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. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan) Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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 Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75% of covered payroll.

The City's actual contributions for 2010, 2009 and 2008 that were used to fund post employment benefits for police and firefighters were \$352,637, \$356,340 and \$355,600, respectively; 75% has been contributed for 2010 and 100% for 2009 and 2008.

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8. Noncurrent Liabilities:

The following is a summary of changes for noncurrent liabilities of the City for the year ended December 31, 2010:

	Balance January 1, 2010	Additions	Reductions	Balance December 31, 2010	Due Within One Year
<b>Governmental activities:</b>					
<i>G.O. bonds, 1998-2018, 3.25% to 5.0%, Monumental Bldg renovation</i>	\$ 1,525,000	\$ -	\$ 140,000	\$ 1,385,000	\$ 150,000
<i>G.O. bonds, 2005-2024, 4.0% to 4.7%, Police Facility Construction</i>	6,100,000	-	320,000	5,780,000	325,000
<i>G.O. Bond Anticipation Notes, matures June 23, 2010, 1.5%, Kuther Road TIF</i>	230,000	-	230,000	-	-
<i>G.O. bonds 2010-2030, 2.0% to 4.25%, Kuther Road TIF, Water &amp; Sewer Infrastructure</i>	-	245,000	-	245,000	10,000
<i>G.O. Bond Anticipation Notes, matures June 23, 2010, 1.5%, Menards TIF</i>	670,000	-	670,000	-	-
<i>G.O. bonds, 2010-2025, 2.0% to 4.0%, Menards TIF, Sewer Infrastructure</i>	-	700,000	-	700,000	30,000
Premium on Bonds	-	17,238	1,111	16,127	-
Accrued vacation and sick leave	1,603,063	639,244	698,754	1,543,553	71,658
Unfunded police/fire pension obligation	<u>335,097</u>	<u>-</u>	<u>11,383</u>	<u>323,714</u>	<u>7,400</u>
Total	<u>\$ 10,463,160</u>	<u>\$ 1,601,482</u>	<u>\$ 2,071,248</u>	<u>\$ 9,993,394</u>	<u>\$ 594,058</u>

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<b>Business-type activities:</b>	Balance January 1, 2010	Additions	Reductions	Balance December 31, 2010	Due Within One Year
<b>Water fund:</b>					
<i>O.W.D.A. loans, 2009-2029, 0% ARRA –Distribution system upgrades, Water meter reads</i>	\$ 359,079	\$ 3,391,352	\$ 219,810	\$ 3,530,621	\$ 219,810
<i>O.W.D.A. loans, 2009-2029, 0% ARRA – NMHP distribution system</i>	1,096	310,064	15,708	295,452	15,708
<i>G.O. Bond Anticipation Notes, matures June 23, 2010, 1.5%, Water Source testing</i>	670,000	-	670,000	-	-
<i>G.O. bonds, 2010-2040, 2.0% to 4.5% Water Source testing</i>	-	705,000	-	705,000	5,000
<b>Premium on Bonds</b>	-	4,240	141	4,099	-
<i>Recovery Zone Economic Development Bonds –Taxable G.O. bonds, 2010-2040, coupon interest rate of 5.45% to 6.0% (45% Federal interest subsidy to reduce interest cost)</i>	-	2,542,000	-	2,542,000	5,000
<b>Sewer fund:</b>					
<i>G.O. bonds, 2001-2022, 4.0% to 4.625%</i>	6,135,000	-	365,000	5,770,000	375,000
<b>Accrued vacation and sick leave</b>	<u>337,950</u>	<u>200,910</u>	<u>158,369</u>	<u>380,491</u>	<u>11,169</u>
<b>Total</b>	<u>\$7,503,125</u>	<u>\$7,153,566</u>	<u>\$1,429,028</u>	<u>\$13,227,633</u>	<u>\$631,687</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 are expected to be paid with sewer revenues generated from sewer rates. The Water Fund's general obligation bonds are expected to be paid with water revenues generated from water rates. The Kuther Road TIF and Menard TIF general obligation bonds are expected to be paid with payments-in-lieu of taxes received from property owners.

During fiscal year 2009 the City entered into two loans with the Ohio Water Development Authority (OWDA). The first loan was issued in the principal amount of \$4,396,202 for the purpose of making improvements to the water meter read and distribution system. As of December 31, 2010, \$3,750,431 had been drawn on the loan; however, semi-annual payments of \$109,905 began on July 1, 2010. The unspent portion of this loan is not included in the future annual requirements table below. Water revenue, net of operating and maintenance expenses, is pledged as repayment for this loan.

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

The second loan was issued in the principal amount of \$314,160 on behalf of Northbrook Mobile Home Park to provide them with financing for water system upgrades. As of December 31, 2010, \$311,160 had been drawn on the loan; however, semi-annual payments of \$7,854 began on July 1, 2010. Because the semi-annual payment due in July exceeds the principal balance drawn at year-end, only the principal balance as of year-end is included in the future annual requirements table below. Repayment of this loan is the responsibility of the Northbrook Mobile Home Park; however, the loan is backed by water revenues of the City in the case of default.

To repay the loans issued to OWDA for up to \$4.7 million, the City has pledged future water customer revenues, net of specified operating expenses. The loans are payable solely from water customer net revenues and are payable through 2029. Annual payments on the loans are expected to require less than 7% of net revenues. The total principal payments to be paid on the loans as of December 31, 2010 are \$3,826,073. Principal paid and total customer net revenues for 2010 were \$235,518 and \$3,161,735, respectively.

On June 22, 2010, the City issued general obligation bonds in the amount of \$1,650,000, the proceeds of which were used to retire the principal and accrued interest of the 2009 issued bond anticipation notes.

On September 23, 2010, the City issued 30-year taxable general obligation Recovery Zone Economic Development Bonds in the amount of \$2,542,000. The federal government is expected to subsidize the bonds by reimbursing the city for 45% of the interest payments made. Bond proceeds are to be used to purchase the water source property and other water source project costs. Unspent proceeds at December 31, 2010 totaled \$2,542,000.

Annual requirements to pay principal and interest on long-term debt at December 31, 2010 are:

	Governmental Activities		Business-type Activities		Federal Interest Subsidy
	Principal	Interest	Principal	Interest	
2011	\$ 515,000	\$ 345,510	\$ 620,518	\$ 464,206	\$ (78,447)
2012	540,000	324,960	685,518	418,955	(65,554)
2013	555,000	303,585	700,518	399,043	(64,450)
2014	575,000	281,385	720,518	378,470	(63,347)
2015	600,000	258,323	740,518	356,593	(62,243)
2016-2020	2,925,000	905,742	4,057,591	1,418,481	(293,802)
2021-2025	2,315,000	295,465	2,802,591	770,904	(259,221)
2026-2030	85,000	11,438	843,302	565,313	(214,341)
2031-2035	-	-	720,000	399,825	(152,685)
2036-2040	-	-	952,000	169,350	(65,070)
Total	<u>\$ 8,110,000</u>	<u>\$ 2,726,408</u>	<u>\$ 12,843,074</u>	<u>\$ 5,341,140</u>	<u>\$ (1,319,160)</u>

9. 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

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

lead to reimbursement to the grantor agencies. Management believes such reimbursements, if any, would not be material.

10. Interfund Receivables and Payables:

Interfund balances in the basic financial statements at December 31, 2010 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ -	\$ 32,899
Capital Improvement	32,899	2,429
Non-major governmental funds	5,856	919
Water	-	4,937
Non-major enterprise funds	<u>2,429</u>	<u>-</u>
	<u>\$ 41,184</u>	<u>\$ 41,184</u>

Interfund balances at December 31, 2010 resulted from the timing difference of when reimbursable expenditures occurred and when the payments between funds were made.

11. Interfund Transfers:

Interfund transfers in the basic financial statements for the year ended December 31, 2010 were:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 160,000
Non-major governmental funds	25,000	-
Non-major enterprise funds	<u>135,000</u>	<u>-</u>
	<u>\$ 160,000</u>	<u>\$ 160,000</u>

All interfund transfers are routine in nature and are to subsidize the operations of the applicable funds.

12. 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 2010, 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 \$500,000. 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

**CITY OF SIDNEY, OHIO**  
**Notes to the Basic Financial Statements**  
**December 31, 2010**

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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.

13. Fund Deficit:

At December 31, 2010, the Revenue Collections Fund had a deficit fund balance of \$43,560. This fund deficit is primarily due to the accrual of compensated absences which is long term in nature. The Solid Waste Fund has a deficit fund balance of \$42,909 as of December 31, 2010. Solid Waste charges are billed and collected in advance, therefore, the recording of receivables and unearned income using the accrual basis of accounting generates the fund's deficit balance. Probation Grant Fund has a deficit fund balance of \$1,217 and the Neighborhood Stabilization Program Grant Fund has a deficit fund balance of \$6,728 at December 31, 2010, both due to the accrual of expenditures on the modified accrual basis of accounting that were reimbursed by grant proceeds received after the 30-day period of availability.

14. Contractual Commitment:

As of December 31, 2010, the City had a contractual commitment for the Water Treatment Plant Improvements with Dugan & Myers for \$453,573.

15. Pollution Remediation:

GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, provides guidance for state and local governments in estimating and reporting the potential cost of pollution remediation. While GASB 49 does not require the City to search for pollution, it does require the City to reasonably estimate and report remediation liability when certain obligating events occur. One such event would be if the City commenced or legally obligated itself to conduct cleanup activities or monitoring or operation and maintenance of the remediation effort. While not an obligating event, in August 2010, the City entered into a grant agreement with the U.S. Environmental Protection Agency to conduct an environmental site assessment and prepare a cleanup and redevelopment plan for the Wagner Manufacturing & Master Vision Polishing Plant. As of December 31, 2010, no pollution remediation liability has been recorded, as the City's involvement does not rise to the level of an obligating event. The City does not own the property and does not expect to be held as a potentially responsible party for the site cleanup.

16. Subsequent Event:

During March 2011, the City issued an emergency order to a building's owner to abate a dangerous building in the downtown area. Architectural inspection determined that there was an imminent danger of the building collapsing creating a threat to public health and safety. When the building's owner failed to respond, the City demolished the building at an estimated cost of \$375,000. The City anticipates assessing the property for the demolition costs and pursuing legal action against the building's owner to collect.

**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, 2010**

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>				
Local taxes	\$ 10,583,789	\$ 10,572,789	\$ 11,385,240	\$ 812,451
Intergovernmental revenues	1,235,018	1,098,018	1,153,631	55,613
Special assessments	227,875	227,875	226,429	(1,446)
Charges for services	1,566,861	1,466,861	1,385,764	(81,097)
Fines, licenses and permits	113,925	113,925	127,116	13,191
Investment income	302,000	75,000	71,686	(3,314)
Miscellaneous receipts and reimbursements	-	-	-	-
	<u>1,628,137</u>	<u>1,503,137</u>	<u>1,665,633</u>	<u>162,496</u>
Total revenues	<u>15,657,605</u>	<u>15,057,605</u>	<u>16,015,499</u>	<u>957,894</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,500,743	2,462,048	2,295,894	166,154
Police	5,922,126	5,942,391	5,680,352	262,039
Fire	4,125,817	4,252,348	4,031,533	220,815
Judicial	1,316,568	1,309,561	1,274,620	34,941
Community development	138,990	124,467	118,509	5,958
Community environment	1,054,354	1,052,395	1,021,893	30,502
Parks and recreation	1,272,442	1,265,150	1,175,777	89,373
Capital outlay	6,500	6,500	9,789	(3,289)
	<u>16,337,540</u>	<u>16,414,860</u>	<u>15,608,367</u>	<u>806,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(679,935)</u>	<u>(1,357,255)</u>	<u>407,132</u>	<u>1,764,387</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(184,000)</u>	<u>(184,000)</u>	<u>(160,000)</u>	<u>24,000</u>
Total other financing sources	<u>(184,000)</u>	<u>(184,000)</u>	<u>(160,000)</u>	<u>24,000</u>
Net change in fund balance	(863,935)	(1,541,255)	247,132	1,788,387
Fund Balances, beginning of year	4,158,838	4,158,838	4,158,838	-
Prior Year Encumbrances	<u>84,580</u>	<u>84,580</u>	<u>84,580</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 3,379,483</u>	<u>\$ 2,702,163</u>	<u>\$ 4,490,550</u>	<u>\$ 1,788,387</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, 2010**

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 1,182,281	\$ 1,140,281	\$ 1,152,205	\$ 11,924
Charges for services	5,000	5,000	8,639	3,639
Investment Income	10,000	2,000	1,575	(425)
Miscellaneous receipts and reimbursements	96,700	90,700	103,234	12,534
<b>Total revenues</b>	<b>1,293,981</b>	<b>1,237,981</b>	<b>1,265,653</b>	<b>27,672</b>
<b>EXPENDITURES:</b>				
Current:				
Street repair & maintenance	1,398,402	1,450,872	1,356,310	94,562
<b>Total expenditures</b>	<b>1,398,402</b>	<b>1,450,872</b>	<b>1,356,310</b>	<b>94,562</b>
Deficiency of revenues under expenditures	(104,421)	(212,891)	(90,657)	122,234
Fund Balances, beginning of year	224,308	224,308	224,308	-
Prior Year Encumbrances	33,932	33,932	33,932	-
<b>Fund Balances, end of year</b>	<b>\$ 153,819</b>	<b>\$ 45,349</b>	<b>\$ 167,583</b>	<b>\$ 122,234</b>

See Notes to the Required Supplementary Information.

**CITY OF SIDNEY, OHIO**  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2010

**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;
  - b. establish capital project priorities and make advance preparation for the funding of projects within the five-year horizon;

**CITY OF SIDNEY, OHIO**  
Notes to the Required Supplementary Information  
For the Year Ended December 31, 2010

- 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, 2010, from the GAAP basis to the budget basis are as follows:

	General Fund	Street Repair & Maintenance Fund
Net change in fund balance - <i>GAAP Basis</i>	\$ 544,177	\$ (72,953)
Increase / (decrease):		
Due to revenues	1,035,702	(2,484)
Due to expenditures	(1,332,747)	(15,220)
Deficiency of revenues and other sources under expenditures and other uses - Budget Basis	\$ 247,132	\$ (90,657)



**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 fund:**

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

**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.

**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.

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

**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.

**Parking Enforcement Fund.** To account for the operations of the parking system and related expenditures. The operating expenditures are supported by fines and customer charges while the capital improvements are subsidized by the General Fund.

**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 (Municipal Court).** To account for mandatory fines for DUI arrests that are used to treat drivers who cannot afford the rehabilitation.

**CITY OF SIDNEY, OHIO**  
**Fund Descriptions**

**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.

**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).

**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.

**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 court.

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

**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.

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

**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.

**Neighborhood Stabilization Program Grant Fund.** To account for funds received as part of the Regional Neighborhood Stabilization Program. The U.S. Department of Housing & Urban Development awarded funding to states and communities to address abandoned and foreclosed homes. Proceeds are to be used for eligible demolition and renovation projects in the City of Sidney.

**CITY OF SIDNEY, OHIO**  
**Fund Descriptions**

**E-911 Wireless Fund.** To account for funds collected by the State of Ohio from cell phone users and redistributed back to Ohio counties for use in implementation and maintenance of wireless 9-1-1 systems. The County is distributing 50% of those receipts to the City for the upkeep and maintenance of the wireless 9-1-1 system.

**Fire Loss Security Fund.** To account for the holding of a portion of insurance proceeds from fire loss of private property, held as security against the cost of removing, securing or repairing the damaged structure.

**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.

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

**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.

**TIF – Echo Fund.** To account for the financial resources and expenditures related to the development of Echo Business Center Phase I.

**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 fund:**

**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 funds:**

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

**Brookside Park Fund.** To account for the resources earmarked for capital improvements used for the development of Brookside Park.

**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.

**CITY OF SIDNEY, OHIO**  
**Fund Descriptions**

**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.

**Stormwater Management Fund.** To account for the operation and maintenance of the stormwater system, and related expenses, including capital improvement.

**Non-major enterprise funds:**

**Transportation Fund.** To account for the operation and maintenance of the Shelby Public Transit service, and related expenses, including capital improvement.

**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 additional funding, as necessary, from 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.

**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.

**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.

**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 service.

**CITY OF SIDNEY, OHIO**  
**Fund Descriptions**

**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.

**Revenue Collections Fund.** To account for the operation of the City's centralized income tax and utility billing and collections department. This activity is funded by charges to City department for which monies are collected.

**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.

**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 Reserve 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 – Agency 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, 2010**

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Pooled cash	\$ 2,475,418	\$ 122,296	\$ 2,597,714
Cash held by outside agent	16,366	-	16,366
Receivables:			
Property taxes	118,106	-	118,106
Other taxes	3,441	-	3,441
Interest	229	-	229
Loans	797,016	-	797,016
Grants	9,501	-	9,501
Other	56,873	-	56,873
Due from other funds	5,856	-	5,856
Receivables from other governments	50,761	-	50,761
Prepaid items	<u>10,426</u>	<u>-</u>	<u>10,426</u>
 Total assets	 <u>\$ 3,543,993</u>	 <u>\$ 122,296</u>	 <u>\$ 3,666,289</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 92,902	\$ 22	\$ 92,924
Salaries and benefits payable	10,230	-	10,230
Due to other funds	919	-	919
Deferred revenue	<u>1,027,099</u>	<u>-</u>	<u>1,027,099</u>
 Total liabilities	 <u>1,131,150</u>	 <u>22</u>	 <u>1,131,172</u>
 Fund Balances:			
Reserved for:			
Prepaid items	10,426	-	10,426
Encumbrances	99,612	-	99,612
Unreserved	<u>2,302,805</u>	<u>122,274</u>	<u>2,425,079</u>
 Total fund balances	 <u>2,412,843</u>	 <u>122,274</u>	 <u>2,535,117</u>
 Total liabilities and fund balances	 <u>\$ 3,543,993</u>	 <u>\$ 122,296</u>	 <u>\$ 3,666,289</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, 2010**

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<b>REVENUES:</b>			
Local taxes	\$ 190,324	\$ -	\$ 190,324
Intergovernmental revenues	883,376	-	883,376
Special assessments	1,140	3,814	4,954
Charges for services	271,904	-	271,904
Fines, licenses and permits	62,094	-	62,094
Investment income	22,325	-	22,325
Miscellaneous receipts and reimbursements	96,613	80,000	176,613
	<u>1,527,776</u>	<u>83,814</u>	<u>1,611,590</u>
<b>EXPENDITURES:</b>			
Current:			
General government	78,926	-	78,926
Police	34,308	-	34,308
Fire	74,872	-	74,872
Judicial	140,979	-	140,979
Health	193,334	-	193,334
Street repairs and maintenance	102,463	-	102,463
Community development	331,887	-	331,887
Community environment	41,320	5,336	46,656
Basic utility services	14,127	-	14,127
Capital outlay	738,967	22	738,989
Debt service:			
Principal	900,000	-	900,000
Interest	27,706	-	27,706
	<u>2,678,889</u>	<u>5,358</u>	<u>2,684,247</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,151,113)</u>	<u>78,456</u>	<u>(1,072,657)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	25,000	-	25,000
Bonds issued	945,000	-	945,000
Premium on bonds	17,238	-	17,238
	<u>987,238</u>	<u>-</u>	<u>987,238</u>
Net change in fund balance	(163,875)	78,456	(85,419)
Fund balances, beginning of year	<u>2,576,718</u>	<u>43,818</u>	<u>2,620,536</u>
Fund balances, end of year	<u>\$ 2,412,843</u>	<u>\$ 122,274</u>	<u>\$ 2,535,117</u>

CITY OF SIDNEY, OHIO  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2010

	State Highway	County Auto License	Convention and Visitors Bureau	Insurance	Separation Payment	Parking Enforcement	Drug Law Enforcement	Law Enforcement
<b>ASSETS</b>								
Pooled cash	\$ 5,499	\$ 14,082	\$ 4,006	\$ 27,810	\$ 434,663	\$ 68,592	\$ 8,697	\$ 15,537
Cash held by outside agent	-	16,366	-	-	-	-	-	-
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	3,441	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	2,377	-	-
Due from other funds	-	-	-	-	-	-	-	-
Receivables from other governments	50,761	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	375	-	-
<b>Total assets</b>	<b>\$ 56,260</b>	<b>\$ 30,448</b>	<b>\$ 7,447</b>	<b>\$ 27,810</b>	<b>\$ 434,663</b>	<b>\$ 71,344</b>	<b>\$ 8,697</b>	<b>\$ 15,537</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	-	-	\$ 4,006	\$ 11,649	\$ -	\$ 2,910	\$ -	\$ 75
Salaries and benefits payable	-	-	-	-	-	377	-	-
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	45,761	16,366	-	-	-	1,290	-	-
<b>Total liabilities</b>	<b>45,761</b>	<b>16,366</b>	<b>4,006</b>	<b>11,649</b>	<b>-</b>	<b>4,577</b>	<b>-</b>	<b>75</b>
Fund Balances:								
Reserved for:								
Prepaid items	-	-	-	-	-	375	-	-
Encumbrances	-	-	-	332	-	-	-	-
Unreserved	10,499	14,082	3,441	15,829	434,663	66,392	8,697	15,462
<b>Total fund balances</b>	<b>10,499</b>	<b>14,082</b>	<b>3,441</b>	<b>16,161</b>	<b>434,663</b>	<b>66,767</b>	<b>8,697</b>	<b>15,462</b>
<b>Total liabilities and fund balances</b>	<b>\$ 56,260</b>	<b>\$ 30,448</b>	<b>\$ 7,447</b>	<b>\$ 27,810</b>	<b>\$ 434,663</b>	<b>\$ 71,344</b>	<b>\$ 8,697</b>	<b>\$ 15,537</b>

(continued)

CITY OF SIDNEY, OHIO  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2010

	Indigent Driver Alcohol Treatment	Enforcement & Education	Health Department Building Lease	F.E.M.A. Grant	Probation Grant	Municipal Court Special Projects	Indigent Driver Interlock & Alcohol Monitoring	Municipal Court Computer
<b>ASSETS</b>								
Pooled cash	\$ 104,864	\$ 22,450	\$ 147,683	\$ 9	\$ 2,350	\$ 245,820	\$ 25,567	\$ 11,194
Cash held by outside agent	-	-	-	-	-	-	-	-
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Other	909	110	-	-	-	10,032	292	2,685
Due from other funds	-	-	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 105,773</b>	<b>\$ 22,560</b>	<b>\$ 147,683</b>	<b>\$ 9</b>	<b>\$ 2,350</b>	<b>\$ 255,852</b>	<b>\$ 25,859</b>	<b>\$ 13,879</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 8,112	\$ -	\$ -	\$ -	\$ -	\$ 428	\$ 1,192	\$ 298
Salaries and benefits payable	-	-	-	-	3,567	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>8,112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,567</b>	<b>428</b>	<b>1,192</b>	<b>298</b>
Fund Balances:								
Reserved for:								
Prepaid items	-	-	2,539	-	-	9,794	-	-
Encumbrances	97,661	22,560	145,144	9	(1,217)	245,630	24,667	13,581
Unreserved	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>97,661</b>	<b>22,560</b>	<b>147,683</b>	<b>9</b>	<b>(1,217)</b>	<b>255,424</b>	<b>24,667</b>	<b>13,581</b>
<b>Total liabilities and fund balances</b>	<b>\$ 105,773</b>	<b>\$ 22,560</b>	<b>\$ 147,683</b>	<b>\$ 9</b>	<b>\$ 2,350</b>	<b>\$ 255,852</b>	<b>\$ 25,859</b>	<b>\$ 13,879</b>

(continued)

CITY OF SIDNEY, OHIO  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2010

ASSETS	Cemetery	Cemetery Maintenance	Mausoleum Maintenance	C.D.B.G.	C.D.B.G. Revolving Loan	C.D.B.G. Program Income	H.O.M.E. Program Income	Neighborhood Stabilization Program Grant
Pooled cash	\$ 40,116	\$ 707,992	\$ 24,627	\$ 106,098	\$ 54,014	\$ 10,051	\$ 44,129	\$ 2,773
Cash held by outside agent	-	-	-	-	-	-	-	-
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	229	-	-	-
Loans	-	-	741,958	55,058	-	-	-	9,501
Grants	-	-	-	-	-	-	-	-
Other	40,027	-	441	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	-	-	-
Prepaid items	266	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 80,409</b>	<b>\$ 707,992</b>	<b>\$ 25,068</b>	<b>\$ 848,056</b>	<b>\$ 109,301</b>	<b>\$ 10,051</b>	<b>\$ 44,129</b>	<b>\$ 12,274</b>

LIABILITIES AND FUND BALANCES

Liabilities:								
Accounts payable	\$ 1,113	\$ 115	\$ -	\$ 53,442	\$ 61	\$ -	\$ -	\$ 9,501
Salaries and benefits payable	6,286	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	39,206	-	426	741,958	54,485	-	-	9,501
<b>Total liabilities</b>	<b>46,605</b>	<b>115</b>	<b>426</b>	<b>795,400</b>	<b>54,546</b>	<b>-</b>	<b>-</b>	<b>19,002</b>
Fund Balances:								
Reserved for:								
Prepaid items	266	-	-	-	-	-	-	-
Encumbrances	413	-	-	73,409	2,835	-	-	10,290
Unreserved	33,125	707,877	24,642	(20,753)	51,920	10,051	44,129	(17,018)
<b>Total fund balances</b>	<b>33,804</b>	<b>707,877</b>	<b>24,642</b>	<b>52,656</b>	<b>54,755</b>	<b>10,051</b>	<b>44,129</b>	<b>(6,728)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 80,409</b>	<b>\$ 707,992</b>	<b>\$ 25,068</b>	<b>\$ 848,056</b>	<b>\$ 109,301</b>	<b>\$ 10,051</b>	<b>\$ 44,129</b>	<b>\$ 12,274</b>

(continued)

CITY OF SIDNEY, OHIO  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2010

	E-911 Wireless	Fire Loss Security	CRA	Imprest Cash	TIF - Kutber Rd	TIF - Menards	TIF - Echo	Non-major Special Revenue Funds Totals
<b>ASSETS</b>								
Pooled cash	\$ 74,672	\$ 31,000	\$ 2,140	\$ 3,100	\$ 40,161	\$ 195,722	\$ -	\$ 2,475,418
Cash held by outside agent	-	-	-	-	-	-	-	16,366
Receivables:								
Property taxes	-	-	-	-	18,916	96,316	2,874	118,106
Other taxes	-	-	-	-	-	-	-	3,441
Interest	-	-	-	-	-	-	-	229
Loans	-	-	-	-	-	-	-	797,016
Grants	-	-	-	-	-	-	-	9,501
Other	-	-	-	-	-	5,856	-	56,873
Due from other funds	-	-	-	-	-	-	-	5,856
Receivables from other governments	-	-	-	-	-	-	-	50,761
Prepaid items	9,785	-	-	-	-	-	-	10,426
<b>Total assets</b>	<b>\$ 84,457</b>	<b>\$ 31,000</b>	<b>\$ 2,140</b>	<b>\$ 3,100</b>	<b>\$ 59,077</b>	<b>\$ 297,894</b>	<b>\$ 2,874</b>	<b>\$ 3,543,993</b>

**LIABILITIES AND FUND BALANCES**

Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,902
Salaries and benefits payable	-	-	-	-	-	-	-	10,230
Due to other funds	-	-	-	-	919	-	-	919
Deferred revenue	-	-	-	-	18,916	96,316	2,874	1,027,099
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,835</b>	<b>\$ 96,316</b>	<b>\$ 2,874</b>	<b>\$ 1,131,150</b>
Fund Balances:								
Reserved for:								
Prepaid items	9,785	-	-	-	-	-	-	10,426
Encumbrances	-	-	-	-	-	-	-	99,612
Unreserved	74,672	31,000	2,140	3,100	39,242	201,578	-	2,302,805
<b>Total fund balances</b>	<b>\$ 84,457</b>	<b>\$ 31,000</b>	<b>\$ 2,140</b>	<b>\$ 3,100</b>	<b>\$ 39,242</b>	<b>\$ 201,578</b>	<b>\$ -</b>	<b>\$ 2,412,843</b>
<b>Total liabilities and fund balances</b>	<b>\$ 84,457</b>	<b>\$ 31,000</b>	<b>\$ 2,140</b>	<b>\$ 3,100</b>	<b>\$ 59,077</b>	<b>\$ 297,894</b>	<b>\$ 2,874</b>	<b>\$ 3,543,993</b>

**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, 2010**

	State Highway	County Auto License	Convention and Visitors Bureau	Insurance	Separation Payment	Parking Enforcement	Drug Law Enforcement	Law Enforcement
<b>REVENUES:</b>								
Local taxes	\$ -	\$ -	\$ 51,343	-	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	85,315	104,452	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines, licenses and permits	-	-	-	-	24,867	-	6,478	6,818
Investment income	634	-	-	-	-	-	-	-
Miscellaneous receipts and reimbursements	-	-	-	-	38,000	-	-	-
<b>Total revenues</b>	<b>85,949</b>	<b>104,452</b>	<b>51,343</b>	<b>-</b>	<b>38,000</b>	<b>24,867</b>	<b>6,478</b>	<b>6,818</b>
<b>EXPENDITURES:</b>								
Current:								
General government	-	-	-	25,289	53,637	-	-	-
Police	-	-	-	-	6,888	-	-	11,781
Fire	-	-	-	-	62,872	-	-	-
Judicial	-	-	-	-	15,706	-	-	-
Health	-	-	-	-	27,668	-	-	-
Street repairs and maintenance	84,000	-	-	-	18,463	-	-	-
Community development	-	-	53,977	-	32,740	-	-	-
Community environment	-	-	-	-	-	41,320	-	-
Basic utility services	-	-	-	-	14,127	-	-	-
Capital outlay	-	94,898	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>84,000</b>	<b>94,898</b>	<b>53,977</b>	<b>25,289</b>	<b>232,101</b>	<b>41,320</b>	<b>-</b>	<b>11,781</b>
Excess (deficiency) of revenues over (under) expenditures	1,949	9,554	(2,634)	(25,289)	(194,101)	(16,453)	6,478	(4,963)
<b>OTHER FINANCING SOURCES:</b>								
Transfers in	-	-	-	25,000	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-
Premium on bonds	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	1,949	9,554	(2,634)	(289)	(194,101)	(16,453)	6,478	(4,963)
Fund balances, beginning of year	8,550	4,528	6,075	16,450	628,764	83,220	2,219	20,425
Fund balances, end of year	\$ 10,499	\$ 14,082	\$ 3,441	\$ 16,161	\$ 434,663	\$ 66,767	\$ 8,697	\$ 15,462

(continued)

**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, 2010**

	Indigent Driver Alcohol Treatment	Enforcement & Education	Health Department Building Lease	FEMA Grant	Probation Grant	Municipal Court Special Projects	Indigent Driver Interlock & Alcohol Monitoring	Municipal Court Computer
<b>REVENUES:</b>								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	51,163	-	-	-
Special Assessments	-	-	-	-	-	129,770	15,101	35,408
Charges for services	-	-	-	-	-	-	-	-
Fines, licenses and permits	20,810	3,121	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous receipts and reimbursements	-	-	20,000	-	-	-	-	-
<b>Total revenues</b>	<b>20,810</b>	<b>3,121</b>	<b>20,000</b>	<b>-</b>	<b>51,163</b>	<b>129,770</b>	<b>15,101</b>	<b>35,408</b>
<b>EXPENDITURES:</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Police	-	2,086	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Judicial	20,134	-	-	-	53,008	11,528	2,826	37,777
Health	-	-	6,428	-	-	-	-	-
Street repairs and maintenance	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	20,168	-	298
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>20,134</b>	<b>2,086</b>	<b>6,428</b>	<b>-</b>	<b>53,008</b>	<b>31,696</b>	<b>2,826</b>	<b>38,075</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>676</b>	<b>1,035</b>	<b>13,572</b>	<b>-</b>	<b>(1,845)</b>	<b>98,074</b>	<b>12,275</b>	<b>(2,667)</b>
<b>OTHER FINANCING SOURCES:</b>								
Transfers in	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-
Premium on bonds	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>676</b>	<b>1,035</b>	<b>13,572</b>	<b>-</b>	<b>(1,845)</b>	<b>98,074</b>	<b>12,275</b>	<b>(2,667)</b>
<b>Fund balances, beginning of year</b>	<b>96,985</b>	<b>21,525</b>	<b>134,111</b>	<b>9</b>	<b>628</b>	<b>157,350</b>	<b>12,392</b>	<b>16,248</b>
<b>Fund balances, end of year</b>	<b>\$ 97,661</b>	<b>\$ 22,560</b>	<b>\$ 147,683</b>	<b>\$ 9</b>	<b>\$ (1,217)</b>	<b>\$ 255,424</b>	<b>\$ 24,667</b>	<b>\$ 13,581</b>

(continued)

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, 2010

	Cemetery	Cemetery Maintenance	Mausoleum Maintenance	C.D.B.G.	C.D.B.G. Revolving Loan	C.D.B.G. Program Income	H.O.M.E. Program Income	Neighborhood Stabilization Program Grant
<b>REVENUES:</b>								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	401,695	-	-	-	175,424
Special Assessments	-	-	-	-	-	-	-	-
Charges for services	91,300	167	158	-	-	-	-	-
Fines, licenses and permits	-	-	-	-	-	-	-	-
Investment income	-	12,883	444	2,315	5,133	114	802	-
Miscellaneous receipts and reimbursements	925	-	-	-	100	6,588	-	-
Total revenues	92,225	13,050	602	404,010	5,233	6,702	802	175,424
<b>EXPENDITURES:</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Health	158,929	309	-	-	-	-	-	-
Street repairs and maintenance	-	-	-	134,417	33,020	-	-	13,164
Community development	-	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-	-
Basic utility services	-	-	-	397,853	56,762	-	-	168,988
Capital outlay	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	158,929	309	-	532,270	89,782	-	-	182,152
Excess (deficiency) of revenues over (under) expenditures	(66,704)	12,741	602	(128,260)	(84,549)	6,702	802	(6,728)
<b>OTHER FINANCING SOURCES:</b>								
Transfers in	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-
Premium on bonds	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	(66,704)	12,741	602	(128,260)	(84,549)	6,702	802	(6,728)
Fund balances, beginning of year	100,508	695,136	24,040	180,916	139,304	3,349	43,327	-
Fund balances, end of year	\$ 33,804	\$ 707,877	\$ 24,642	\$ 52,656	\$ 54,755	\$ 10,051	\$ 44,129	\$ (6,728)

(continued)

**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, 2010**

	E-911 Wireless	Fire Loss Security	CRA	Imprest Cash	TIF - Kuther Rd	TIF - Menards	Non-major Special Revenue Funds Totals
<b>REVENUES:</b>							
Local taxes	\$ -	\$ -	-	-	\$ 34,355	\$ 104,626	\$ 190,324
Intergovernmental revenues	65,327	-	-	-	-	-	883,376
Special Assessments	-	-	1,140	-	-	-	1,140
Charges for services	-	-	-	-	-	-	271,904
Fines, licenses and permits	-	-	-	-	-	-	62,094
Investment income	-	-	-	-	-	-	22,325
Miscellaneous receipts and reimbursements	-	31,000	-	-	-	-	96,613
<b>Total revenues</b>	<b>65,327</b>	<b>31,000</b>	<b>1,140</b>	<b>-</b>	<b>34,355</b>	<b>104,626</b>	<b>1,527,776</b>
<b>EXPENDITURES:</b>							
Current:							
General government	-	-	-	-	-	-	78,926
Police	13,553	-	-	-	-	-	34,308
Fire	-	12,000	-	-	-	-	74,872
Judicial	-	-	-	-	-	-	140,979
Health	-	-	-	-	-	-	193,334
Street repairs and maintenance	-	-	-	-	12,470	52,099	102,463
Community development	-	-	-	-	-	-	331,887
Community environment	-	-	-	-	-	-	41,320
Basic utility services	-	-	-	-	-	-	14,127
Capital outlay	-	-	-	-	-	-	738,967
Debt service:							
Principal	-	-	-	-	230,000	670,000	900,000
Interest	-	-	-	-	7,339	20,367	27,706
<b>Total expenditures</b>	<b>13,553</b>	<b>12,000</b>	<b>-</b>	<b>-</b>	<b>249,809</b>	<b>742,466</b>	<b>2,678,889</b>
Excess (deficiency) of revenues over (under) expenditures	51,774	19,000	1,140	-	(215,454)	(637,840)	(1,151,113)
<b>OTHER FINANCING SOURCES:</b>							
Transfers in	-	-	-	-	-	-	25,000
Bonds issued	-	-	-	-	245,000	700,000	945,000
Premium on bonds	-	-	-	-	2,270	14,968	17,238
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>247,270</b>	<b>714,968</b>	<b>987,238</b>
Net change in fund balance	51,774	19,000	1,140	-	31,816	77,128	(163,875)
Fund balances, beginning of year	32,683	12,000	1,000	3,100	7,426	124,450	2,576,718
Fund balances, end of year	84,457	31,000	2,140	3,100	39,242	201,578	2,412,843

**CITY OF SIDNEY, OHIO  
 COMBINING BALANCE SHEET  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 DECEMBER 31, 2010**

	Special Assessment Construction	Brookside Park	Non-major Capital Projects Funds Totals
<b>ASSETS</b>			
Pooled cash	<u>\$ 42,296</u>	<u>\$ 80,000</u>	<u>\$ 122,296</u>
Total assets	<u>\$ 42,296</u>	<u>\$ 80,000</u>	<u>\$ 122,296</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 22</u>
Total liabilities	<u>-</u>	<u>22</u>	<u>22</u>
Fund Balances:			
Unreserved	<u>42,296</u>	<u>79,978</u>	<u>122,274</u>
Total fund balances	<u>42,296</u>	<u>79,978</u>	<u>122,274</u>
Total liabilities and fund balances	<u>\$ 42,296</u>	<u>\$ 80,000</u>	<u>\$ 122,296</u>

**CITY OF SIDNEY, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Special Assessment Construction	Brookside Park	Non-major Capital Projects Funds Totals
<b>REVENUES:</b>			
Special assessments	\$ 3,814	\$ -	\$ 3,814
Miscellaneous receipts and reimbursements	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Total revenues	<u>3,814</u>	<u>80,000</u>	<u>83,814</u>
<b>EXPENDITURES:</b>			
Current:			
Community environment	5,336	-	5,336
Capital outlay	<u>-</u>	<u>22</u>	<u>22</u>
Total expenditures	<u>5,336</u>	<u>22</u>	<u>5,358</u>
Excess (deficiency) of revenues over (under) expenditures	(1,522)	79,978	78,456
Fund balances, beginning of year	<u>43,818</u>	<u>-</u>	<u>43,818</u>
Fund balances, end of year	<u>\$ 42,296</u>	<u>\$ 79,978</u>	<u>\$ 122,274</u>

**CITY OF SIDNEY, OHIO  
COMBINING BALANCE SHEET  
NON-MAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2010**

	<u>Transportation</u>	<u>Airport</u>	<u>Yard Waste</u>	<u>Solid Waste</u>	<u>Swimming Pool</u>	<u>Non-major Enterprise Funds Totals</u>
<b>ASSETS</b>						
Current assets:						
Pooled cash	\$ 95,500	\$ 70,930	\$ 21,083	\$ 197,577	\$ 15,882	\$ 400,972
Receivables:						
Accounts	11,990	3,103	-	91,393	-	106,486
Receivables from other governments	85,813	-	-	-	-	85,813
Inventory	-	11,192	-	-	-	11,192
Due from Other Funds	-	2,429	-	-	-	2,429
Prepaid items	26	2,079	-	-	-	2,105
	<u>193,329</u>	<u>89,733</u>	<u>21,083</u>	<u>288,970</u>	<u>15,882</u>	<u>608,997</u>
Total current assets						
Noncurrent assets:						
Capital assets:						
Capital assets not subject to depreciation:						
Land	55,000	454,854	11,340	-	-	521,194
Capital assets net of accumulated depreciation	<u>1,715,932</u>	<u>1,532,054</u>	<u>12,199</u>	<u>-</u>	<u>1,023,990</u>	<u>4,284,175</u>
Total noncurrent assets	<u>1,770,932</u>	<u>1,986,908</u>	<u>23,539</u>	<u>-</u>	<u>1,023,990</u>	<u>4,805,369</u>
Total assets	<u>\$ 1,964,261</u>	<u>\$ 2,076,641</u>	<u>\$ 44,622</u>	<u>\$ 288,970</u>	<u>\$ 1,039,872</u>	<u>\$ 5,414,366</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	\$ 9,961	\$ 15,229	\$ 10,297	\$ 167,051	\$ 298	\$ 202,836
Salaries and benefits payable	27,259	-	-	-	1,803	29,062
Deferred revenue	-	-	-	164,828	-	164,828
Total current liabilities	<u>37,220</u>	<u>15,229</u>	<u>10,297</u>	<u>331,879</u>	<u>2,101</u>	<u>396,726</u>
Noncurrent liabilities:						
Compensated absences	<u>40,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,957</u>
Total noncurrent liabilities	<u>40,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,957</u>
Total liabilities	<u>78,177</u>	<u>15,229</u>	<u>10,297</u>	<u>331,879</u>	<u>2,101</u>	<u>437,683</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	1,770,932	1,986,908	23,539	-	1,023,990	4,805,369
Unrestricted	<u>115,152</u>	<u>74,504</u>	<u>10,786</u>	<u>(42,909)</u>	<u>13,781</u>	<u>171,314</u>
Total net assets	<u>1,886,084</u>	<u>2,061,412</u>	<u>34,325</u>	<u>(42,909)</u>	<u>1,037,771</u>	<u>4,976,683</u>
Total liabilities and net assets	<u>\$ 1,964,261</u>	<u>\$ 2,076,641</u>	<u>\$ 44,622</u>	<u>\$ 288,970</u>	<u>\$ 1,039,872</u>	<u>\$ 5,414,366</u>

**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, 2010**

	Transportation	Airport	Yard Waste	Solid Waste	Swimming Pool	Non-major Enterprise Funds Totals
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 183,381	\$ 207,621	\$ 22,824	\$ 1,094,019	\$ 86,308	\$ 1,594,153
Other revenue	44,180	22,640	-	-	456	67,276
Total operating revenues	<u>227,561</u>	<u>230,261</u>	<u>22,824</u>	<u>1,094,019</u>	<u>86,764</u>	<u>1,661,429</u>
<b>OPERATING EXPENSES:</b>						
Personal services	466,113	-	-	-	79,985	546,098
Operations and maintenance	295,120	273,237	109,310	1,152,718	38,285	1,868,670
Depreciation	116,813	66,677	8,610	-	31,300	223,400
Total operating expenses	<u>878,046</u>	<u>339,914</u>	<u>117,920</u>	<u>1,152,718</u>	<u>149,570</u>	<u>2,638,168</u>
Operating loss	<u>(650,485)</u>	<u>(109,653)</u>	<u>(95,096)</u>	<u>(58,699)</u>	<u>(62,806)</u>	<u>(976,739)</u>
<b>NONOPERATING REVENUE:</b>						
Intergovernmental	456,816	-	-	-	-	456,816
Gain on disposal of assets	20,502	-	-	-	-	20,502
Total nonoperating revenue	<u>477,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>477,318</u>
Loss before contributions and transfers	<u>(173,167)</u>	<u>(109,653)</u>	<u>(95,096)</u>	<u>(58,699)</u>	<u>(62,806)</u>	<u>(499,421)</u>
Capital contributions	55,000	-	-	-	-	55,000
Capital grants	244,916	81,898	-	-	-	326,814
Transfers in	-	20,000	100,000	-	15,000	135,000
Change in net assets	126,749	(7,755)	4,904	(58,699)	(47,806)	17,393
Net assets, beginning of year	<u>1,759,335</u>	<u>2,069,167</u>	<u>29,421</u>	<u>15,790</u>	<u>1,085,577</u>	<u>4,959,290</u>
Net assets, end of year	<u>\$ 1,886,084</u>	<u>\$ 2,061,412</u>	<u>\$ 34,325</u>	<u>\$ (42,909)</u>	<u>\$ 1,037,771</u>	<u>\$ 4,976,683</u>

CITY OF SIDNEY, OHIO  
COMBINING STATEMENT OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Transportation	Airport	Yard Waste	Solid Waste	Swimming Pool	Non-major Enterprise Funds Totals
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 236,966	\$ 224,890	\$ 22,824	\$ 1,106,828	\$ 81,669	\$ 1,673,177
Receipts from interfund services	-	1,881	-	-	95	1,976
Payments to suppliers	(131,608)	(260,486)	(112,750)	(1,012,043)	(34,050)	(1,550,937)
Payments to employees	(460,606)	-	-	-	(79,768)	(540,374)
Payments for interfund services used	(161,393)	(19,856)	(7,687)	(134,355)	(3,977)	(327,268)
Net cash used for operating activities	(516,641)	(53,571)	(97,613)	(39,570)	(36,031)	(743,426)
<b>Cash flows from noncapital financing activities:</b>						
Transfers in	-	20,000	100,000	-	15,000	135,000
Intergovernmental	456,816	-	-	-	-	456,816
Net cash provided by noncapital financing activities	456,816	20,000	100,000	-	15,000	591,816
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	20,502	-	-	-	-	20,502
Acquisition of capital assets	(297,137)	(66,667)	-	-	-	(363,804)
Intergovernmental	244,916	81,898	-	-	-	326,814
Net cash provided by (used for) capital and related financing activities	(31,719)	15,231	-	-	-	(16,488)
<b>Cash flows from investing activities:</b>						
Proceeds from sales and maturities of investments	135,380	64,612	13,532	171,644	26,717	411,885
Net cash provided by investing activities	135,380	64,612	13,532	171,644	26,717	411,885
Net increase in pooled cash	43,836	46,272	15,919	132,074	5,686	243,787
Pooled cash, beginning of year	51,664	24,658	5,164	65,503	10,196	157,185
Pooled cash, end of year	\$ 95,500	\$ 70,930	\$ 21,083	\$ 197,577	\$ 15,882	\$ 400,972
<b>Reconciliation of operating loss to net cash used by operating activities:</b>						
Operating loss	\$ (650,485)	\$ (109,653)	\$ (95,096)	\$ (58,699)	\$ (62,806)	\$ (976,739)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:						
Depreciation	116,813	66,677	8,610	-	31,300	223,400
Change in assets and liabilities:						
Accounts receivable	8,203	3,267	-	(9,995)	-	1,475
Other receivables	1,202	-	-	-	-	1,202
Inventory	-	25,500	-	-	-	25,500
Due from other funds	-	(2,429)	-	-	-	(2,429)
Prepaid items	43	(765)	-	-	60	(662)
Accounts payable	2,076	(31,840)	(11,127)	6,320	198	(34,373)
Salaries and benefits payable and compensated absences	5,507	-	-	-	217	5,724
Deferred revenue	-	(4,328)	-	22,804	(5,000)	13,476
Net cash used for operating activities	\$ (516,641)	\$ (53,571)	\$ (97,613)	\$ (39,570)	\$ (36,031)	\$ (743,426)
<b>Noncash investing, capital and related financing activities:</b>						
Contributions of capital assets from government	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000
Purchase of equipment on account	\$ 5,875	\$ 10,510	\$ -	\$ -	\$ -	\$ 16,385
Prior year purchase of equipment on account	\$ 9,000	\$ 15,585	\$ -	\$ -	\$ -	\$ 24,585

**CITY OF SIDNEY, OHIO  
COMBINING BALANCE SHEET  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2010**

	Service Center Building	Technology	Revenue Collections	Garage/Fleet Operations	Internal Service Totals
<b>ASSETS</b>					
Current assets:					
Pooled cash	\$ 41,582	\$ 60,321	\$ 58,967	\$ 12,131	\$ 173,001
Receivables (net):					
Other		45	-		45
Inventory	555	4,166	-	14,737	19,458
Prepaid items	523	31,677	347	2,028	34,575
	<u>42,660</u>	<u>96,209</u>	<u>59,314</u>	<u>28,896</u>	<u>227,079</u>
Total current assets					
Noncurrent assets:					
Capital assets, net of accumulated depreciation	361,789	88,318	-	14,391	464,498
	<u>361,789</u>	<u>88,318</u>	<u>-</u>	<u>14,391</u>	<u>464,498</u>
Total noncurrent assets					
	<u>361,789</u>	<u>88,318</u>	<u>-</u>	<u>14,391</u>	<u>464,498</u>
Total assets	<u>\$ 404,449</u>	<u>\$ 184,527</u>	<u>\$ 59,314</u>	<u>\$ 43,287</u>	<u>\$ 691,577</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 7,995	\$ 3,677	\$ 4,817	\$ 21,696	\$ 38,185
Salaries and benefits payable	68	18,375	24,456	12,291	55,190
Compensated absences	-	-	429	729	1,158
	<u>8,063</u>	<u>22,052</u>	<u>29,702</u>	<u>34,716</u>	<u>94,533</u>
Total current liabilities					
	<u>8,063</u>	<u>22,052</u>	<u>29,702</u>	<u>34,716</u>	<u>94,533</u>
Noncurrent liabilities:					
Compensated absences	-	12,648	73,172	3,512	89,332
	<u>-</u>	<u>12,648</u>	<u>73,172</u>	<u>3,512</u>	<u>89,332</u>
Total noncurrent liabilities					
	<u>-</u>	<u>12,648</u>	<u>73,172</u>	<u>3,512</u>	<u>89,332</u>
Total liabilities	<u>8,063</u>	<u>34,700</u>	<u>102,874</u>	<u>38,228</u>	<u>183,865</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	361,789	88,318	-	14,391	464,498
Unrestricted	34,597	61,509	(43,560)	(9,332)	43,214
	<u>396,386</u>	<u>149,827</u>	<u>(43,560)</u>	<u>5,059</u>	<u>507,712</u>
Total net assets					
	<u>396,386</u>	<u>149,827</u>	<u>(43,560)</u>	<u>5,059</u>	<u>507,712</u>
Total liabilities and net assets	<u>\$ 404,449</u>	<u>\$ 184,527</u>	<u>\$ 59,314</u>	<u>\$ 43,287</u>	<u>\$ 691,577</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, 2010**

	<u>Service Center Building</u>	<u>Technology</u>	<u>Revenue Collections</u>	<u>Garage/Fleet Operations</u>	<u>Internal Service Totals</u>
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 111,070	\$ 508,995	\$ 565,697	\$ 640,259	\$ 1,826,021
Other revenue	-	15,032	-	610	15,642
Total operating revenues	<u>111,070</u>	<u>524,027</u>	<u>565,697</u>	<u>640,869</u>	<u>1,841,663</u>
<b>OPERATING EXPENSES:</b>					
Personal services	1,969	310,714	427,000	228,968	968,651
Operations and maintenance	129,247	197,110	101,677	442,539	870,573
Depreciation	29,693	53,357	-	3,259	86,309
Total operating expenses	<u>160,909</u>	<u>561,181</u>	<u>528,677</u>	<u>674,766</u>	<u>1,925,533</u>
Operating income (loss)	<u>(49,839)</u>	<u>(37,154)</u>	<u>37,020</u>	<u>(33,897)</u>	<u>(83,870)</u>
Capital contributions	3,241	8,211	-	-	11,452
	<u>3,241</u>	<u>8,211</u>	<u>-</u>	<u>-</u>	<u>11,452</u>
Change in net assets	(46,598)	(28,943)	37,020	(33,897)	(72,418)
Net assets, beginning of year	<u>442,984</u>	<u>178,770</u>	<u>(80,580)</u>	<u>38,956</u>	<u>580,130</u>
Net assets, end of year	<u>\$ 396,386</u>	<u>\$ 149,827</u>	<u>\$ (43,560)</u>	<u>\$ 5,059</u>	<u>\$ 507,712</u>

**CITY OF SIDNEY, OHIO  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Service Center Building</u>	<u>Technology</u>	<u>Revenue Collections</u>	<u>Garage/Fleet Operations</u>	<u>Internal Service Totals</u>
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ -	\$ 14,987	\$ -	\$ 610	\$ 15,597
Receipts from interfund services	111,070	493,963	565,697	640,259	1,810,989
Payments to suppliers	(117,221)	(157,807)	(60,081)	(395,271)	(730,380)
Payments to employees	(3,179)	(305,992)	(418,922)	(227,290)	(955,383)
Payments for interfund services used	<u>(8,235)</u>	<u>(29)</u>	<u>(40,218)</u>	<u>(29,790)</u>	<u>(78,272)</u>
Net cash provided by (used for) operating activities	<u>(17,565)</u>	<u>45,122</u>	<u>46,476</u>	<u>(11,482)</u>	<u>62,551</u>
<b>Cash flows from investing activities:</b>					
Proceeds from sales and maturities of investments	<u>42,810</u>	<u>11,001</u>	<u>9,041</u>	<u>17,091</u>	<u>79,943</u>
Net cash provided by investing activities	<u>42,810</u>	<u>11,001</u>	<u>9,041</u>	<u>17,091</u>	<u>79,943</u>
Net increase in pooled cash	25,245	56,123	55,517	5,609	142,494
Pooled cash, beginning of year	<u>16,337</u>	<u>4,198</u>	<u>3,450</u>	<u>6,522</u>	<u>30,507</u>
Pooled cash, end of year	<u>\$ 41,582</u>	<u>\$ 60,321</u>	<u>\$ 58,967</u>	<u>\$ 12,131</u>	<u>\$ 173,001</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (49,839)	\$ (37,154)	\$ 37,020	\$ (33,897)	\$ (83,870)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	29,693	53,357	-	3,259	86,309
Change in assets and liabilities:					
Other receivables	-	(45)	-	-	(45)
Prepaid items	708	19,386	(268)	(152)	19,674
Inventory	(114)	1,944	-	842	2,672
Accounts payable	3,197	2,912	1,646	16,788	24,543
Salaries and benefits payable and compensated absences	<u>(1,210)</u>	<u>4,722</u>	<u>8,078</u>	<u>1,678</u>	<u>13,268</u>
Net cash provided by (used for) operating activities	<u>\$ (17,565)</u>	<u>\$ 45,122</u>	<u>\$ 46,476</u>	<u>\$ (11,482)</u>	<u>\$ 62,551</u>
<b>Noncash investing, capital and related financing activities:</b>					
Contributions of capital assets from government	\$ 3,241	\$ 8,211	\$ -	\$ -	\$ 11,452

**CITY OF SIDNEY, OHIO  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2010**

	<u>Municipal Court</u>	<u>Medical Reimbursement</u>	<u>Port Jefferson</u>	<u>River Clean-Up</u>	<u>Agency Funds Totals</u>
<b>ASSETS</b>					
Pooled cash	\$ -	\$ 57	\$ 13,735	\$ 26,763	\$ 40,555
Municipal Court checking account	147,527	-	-	-	147,527
Accounts receivable	<u>-</u>	<u>-</u>	<u>10,714</u>	<u>-</u>	<u>10,714</u>
Total assets	<u>\$ 147,527</u>	<u>\$ 57</u>	<u>\$ 24,449</u>	<u>\$ 26,763</u>	<u>\$ 198,796</u>
<b>LIABILITIES</b>					
Due to other governments	102,273	-	24,449	-	126,722
Undistributed monies	<u>45,254</u>	<u>57</u>	<u>-</u>	<u>26,763</u>	<u>72,074</u>
Total liabilities	<u>\$ 147,527</u>	<u>\$ 57</u>	<u>\$ 24,449</u>	<u>\$ 26,763</u>	<u>\$ 198,796</u>

**CITY OF SIDNEY, OHIO  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Balance at January 1, 2010	Additions	Deductions	Balance at December 31, 2010
<b><u>Municipal Court Fund</u></b>				
<b>ASSETS</b>				
Municipal Court checking account	\$ 163,145	\$ 2,007,408	\$ 2,023,026	\$ 147,527
<b>LIABILITIES</b>				
Due to other governments	\$ 100,427	\$ 1,198,164	\$ 1,196,318	\$ 102,273
Undistributed monies	62,718	809,244	826,708	45,254
Total liabilities	\$ 163,145	\$ 2,007,408	\$ 2,023,026	\$ 147,527
<b><u>Medical Reimbursement Fund</u></b>				
<b>ASSETS</b>				
Pooled cash	\$ 324	\$ 54,532	\$ 54,799	\$ 57
Pooled investments	850	-	850	-
Total assets	\$ 1,174	\$ 54,532	\$ 55,649	\$ 57
<b>LIABILITIES</b>				
Accounts payable	\$ 7,000	\$ -	\$ 7,000	-
Undistributed monies	(5,826)	54,532	48,649	57
Total liabilities	\$ 1,174	\$ 54,532	\$ 55,649	\$ 57
<b><u>Port Jefferson Fund</u></b>				
<b>ASSETS</b>				
Pooled cash	\$ 1,662	\$ 69,806	\$ 57,733	\$ 13,735
Pooled investments	4,355	-	4,355	-
Accounts receivable	8,318	10,714	8,318	10,714
Total assets	\$ 14,335	\$ 80,520	\$ 70,406	\$ 24,449
<b>LIABILITIES</b>				
Due to other governments	14,335	80,520	70,406	24,449
Total liabilities	\$ 14,335	\$ 80,520	\$ 70,406	\$ 24,449
<b><u>River Clean-Up Fund</u></b>				
<b>ASSETS</b>				
Pooled cash	\$ 6,012	\$ 22,047	\$ 1,296	\$ 26,763
Pooled investments	15,752	-	15,752	-
Total assets	\$ 21,764	\$ 22,047	\$ 17,048	\$ 26,763
<b>LIABILITIES</b>				
Undistributed monies	21,764	22,047	17,048	26,763
Total liabilities	\$ 21,764	\$ 22,047	\$ 17,048	\$ 26,763
<b><u>Total Fiduciary Funds</u></b>				
<b>ASSETS</b>				
Pooled cash	\$ 7,998	\$ 146,385	\$ 113,828	\$ 40,555
Pooled investments	20,957	-	20,957	-
Municipal Court checking account	163,145	2,007,408	2,023,026	147,527
Accounts receivable	8,318	10,714	8,318	10,714
Total assets	\$ 200,418	\$ 2,164,507	\$ 2,166,129	\$ 198,796
<b>LIABILITIES</b>				
Accounts payable	\$ 7,000	\$ -	\$ 7,000	\$ -
Due to other governments	114,762	1,278,684	1,266,724	126,722
Undistributed monies	78,656	885,823	892,405	72,074
Total liabilities	\$ 200,418	\$ 2,164,507	\$ 2,166,129	\$ 198,796



**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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Local taxes	\$ 10,572,789	\$ 11,385,240	\$ 812,451
Intergovernmental revenues	1,098,018	1,153,631	55,613
Special assessments	227,875	226,429	(1,446)
Charges for services	1,466,861	1,385,764	(81,097)
Fines, licenses and permits	113,925	127,116	13,191
Investment income	75,000	71,686	(3,314)
Miscellaneous receipts and reimbursements	<u>1,503,137</u>	<u>1,665,633</u>	<u>162,496</u>
Total revenues	<u>15,057,605</u>	<u>16,015,499</u>	<u>957,894</u>
<b>EXPENDITURES:</b>			
Current:			
General government			
City Council			
Personal services	87,930	84,598	3,332
Contractual, materials and other	27,818	20,185	7,633
City Administration			
Personal services	317,020	315,653	1,367
Contractual, materials and other	25,472	18,236	7,236
Finance			
Personal services	405,260	404,690	570
Contractual, materials and other	114,184	90,833	23,351
Law Director			
Personal services	87,740	87,613	127
Contractual, materials and other	28,652	23,839	4,813
Personnel			
Personal services	154,700	154,502	198
Contractual, materials and other	142,893	123,854	19,039
County Auditor Deductions			
Contractual, materials and other	163,637	163,535	102
Purchasing			
Personal services	60,922	59,638	1,284
Contractual, materials and other	40,843	20,057	20,786
City Hall			
Personal services	52,530	52,304	226
Contractual, materials and other	176,390	134,261	42,129
Miscellaneous			
Contractual, materials and other	<u>582,557</u>	<u>542,096</u>	<u>40,461</u>
Total general government	<u>2,468,548</u>	<u>2,295,894</u>	<u>172,654</u>
Police			
Police Services			
Personal services	4,794,737	4,713,909	80,828
Contractual, materials and other	883,162	709,798	173,364
Street Lighting Department			
Contractual, materials and other	<u>264,492</u>	<u>256,645</u>	<u>7,847</u>
Total police	<u>5,942,391</u>	<u>5,680,352</u>	<u>262,039</u>

(continued)

**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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>Fire</b>			
<b>Fire Services</b>			
Personal services	3,764,579	3,644,180	120,399
Contractual, materials and other	487,769	387,353	100,416
<b>Total fire</b>	<b>4,252,348</b>	<b>4,031,533</b>	<b>220,815</b>
<b>Judicial</b>			
<b>Municipal Court</b>			
Personal services	872,200	855,605	16,595
Contractual, materials and other	225,423	208,442	16,981
<b>Prosecutor</b>			
Personal services	150,125	149,690	435
Contractual, materials and other	61,813	60,883	930
<b>Total judicial</b>	<b>1,309,561</b>	<b>1,274,620</b>	<b>34,941</b>
<b>Community environment</b>			
<b>Building Inspection</b>			
Personal services	128,810	127,837	973
Contractual, materials and other	13,519	12,016	1,503
<b>Engineering</b>			
Personal services	622,360	619,262	3,098
Contractual, materials and other	66,590	61,309	5,281
<b>Public Works</b>			
Personal services	111,510	111,390	120
Contractual, materials and other	10,973	7,226	3,747
<b>Code Enforcement</b>			
Personal services	84,210	82,241	1,969
Contractual, materials and other	14,423	10,401	4,022
<b>Total community environment</b>	<b>1,052,395</b>	<b>1,031,682</b>	<b>20,713</b>
<b>Community development</b>			
<b>Community Planning &amp; Development</b>			
Personal services	97,190	94,208	2,982
Contractual, materials and other	27,277	24,301	2,976
<b>Total community development</b>	<b>124,467</b>	<b>118,509</b>	<b>5,958</b>
<b>Parks and recreation</b>			
<b>Parks &amp; Recreation - Administration</b>			
Personal services	89,485	88,750	735
Contractual, materials and other	19,770	19,531	239
<b>Parks &amp; Recreation - Programs</b>			
Personal services	90,640	88,251	2,389
Contractual, materials and other	58,003	40,629	17,374

(continued)

**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, 2010**

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
Parks & Public Grounds			
Personal services	707,855	690,640	17,215
Contractual, materials and other	209,385	173,900	35,485
Urban Forest			
Contractual, materials and other	39,179	33,819	5,360
Senior Center			
Contractual, materials and other	50,833	40,257	10,576
Total parks and recreation	<u>1,265,150</u>	<u>1,175,777</u>	<u>89,373</u>
Total expenditures	<u>16,414,860</u>	<u>15,608,367</u>	<u>806,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,357,255)</u>	<u>407,132</u>	<u>1,764,387</u>
OTHER FINANCING USES:			
Transfers out	<u>(184,000)</u>	<u>(160,000)</u>	<u>24,000</u>
Total other financing uses	<u>(184,000)</u>	<u>(160,000)</u>	<u>24,000</u>
Net change in fund balance	<u>(1,541,255)</u>	<u>247,132</u>	<u>1,788,387</u>
Fund Balances, beginning of year	4,158,838	4,158,838	-
Prior Year Encumbrances	84,580	84,580	-
Fund Balances, end of year	<u>\$ 2,702,163</u>	<u>\$ 4,490,550</u>	<u>\$ 1,788,387</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**  
**STREET REPAIR AND MAINTENANCE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Intergovernmental revenues	\$ 1,140,281	\$ 1,152,205	\$ 11,924
Charges for services	5,000	8,639	3,639
Investment Income	2,000	1,575	(425)
Miscellaneous receipts and reimbursements	<u>90,700</u>	<u>103,234</u>	<u>12,534</u>
<b>Total revenues</b>	<u>1,237,981</u>	<u>1,265,653</u>	<u>27,672</u>
<b>EXPENDITURES:</b>			
Current:			
Street repair & maintenance			
Personal services	613,645	582,155	31,490
Contractual, materials and other	<u>837,227</u>	<u>774,155</u>	<u>63,072</u>
<b>Total expenditures</b>	<u>1,450,872</u>	<u>1,356,310</u>	<u>94,562</u>
Deficiency of revenues under expenditures	<u>(212,891)</u>	<u>(90,657)</u>	<u>122,234</u>
Fund Balances, beginning of year	224,308	224,308	-
Prior Year Encumbrances	<u>33,932</u>	<u>33,932</u>	-
Fund Balances, end of year	<u>\$ 45,349</u>	<u>\$ 167,583</u>	<u>\$ 122,234</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Intergovernmental revenues	\$ 79,849	\$ 85,206	\$ 5,357
Investment income	500	617	117
<b>Total revenues</b>	<b>80,349</b>	<b>85,823</b>	<b>5,474</b>
<b>EXPENDITURES:</b>			
Current:			
Street repair & maintenance			
Contractual, materials and other	84,000	84,000	-
<b>Total expenditures</b>	<b>84,000</b>	<b>84,000</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	(3,651)	1,823	5,474
Fund Balances, beginning of year	3,676	3,676	-
Fund Balances, end of year	<u>\$ 25</u>	<u>\$ 5,499</u>	<u>\$ 5,474</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**  
**COUNTY AUTO LICENSE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Intergovernmental revenue	\$ 95,000	\$ 104,453	\$ 9,453
<b>Total revenues</b>	<b>95,000</b>	<b>104,453</b>	<b>9,453</b>
<b>EXPENDITURES:</b>			
Current:			
Street repair & maintenance			
Contractual, materials and other	95,000	94,898	102
<b>Total expenditures</b>	<b>95,000</b>	<b>94,898</b>	<b>102</b>
Excess of revenues over expenditures	-	9,555	9,555
Fund Balances, beginning of year	4,528	4,528	-
Fund Balances, end of year	<u>\$ 4,528</u>	<u>\$ 14,083</u>	<u>\$ 9,555</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 46,930	\$ 50,912	\$ 3,982
Total revenues	<u>46,930</u>	<u>50,912</u>	<u>3,982</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>49,971</u>	<u>49,971</u>	<u>-</u>
Total expenditures	<u>49,971</u>	<u>49,971</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(3,041)	941	3,982
Fund Balances, beginning of year	1,064	1,064	-
Prior Year Encumbrances	2,001	2,001	-
Fund Balances, end of year	<u>\$ 24</u>	<u>\$ 4,006</u>	<u>\$ 3,982</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:			
Current:			
General government			
Contractual, materials and other	<u>32,567</u>	<u>16,586</u>	<u>15,981</u>
Total expenditures	<u>32,567</u>	<u>16,586</u>	<u>15,981</u>
Deficiency of revenues under expenditures	(32,567)	(16,586)	15,981
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	(7,567)	8,414	15,981
Fund Balances, beginning of year	16,829	16,829	-
Prior Year Encumbrances	2,567	2,567	-
Fund Balances, end of year	<u>\$ 11,829</u>	<u>\$ 27,810</u>	<u>\$ 15,981</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**  
**SEPARATION PAYMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Miscellaneous receipts and reimbursements	\$ 38,000	\$ 38,000	\$ -
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>-</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General government			
Personal services	<u>250,000</u>	<u>232,101</u>	<u>17,899</u>
Total expenditures	<u>250,000</u>	<u>232,101</u>	<u>17,899</u>
Deficiency of revenues under expenditures	(212,000)	(194,101)	17,899
Fund Balances, beginning of year	628,764	628,764	-
Fund Balances, end of year	<u>\$ 416,764</u>	<u>\$ 434,663</u>	<u>\$ 17,899</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 ENFORCEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Charges for services	\$ 14,034	\$ 17,560	\$ 3,526
Fines, licenses and permits	<u>7,296</u>	<u>7,250</u>	<u>(46)</u>
Total revenues	<u>21,330</u>	<u>24,810</u>	<u>3,480</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Police			
Personal services	35,850	25,663	10,187
Contractual, materials and other	<u>15,958</u>	<u>14,132</u>	<u>1,826</u>
Total expenditures	<u>51,808</u>	<u>39,795</u>	<u>12,013</u>
Deficiency of revenues under expenditures	(30,478)	(14,985)	15,493
Fund Balances, beginning of year	83,359	83,359	-
Prior Year Encumbrances	218	218	-
Fund Balances, end of year	<u>\$ 53,099</u>	<u>\$ 68,592</u>	<u>\$ 15,493</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**  
**DRUG LAW ENFORCEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Fines, licenses and permits	\$ 4,000	\$ 6,478	\$ 2,478
Total revenues	4,000	6,478	2,478
<b>EXPENDITURES:</b>			
	-	-	-
Excess of revenues over expenditures	4,000	6,478	2,478
Fund Balances, beginning of year	2,219	2,219	-
Fund Balances, end of year	<u>\$ 6,219</u>	<u>\$ 8,697</u>	<u>\$ 2,478</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Miscellaneous receipts and reimbursements	\$ 6,800	\$ 6,818	\$ 18
Total Revenues	6,800	6,818	18
<b>EXPENDITURES:</b>			
Current:			
Police			
Contractual, materials and other	20,000	11,781	8,219
Total Expenditures	20,000	11,781	8,219
Deficiency of revenues under expenditures	(13,200)	(4,963)	8,237
Fund Balances, beginning of year	20,500	20,500	-
Fund Balances, end of year	<u>\$ 7,300</u>	<u>\$ 15,537</u>	<u>\$ 8,237</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 ALCOHOL TREATMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Fines, licenses and permits	\$ 18,000	\$ 20,881	\$ 2,881
Total revenues	<u>18,000</u>	<u>20,881</u>	<u>2,881</u>
<b>EXPENDITURES:</b>			
Current:			
Judicial			
Contractual, materials and other	40,000	12,821	27,179
Total expenditures	<u>40,000</u>	<u>12,821</u>	<u>27,179</u>
Excess (deficiency) of revenues over (under) expenditures	(22,000)	8,060	30,060
Fund Balances, beginning of year	96,804	96,804	-
Fund Balances, end of year	<u>\$ 74,804</u>	<u>\$ 104,864</u>	<u>\$ 30,060</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Charges for services	\$ 900	\$ 505	\$ (395)
Fines, licenses and permits	1,900	2,745	845
Total revenues	<u>2,800</u>	<u>3,250</u>	<u>450</u>
<b>EXPENDITURES:</b>			
Current:			
Police			
Personal services	12,268	2,082	10,186
Contractual, materials and other	1,500	576	924
Total expenditures	<u>13,768</u>	<u>2,658</u>	<u>11,110</u>
Excess (deficiency) of revenues over (under) expenditures	(10,968)	592	11,560
Fund Balances, beginning of year	21,858	21,858	-
Fund Balances, end of year	<u>\$ 10,890</u>	<u>\$ 22,450</u>	<u>\$ 11,560</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**  
**HEALTH DEPARTMENT BUILDING LEASE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Miscellaneous receipts and reimbursements	\$ 20,000	\$ 20,000	\$ -
Total revenues	20,000	20,000	-
<b>EXPENDITURES:</b>			
Current:			
Health			
Contractual, materials and other	25,159	18,588	6,571
Total expenditures	25,159	18,588	6,571
Excess (deficiency) of revenues over (under) expenditures	(5,159)	1,412	6,571
Fund Balances, beginning of year	137,046	137,046	-
Prior Year Encumbrances	9,225	9,225	-
Fund Balances, end of year	<u>\$ 141,112</u>	<u>\$ 147,683</u>	<u>\$ 6,571</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**  
**F.E.M.A. GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>			
	-	-	-
Net change in fund balance	-	-	-
Fund Balances, beginning of year	9	9	-
Fund Balances, end of year	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ -</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  
PROBATION GRANT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Intergovernmental revenues	\$ 51,163	\$ 51,163	\$ -
Total revenues	<u>51,163</u>	<u>51,163</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Current:			
Judicial			
Personal services	<u>52,565</u>	<u>52,565</u>	<u>-</u>
Total expenditures	<u>52,565</u>	<u>52,565</u>	<u>-</u>
Deficiency of revenues under expenditures	(1,402)	(1,402)	-
Fund Balances, beginning of year	<u>3,752</u>	<u>3,752</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 2,350</u>	<u>\$ 2,350</u>	<u>\$ -</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Fines, licenses and permits	\$ 121,585	\$ 129,944	\$ 8,359
Total revenues	<u>121,585</u>	<u>129,944</u>	<u>8,359</u>
<b>EXPENDITURES:</b>			
Current:			
Judicial			
Contractual, materials and other	<u>50,000</u>	<u>31,268</u>	<u>18,732</u>
Total expenditures	<u>50,000</u>	<u>31,268</u>	<u>18,732</u>
Excess of revenues over expenditures	71,585	98,676	27,091
Fund Balances, beginning of year	<u>147,144</u>	<u>147,144</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 218,729</u>	<u>\$ 245,820</u>	<u>\$ 27,091</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 INTERLOCK & ALCOHOL MONITORING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Fines, licenses and permits	\$ 9,325	\$ 15,595	\$ 6,270
Total revenues	<u>9,325</u>	<u>15,595</u>	<u>6,270</u>
<b>EXPENDITURES:</b>			
Current:			
Judicial			
Contractual, materials and other	<u>5,000</u>	<u>1,634</u>	<u>3,366</u>
Total expenditures	<u>5,000</u>	<u>1,634</u>	<u>3,366</u>
Excess of revenues over expenditures	4,325	13,961	9,636
Fund Balances, beginning of year	<u>11,606</u>	<u>11,606</u>	-
Fund Balances, end of year	<u>\$ 15,931</u>	<u>\$ 25,567</u>	<u>\$ 9,636</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Charges for services	\$ 35,200	\$ 35,490	\$ 290
Total Revenues	<u>35,200</u>	<u>35,490</u>	<u>290</u>
<b>EXPENDITURES:</b>			
Current:			
Judicial			
Contractual, materials and other	<u>48,479</u>	<u>37,777</u>	<u>10,702</u>
Total expenditures	<u>48,479</u>	<u>37,777</u>	<u>10,702</u>
Deficiency of revenues under expenditures	(13,279)	(2,287)	10,992
Fund Balances, beginning of year	<u>13,481</u>	<u>13,481</u>	-
Fund Balances, end of year	<u>\$ 202</u>	<u>\$ 11,194</u>	<u>\$ 10,992</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Charges for services	\$ 83,125	\$ 90,940	\$ 7,815
Miscellaneous receipts and reimbursements	-	925	925
Total revenues	<u>83,125</u>	<u>91,865</u>	<u>8,740</u>
<b>EXPENDITURES:</b>			
Current:			
Health			
Personal services	138,420	120,071	18,349
Contractual, materials and other	<u>47,814</u>	<u>40,682</u>	<u>7,132</u>
Total expenditures	<u>186,234</u>	<u>160,753</u>	<u>25,481</u>
Deficiency of revenues under expenditures	<u>(103,109)</u>	<u>(68,888)</u>	<u>34,221</u>
Fund Balances, beginning of year	107,372	107,372	-
Prior Year Encumbrances	1,631	1,631	-
Fund Balances, end of year	<u>\$ 5,894</u>	<u>\$ 40,115</u>	<u>\$ 34,221</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Charges for services	\$ 400	\$ 167	\$ (233)
Investment income	<u>2,000</u>	<u>9,595</u>	<u>7,595</u>
Total revenues	<u>2,400</u>	<u>9,762</u>	<u>7,362</u>
<b>EXPENDITURES:</b>			
Current:			
Health			
Contractual, materials and other	<u>350</u>	<u>309</u>	<u>41</u>
Total expenditures	<u>350</u>	<u>309</u>	<u>41</u>
Excess of revenues over expenditures	2,050	9,453	7,403
Fund Balances, beginning of year	698,539	698,539	-
Fund Balances, end of year	<u>\$ 700,589</u>	<u>\$ 707,992</u>	<u>\$ 7,403</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**  
**MAUSOLEUM MAINTENANCE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Charges for services	\$ 950	\$ 218	\$ (732)
Investment income	1,000	332	(668)
Total revenues	<u>1,950</u>	<u>550</u>	<u>(1,400)</u>
<b>EXPENDITURES:</b>			
	-	-	-
Excess of revenues over expenditures	1,950	550	(1,400)
Fund Balances, beginning of year	24,077	24,077	-
Fund Balances, end of year	<u>\$ 26,027</u>	<u>\$ 24,627</u>	<u>\$ (1,400)</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Intergovernmental revenue	\$ 523,023	\$ 420,860	\$ (102,163)
Investment income	7,000	1,499	(5,501)
Total revenues	<u>530,023</u>	<u>422,359</u>	<u>(107,664)</u>
<b>EXPENDITURES:</b>			
Current:			
Community development			
Personal services	1,300	178	1,122
Contractual, materials and other	657,999	489,435	168,564
Total expenditures	<u>659,299</u>	<u>489,613</u>	<u>169,686</u>
Deficiency of revenues under expenditures	(129,276)	(67,254)	62,022
Fund Balances, beginning of year	(23,741)	(23,741)	-
Prior Year Encumbrances	197,094	197,094	-
Fund Balances, end of year	<u>\$ 44,077</u>	<u>\$ 106,099</u>	<u>\$ 62,022</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. REVOLVING LOAN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Investment income	\$ 2,650	\$ 3,672	\$ 1,022
Miscellaneous receipts and reimbursements	-	100	100
Total revenues	<u>2,650</u>	<u>3,772</u>	<u>1,122</u>
<b>EXPENDITURES:</b>			
Current:			
Community development			
Contractual, materials and other	<u>100,000</u>	<u>89,720</u>	<u>10,280</u>
Total expenditures	<u>100,000</u>	<u>89,720</u>	<u>10,280</u>
Deficiency of revenues under expenditures	(97,350)	(85,948)	11,402
Fund Balances, beginning of year	139,962	139,962	-
Fund Balances, end of year	<u>\$ 42,612</u>	<u>\$ 54,014</u>	<u>\$ 11,402</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, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Investment income	\$ 150	\$ 98	\$ (52)
Miscellaneous receipts and reimbursements	-	6,588	6,588
Total revenues	<u>150</u>	<u>6,686</u>	<u>6,536</u>
<b>EXPENDITURES:</b>			
Current:			
Community development			
Contractual, materials and other	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenditures	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Excess (deficiency) of revenues over (under) expenditures	(2,850)	6,686	9,536
Fund Balances, beginning of year	3,365	3,365	-
Fund Balances, end of year	<u>\$ 515</u>	<u>\$ 10,051</u>	<u>\$ 9,536</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**  
**H.O.M.E. PROGRAM INCOME FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Investment income	\$ 450	\$ 598	\$ 148
Total revenues	<u>450</u>	<u>598</u>	<u>148</u>
<b>EXPENDITURES:</b>			
Current:			
Community development			
Contractual, materials and other	10,000	-	10,000
Total expenditures	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess (deficiency) of revenues over (under) expenditures	(9,550)	598	10,148
Fund Balances, beginning of year	43,532	43,532	-
Fund Balances, end of year	<u>\$ 33,982</u>	<u>\$ 44,130</u>	<u>\$ 10,148</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**  
**NEIGHBORHOOD STABILIZATION PROGRAM GRANT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Intergovernmental revenues	\$ 224,739	\$ 181,519	\$ (43,220)
Total revenues	<u>224,739</u>	<u>181,519</u>	<u>(43,220)</u>
<b>EXPENDITURES:</b>			
Current:			
Community development			
Personal services	8,000	8,000	-
Contractual, materials and other	216,739	170,746	45,993
Total expenditures	<u>224,739</u>	<u>178,746</u>	<u>45,993</u>
Excess of revenues over expenditures	-	2,773	2,773
Fund Balances, beginning of year	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 2,773</u>	<u>\$ 2,773</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**  
**E-911 WIRELESS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Intergovernmental revenues	\$ 48,430	\$ 65,327	\$ 16,897
Total revenues	48,430	65,327	16,897
<b>EXPENDITURES:</b>			
Current:			
Community development			
Contractual, materials and other	16,000	14,787	1,213
Total expenditures	16,000	14,787	1,213
Excess of revenues over expenditures	32,430	50,540	18,110
Fund Balances, beginning of year	24,132	24,132	-
Fund Balances, end of year	\$ 56,562	\$ 74,672	\$ 18,110

**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**  
**FIRE LOSS SECURITY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Miscellaneous receipts and reimbursements	\$ 3,000	\$ 31,000	\$ 28,000
Total Revenues	3,000	31,000	28,000
<b>EXPENDITURES:</b>			
Current:			
Fire Services			
Contractual, materials and other	16,000	13,000	3,000
Total expenditures	16,000	13,000	3,000
Excess (deficiency) of revenues over (under) expenditures	(13,000)	18,000	31,000
Fund Balances, beginning of year	13,000	13,000	-
Fund Balances, end of year	\$ -	\$ 31,000	\$ 31,000

**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**  
**CRA FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Special assessments	\$ 500	\$ 1,140	\$ 640
Total Revenues	<u>500</u>	<u>1,140</u>	<u>640</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	500	-	500
Total expenditures	<u>500</u>	<u>-</u>	<u>500</u>
Excess of revenues over expenditures	-	1,140	1,140
Fund Balances, beginning of year	1,000	1,000	-
Fund Balances, end of year	<u>\$ 1,000</u>	<u>\$ 2,140</u>	<u>\$ 1,140</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, 2010**

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:	-	-	-
Net change in fund balance	-	-	-
Fund Balances, beginning of year	3,100	3,100	-
Fund Balances, end of year	<u>\$ 3,100</u>	<u>\$ 3,100</u>	<u>\$ -</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  
TIF -KUTHER ROAD FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Local taxes	\$ 10,878	\$ 34,355	\$ 23,477
Investment Income	1,000	-	(1,000)
Miscellaneous receipts and reimbursements	<u>240,000</u>	<u>245,000</u>	<u>5,000</u>
Total revenues	<u>251,878</u>	<u>279,355</u>	<u>27,477</u>
<b>EXPENDITURES:</b>			
Current:			
Community development			
Contractual, materials and other	<u>255,690</u>	<u>246,619</u>	<u>9,071</u>
Total expenditures	<u>255,690</u>	<u>246,619</u>	<u>9,071</u>
Excess (deficiency) of revenues over (under) expenditures	(3,812)	32,736	36,548
Fund Balances, beginning of year	<u>7,425</u>	<u>7,425</u>	-
Fund Balances, end of year	<u>\$ 3,613</u>	<u>\$ 40,161</u>	<u>\$ 36,548</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  
TIF -MENARDS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Local Taxes	\$ 87,407	\$ 104,626	\$ 17,219
Miscellaneous receipts and reimbursements	<u>690,000</u>	<u>700,000</u>	<u>10,000</u>
Total revenues	<u>777,407</u>	<u>804,626</u>	<u>27,219</u>
<b>EXPENDITURES:</b>			
Current:			
Community development			
Contractual, materials and other	<u>759,945</u>	<u>733,354</u>	<u>26,591</u>
Total expenditures	<u>759,945</u>	<u>733,354</u>	<u>26,591</u>
Excess of revenues over expenditures	17,462	71,272	53,810
Fund Balances, beginning of year	<u>124,450</u>	<u>124,450</u>	-
Fund Balances, end of year	<u>\$ 141,912</u>	<u>\$ 195,722</u>	<u>\$ 53,810</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**  
**CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
<b>REVENUES:</b>			
Local taxes	\$ 2,132,648	\$ 2,332,648	\$ 200,000
Intergovernmental revenues	713,600	433,915	(279,685)
Investment income	150	200	50
Special assessments	20,000	17,604	(2,396)
Miscellaneous receipts and reimbursements	<u>87,694</u>	<u>157,583</u>	<u>69,889</u>
Total revenues	<u>2,954,092</u>	<u>2,941,950</u>	<u>(12,142)</u>
<b>EXPENDITURES:</b>			
Capital Outlay:			
Contractual, materials and other	<u>3,710,354</u>	<u>2,543,022</u>	<u>1,167,332</u>
Total expenditures	<u>3,710,354</u>	<u>2,543,022</u>	<u>1,167,332</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(756,262)</u>	<u>398,928</u>	<u>1,155,190</u>
Fund Balances, beginning of year	472,000	472,000	-
Prior Year Encumbrances	<u>627,466</u>	<u>627,466</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 343,204</u>	<u>\$ 1,498,394</u>	<u>\$ 1,155,190</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, 2010**

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Special assessments	\$ 3,500	\$ 3,814	\$ 314
Total revenues	<u>3,500</u>	<u>3,814</u>	<u>314</u>
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	<u>9,100</u>	<u>5,336</u>	<u>3,764</u>
Total expenditures	<u>9,100</u>	<u>5,336</u>	<u>3,764</u>
Deficiency of revenues under expenditures	(5,600)	(1,522)	4,078
Fund Balances, beginning of year	<u>43,818</u>	<u>43,818</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 38,218</u>	<u>\$ 42,296</u>	<u>\$ 4,078</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**  
**BROOKSIDE PARK FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Miscellaneous receipts and reimbursements	\$ -	\$ 80,000	\$ 80,000
EXPENDITURES:	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	80,000	80,000
Fund Balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>

**CITY OF SIDNEY, OHIO**  
**Statistical Section**  
**December 31, 2010**

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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (Schedules 1 – 4)</b> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	99 – 103
<b>Revenue Capacity (Schedules 5 – 6)</b> These schedules contain information to help the reader assess the City’s most significant local revenue source, the municipal income tax.	104 – 105
<b>Debt Capacity (Schedules 7 - 9)</b> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	106 – 108
<b>Economic and Demographic Information (Schedules 10 – 11)</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	109 – 110
<b>Operating Information (Schedules 12 – 14)</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	111 – 113

**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.

**CITY OF SIDNEY**

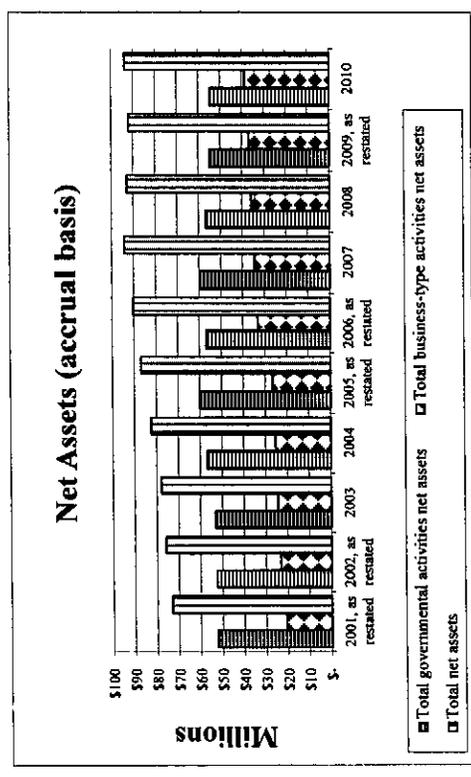


**OHIO**

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

	Year Ended December 31,																		
	2001, as restated		2002, as restated		2003		2004		2006, as restated		2007		2008		2009, as restated		2010		
<b>Governmental activities</b>																			
Invested in capital assets, net of related debt	\$ 41,074,076	\$ 41,586,478	\$ 41,850,468	44,263,989	46,330,165	41,944,422	43,858,848	43,433,659	44,608,862										
Restricted for:																			
Other purposes	1,672,998	1,607,694	1,374,427	1,764,537	1,342,722	1,546,232	1,321,211	1,042,116	1,641,658										
Unrestricted	9,694,440	9,523,194	10,240,893	10,957,084	12,637,014	13,638,819	14,559,542	12,449,516	7,917,041										
Total governmental activities net assets	\$ 52,441,514	\$ 52,717,366	\$ 53,465,788	\$ 56,985,610	\$ 60,309,901	\$ 57,129,473	\$ 59,739,601	\$ 56,925,291	\$ 55,169,205										
<b>Business-type activities</b>																			
Invested in capital assets, net of related debt	16,502,437	19,338,974	19,460,644	21,277,102	23,223,096	29,250,922	29,300,583	31,074,156	34,273,069										
Restricted								160,420											
Unrestricted	4,406,065	4,045,806	5,108,748	4,327,735	3,643,310	4,059,842	5,387,473	4,928,706	4,722,342										
Total business-type activities net assets	\$ 20,908,502	\$ 23,384,780	\$ 24,569,392	\$ 25,604,837	\$ 26,866,406	\$ 33,310,764	\$ 34,688,056	\$ 36,163,282	\$ 37,078,429										
<b>Total</b>																			
Invested in capital assets, net of related debt	57,576,513	60,925,452	61,311,112	65,541,091	69,553,261	71,195,344	73,159,431	74,507,815	78,881,931										
Restricted for:																			
Other purposes	1,672,998	1,607,694	1,374,427	1,764,537	1,342,722	1,546,232	1,321,211	1,202,536	1,641,658										
Unrestricted	14,100,505	13,569,000	15,349,641	15,284,819	16,280,324	17,698,661	19,947,015	17,378,222	13,314,176										
Total net assets	\$ 73,350,016	\$ 76,102,146	\$ 78,035,180	\$ 82,590,447	\$ 87,176,307	\$ 90,440,237	\$ 94,427,657	\$ 93,088,573	\$ 92,247,634										

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
- Change in classification between restricted and unrestricted

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

Schedule 2

Year Ended December 31,

	2001, as restated	2002, as restated	2003	2004	2005, as restated	2006, as restated	2007	2008	2009	2010
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	1,998,119	1,905,469	1,782,921	1,489,376	1,614,428	1,741,846	1,726,929	1,842,173	1,314,285	928,165
Public safety	9,722,217	9,888,848	9,878,689	5,184,474	5,539,643	5,796,813	6,167,426	6,389,760	6,271,553	6,142,034
Police				3,913,548	3,855,945	4,120,953	4,372,456	4,656,979	4,523,983	4,334,589
Fire				1,401,639	1,496,683	1,517,325	1,686,848	1,504,878	1,636,905	1,563,723
Judicial				218,608	202,737	214,883	227,045	239,068	375,100	197,566
Health	261,687	270,727	295,910							
Transportation	2,272,067	2,318,094	2,569,392	471,970	608,704	2,692,044	3,163,599	3,308,903	3,093,966	3,324,839
Public transportation				2,300,975	2,466,174					
Street repair & maintenance	1,190,075	1,379,329	1,313,960	514,914	448,168	453,261	326,902	735,133	339,155	924,429
Community development				915,697	926,618	973,205	1,291,112	1,152,383	1,167,276	1,301,521
Community environment				1,427,369	1,469,323	1,461,172	1,638,824	1,670,604	1,504,878	1,388,202
Parks and recreation	1,211,315	1,338,190	1,400,906	460,118	487,141	-	54,531	24,630	134,047	73,127
Water	318,291	370,166	378,706	460,118	487,141	-	54,531	24,630	134,047	73,127
Solid waste				266,501	425,995	411,424	392,921	386,824	364,622	353,017
Other business-type activities	121,785	115,448	114,958	18,665,189	19,535,539	19,382,926	21,038,571	21,894,460	20,725,775	20,531,012
Interest on long-term debt										
Total governmental activities expenses	17,095,556	17,586,271	17,735,442	18,565,189	19,535,539	19,382,926	21,038,571	21,894,460	20,725,775	20,531,012
<b>Business-type activities:</b>										
Water	2,588,130	2,599,989	2,637,083	2,930,771	2,959,127	3,253,577	3,906,385	3,581,450	3,219,126	3,400,452
Sewer	2,307,869	2,286,024	2,791,159	3,125,699	3,466,500	3,464,976	3,720,157	3,812,880	3,864,227	3,724,801
Stormwater						644,140	567,091	538,199	579,263	561,378
Solid waste	915,794	1,012,932	1,003,765	1,038,399	1,048,669	1,126,873	1,086,908	1,002,412	1,085,937	1,146,766
Other business-type activities	286,496	324,786	364,138	448,909	493,991	1,093,913	996,388	1,433,323	1,414,485	1,492,936
Total business-type activities expenses	6,098,289	6,223,731	6,816,145	7,543,778	7,968,287	9,883,479	10,278,929	10,368,464	10,163,638	10,326,333
Total Expenses	23,193,845	23,810,002	24,551,587	26,108,967	27,503,846	29,266,405	31,317,502	32,262,924	30,888,813	30,857,345
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
General government										
Public safety	1,495,815	1,399,883	1,830,965				5,801	882		
Police				539,633	570,464	368,777	388,020	487,553	379,701	420,114
Fire				736,431	607,655	807,561	853,487	389,990	443,174	751,523
Judicial				625,725	715,396	800,751	867,714	857,705	867,504	804,453
Health	133,616	173,214	115,028	150,921	97,804	129,886	120,151	139,266	101,170	115,009
Transportation	5,597,599	1,944,035	1,799,891	421,071	487,542	3,505,690	2,516,499	1,858,465	3,459,464	1,842,707
Public transportation				4,564,128	3,429,467					
Street repair & maintenance	817,184	494,836	483,702	269,124	460,043	334,276	507,213	463,771	125,651	596,581
Community development				228,672	209,990	76,179	82,830	114,375	105,499	86,793
Community environment				29,718	235,638	72,453	64,939	111,888	199,613	239,480
Parks and recreation	31,132	28,670	65,267							
Water										
Sewer										
Solid waste										
Stormwater										
Other business-type activities	213,127	281,415	254,713	548,303	609,976	980,687	1,041,434	1,832,099	1,925,899	1,302,530
Total business-type activities program revenues	6,650,770	7,507,435	7,567,096	8,867,893	9,069,486	10,881,425	10,942,434	10,753,233	11,695,793	11,695,793
Total governmental activities program revenues	8,075,346	4,040,638	4,314,853	7,565,423	6,821,223	5,975,573	5,408,654	4,440,398	5,681,726	4,876,682
<b>Business-type activities:</b>										
Water	2,835,353	3,127,229	3,109,280	3,321,811	3,562,350	3,540,699	4,105,837	3,454,995	4,050,081	5,721,039
Sewer	2,935,486	3,213,919	3,337,205	3,453,028	3,706,838	4,564,326	5,408,654	5,408,654	5,408,654	5,408,654
Solid waste	666,804	884,872	845,898	927,527	874,119	841,242	893,935	1,016,660	974,202	1,094,019
Stormwater										
Other business-type activities	213,127	281,415	254,713	548,303	609,976	980,687	1,041,434	1,832,099	1,925,899	1,302,530
Total business-type activities program revenues	6,650,770	7,507,435	7,567,096	8,867,893	9,069,486	10,881,425	10,942,434	10,753,233	11,695,793	11,695,793

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

Schedule 2

Year Ended December 31,

	2001, as restated	2002, as restated	2003	2004	2005, as restated	2006, as restated	2007	2008	2009	2010
<b>Net (Expense) Revenue<sup>(a)</sup></b>										
General government	(1,998,119)	(1,905,469)	(1,782,921)	(1,489,376)	(1,614,428)	(1,741,846)	(1,721,128)	(1,841,291)	(1,314,285)	(928,165)
Public safety	(8,226,402)	(8,488,965)	(8,027,724)	(4,644,841)	(4,969,179)	(5,428,056)	(5,779,406)	(5,901,707)	(5,891,852)	(5,721,900)
Police				(3,177,117)	(3,248,290)	(3,433,392)	(3,518,949)	(4,266,989)	(4,080,811)	(3,583,066)
Fire				(775,914)	(781,287)	(716,574)	(819,134)	(730,576)	(769,401)	(759,270)
Judicial				(67,687)	(104,933)	(84,997)	(106,894)	(99,802)	(273,930)	(82,357)
Health	(128,071)	(97,513)	(180,882)	(50,899)	(121,162)	(813,646)	(647,000)	(1,450,440)	365,498	(1,482,132)
Transportation	3,325,532	(374,059)	(769,501)	2,265,153	963,293					
Public transportation										
Street repair & maintenance										
Community environment	(372,891)	(884,493)	(850,258)	(245,790)	1,875	(118,985)	180,311	(269,382)	(213,504)	(327,848)
Community development				(687,025)	(710,628)	(897,026)	(1,208,282)	(1,061,777)	(1,061,777)	(1,214,726)
Parks and recreation	(1,180,183)	(1,309,520)	(1,333,639)	(1,397,651)	(1,333,685)	(1,388,719)	(1,563,885)	(1,538,263)	(1,305,263)	(1,128,722)
Basic utility services	(318,291)	(370,166)	(378,706)	(460,118)	(469,917)	(54,531)	(10,127)	(134,047)	(134,047)	(73,127)
Interest on long-term debt	(121,785)	(115,448)	(114,958)	(266,501)	(425,993)	(411,424)	(392,921)	(386,824)	(364,623)	(353,017)
Total governmental activities	(9,920,210)	(13,545,633)	(13,420,589)	(10,992,766)	(12,714,336)	(13,407,253)	(15,651,919)	(17,554,062)	(15,043,999)	(15,654,330)
Business-type activities:										
Water	247,223	527,240	452,197	391,040	603,223	287,122	197,452	(126,455)	830,955	2,320,607
Sewer	627,617	927,895	566,046	327,729	354,948	241,882	844,169	(491,188)	(464,276)	(465,032)
Solid Waste	(248,990)	(128,060)	(157,867)	(110,872)	(174,350)	197,102	(192,973)	14,248	(111,735)	(52,747)
Stormwater	(73,369)	(43,371)	(109,423)	99,394	115,985	(112,873)	(291,198)	(221,211)	(176,163)	(282,982)
Other business-type activities	552,481	1,283,704	750,951	706,891	899,606	(515,993)	602,496	(426,030)	511,414	(190,386)
Total business-type activities	(8,467,729)	(12,261,929)	(12,669,638)	(10,292,875)	(11,814,720)	(13,923,346)	(15,029,623)	(17,980,092)	(14,453,804)	(14,284,870)
<b>Total</b>										
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Income taxes	10,713,675	10,952,386	11,180,689	11,313,150	12,707,698	13,261,167	13,417,106	12,505,553	9,996,527	12,120,834
Property taxes	1,317,123	1,266,026	1,250,527	1,321,566	1,336,737	1,492,187	1,481,916	1,440,528	1,451,435	1,478,089
Other taxes	189,818	505,464	618,180	585,600	688,045	507,960	819,030	693,903	805,708	637,560
Grants and contributions not restricted to specific prog	1,117,526	1,273,415	1,146,863	1,287,579	1,174,034	1,183,356	1,610,680	1,135,782	887,749	977,843
Investment earnings	779,823	447,751	171,516	245,088	340,469	545,906	894,963	561,282	132,406	114,967
Gain (loss) on sale/disposal of capital assets	(40,253)	(66,845)	9,300	10,430	24,248	4,070	573,924	68,482	242,371	31,689
Miscellaneous	155,936	67,249	88,705	42,357	76,941	46,216	(555,572)	(1,668,248)	(249,300)	442,446
Transfers	(732,833)	(620,419)	(351,422)	(286,635)	(295,727)	(190,440)	(555,572)	(1,668,248)	(249,300)	(334,993)
Total governmental activities	13,500,795	13,823,027	14,114,358	14,519,688	16,038,627	16,870,600	18,242,047	14,739,752	13,287,913	15,468,433
Business-type activities:										
Miscellaneous										
Investment earnings		135,481	76,870	39,519	64,716	118,884	219,224	227,958	75,652	75,020
Gain on sale/disposal of capital assets		800	3,369	2,400	1,500	4,350				20,502
Transfers		(620,419)	(351,422)	(286,635)	(295,727)	(190,440)	(555,572)	(1,668,248)	(249,300)	(334,993)
Total business-type activities		716,862	430,707	328,554	361,963	316,676	774,796	1,901,256	334,952	547,522
<b>Total</b>	13,500,795	14,539,727	14,545,065	14,848,242	16,400,390	17,187,276	19,016,843	16,641,008	13,612,865	16,015,957
<b>Change in Net Assets</b>										
Governmental activities	4,480,585	277,394	693,769	3,519,922	3,324,291	3,463,247	2,610,128	(2,814,310)	(1,756,086)	(185,895)
Business-type activities	552,481	2,040,404	1,184,612	1,035,445	1,261,569	(199,317)	1,377,292	1,475,226	915,147	1,916,882
<b>Total</b>	5,033,066	2,317,798	1,878,381	4,555,367	4,585,860	3,263,930	3,987,420	(1,339,084)	(840,939)	1,731,087

(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.

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

	December 31,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved for:										
Inventory	\$ 55,145	\$ 51,800	\$ 42,560	\$ 41,583	\$ 35,817	\$ 36,018	\$ 49,255	\$ 48,516	\$ 51,953	\$ 65,312
Prepaid items	37,179	46,045	41,776	43,949	31,608	24,389	21,576	23,793	33,350	30,918
Encumbrances	145,807	157,350	106,148	95,417	20,441	692,064	104,072	125,775	69,040	112,982
Unreserved	2,981,401	2,707,516	2,710,617	2,894,238	3,753,439	4,344,745	6,079,886	4,256,474	3,884,890	4,374,198
Total general fund	\$ 3,219,532	\$ 2,962,711	\$ 2,901,101	\$ 3,075,187	\$ 3,841,305	\$ 5,097,216	\$ 6,254,789	\$ 4,454,558	\$ 4,039,233	\$ 4,583,410
<b>All Other Governmental Funds</b>										
Reserved for:										
Inventory	\$ 83,592	\$ 108,045	\$ 88,655	\$ 85,260	\$ 76,273	\$ 92,915	\$ 52,740	\$ 101,224	\$ 65,994	\$ 72,438
Prepaid items	57,895	53,795	50,444	97,254	91,248	85,851	1,342	1,154	9,930	10,962
Long-term loans receivable	118,784	107,284	95,191	82,474	69,112	55,066	40,301	24,781	-	-
Encumbrances	1,106,024	529,435	1,016,744	4,845,128	728,243	896,553	1,210,351	386,292	751,599	983,927
Unreserved, reported in:										
Special revenue funds	4,361,742	4,329,121	3,909,666	4,948,733	5,352,567	5,348,396	4,782,780	4,082,591	2,626,063	2,464,455
Capital projects funds	386,758	1,175,574	889,892	2,682,669	1,373,103	1,252,773	616,675	1,282,636	514,015	865,409
Total all other governmental funds	\$ 6,114,795	\$ 6,303,254	\$ 6,050,592	\$ 12,741,518	\$ 7,690,546	\$ 7,731,554	\$ 6,704,189	\$ 5,878,678	\$ 3,967,601	\$ 4,397,191

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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>										
Local taxes	11,089,189	12,714,069	12,543,684	13,445,397	14,365,781	14,851,099	14,988,112	14,338,595	12,110,032	14,203,412
Intergovernmental revenues	3,632,296	3,353,670	3,320,149	3,810,313	5,067,711	4,071,733	3,788,406	3,885,983	4,913,153	3,605,456
Special assessments	245,742	241,912	227,605	229,316	236,104	223,510	238,866	245,045	261,408	249,283
Charges for services	709,333	768,098	969,279	1,421,837	1,622,762	1,587,491	1,737,641	1,671,362	1,524,444	1,761,900
Fines, licenses and permits	429,437	317,800	287,411	256,498	258,766	269,686	267,507	240,658	385,620	188,665
Investment income	823,690	522,063	268,883	207,837	334,897	612,932	880,706	610,887	173,504	145,895
Miscellaneous receipts and reimbursements	326,270	326,443	303,245	308,898	321,297	289,589	797,011	304,689	348,460	623,442
Total revenues	<u>17,255,957</u>	<u>18,244,055</u>	<u>17,920,256</u>	<u>19,680,096</u>	<u>22,207,318</u>	<u>21,906,040</u>	<u>22,718,249</u>	<u>21,297,219</u>	<u>19,716,621</u>	<u>20,778,053</u>

**EXPENDITURES:**

Current:										
General government	1,965,157	1,912,226	1,837,408	1,440,284	1,605,525	1,542,352	1,629,417	1,754,338	1,241,283	994,747
Public safety	9,120,432	9,162,996	9,300,073							
Police				4,978,256	5,190,004	5,358,816	5,671,817	5,852,203	5,726,015	5,736,959
Fire				3,607,916	3,757,035	3,757,299	4,073,027	4,303,371	4,309,081	4,112,147
Judicial				1,274,857	1,364,225	1,367,510	1,438,810	1,438,914	1,487,055	1,421,674
Health	242,231	249,787	259,649	189,070	185,517	194,161	209,334	220,980	358,851	193,334
Transportation	1,221,388	1,275,471	1,504,254							
Public transportation				393,795	532,245	569,944				
Street repair & maintenance				1,250,523	1,390,396	1,182,040	1,424,212	1,484,688	1,359,318	1,443,553
Community environment & development	915,690	1,016,647	1,013,585							
Community development				229,394	326,767	377,251	321,575	1,006,091	289,206	450,990
Community environment				875,699	895,827	908,978	988,605	1,084,882	1,117,688	1,080,338
Parks and recreation	1,044,188	1,213,672	1,246,529	1,251,521	1,352,572	1,255,863	1,366,273	1,422,988	1,273,062	1,186,393
Basic utility services	159,406	204,342	222,810	284,370	283,767	398,791	45,593	23,543	44,872	14,127
Capital outlay	5,128,957	2,627,354	2,449,097	4,247,656	8,568,102	2,723,186	3,888,697	4,039,330	4,691,407	2,333,585
Debt service:										
Principal	120,000	120,000	125,000	130,000	425,000	435,000	445,000	435,000	445,000	1,360,000
Interest and other charges	122,219	115,895	115,522	239,721	429,276	413,338	388,520	369,535	371,902	360,066
Total expenditures	<u>20,039,668</u>	<u>17,898,390</u>	<u>18,073,927</u>	<u>20,393,062</u>	<u>26,306,258</u>	<u>20,484,529</u>	<u>21,890,880</u>	<u>23,435,863</u>	<u>22,714,740</u>	<u>20,687,913</u>

Excess (deficiency) of revenues over (under) expenditures

**OTHER FINANCING SOURCES (USES):**

Transfers in	11,360,480	11,288,315	11,320,014	12,028,819	12,605,445	13,956,196	14,189,448	13,571,638	2,312,307	25,000
Bonds issued	-	-	-	7,600,000	-	-	-	-	900,000	945,000
Premium on bonds	-	-	-	26,525	10,430	31,448	74,328	26,392	21,017	17,238
Sale of capital assets	21,387	21,300	14,400	26,525	10,430	31,448	74,328	26,392	21,017	56,389
Transfers out	(11,810,820)	(11,477,315)	(11,495,014)	(12,132,019)	(12,801,789)	(14,112,236)	(14,747,305)	(14,085,128)	(2,561,607)	(160,000)
Total other financing sources (uses)	<u>(428,953)</u>	<u>(167,700)</u>	<u>(160,600)</u>	<u>7,523,325</u>	<u>(185,914)</u>	<u>(124,592)</u>	<u>(483,529)</u>	<u>(487,098)</u>	<u>671,717</u>	<u>883,627</u>

Net change in fund balances

	<u>\$ (3,212,664)</u>	<u>\$ 177,965</u>	<u>\$ (314,271)</u>	<u>\$ 6,810,359</u>	<u>\$ (4,284,854)</u>	<u>\$ 1,296,919</u>	<u>\$ 343,840</u>	<u>\$ (2,625,742)</u>	<u>\$ (2,326,402)</u>	<u>\$ 973,767</u>
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Debt service as a percentage of noncapital expenditures

	1.5%	1.5%	1.5%	2.2%	4.7%	4.7%	4.5%	4.0%	4.4%	8.9%
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**CITY OF SIDNEY, OHIO**

**Schedule 5**

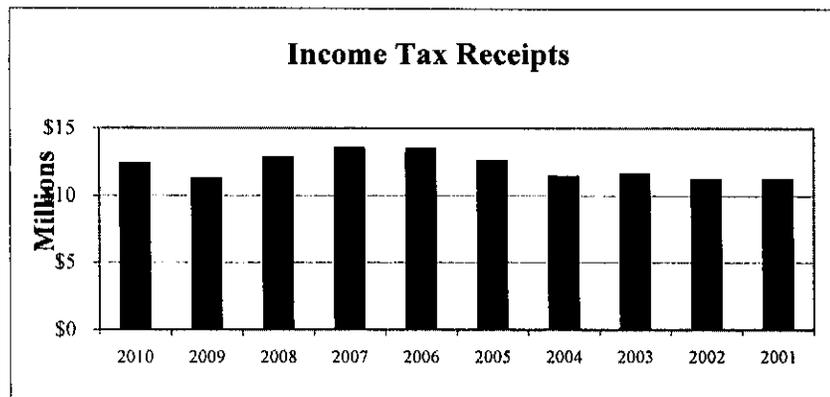
**INCOME TAX BY PAYER TYPE AND INCOME TAX RATE**

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

Year	Individuals		Net Profits	Total	Income Tax Rate
	Withheld by Employer	Paid by Taxpayer			
2010	\$ 9,238,357	\$ 555,659	\$ 2,564,710	\$ 12,358,725	1.50%
2009	\$ 9,317,160	\$ 505,868	\$ 1,461,604	\$ 11,284,632	1.50%
2008	\$ 10,489,044	\$ 471,408	\$ 1,882,710	\$ 12,843,162	1.50%
2007	\$ 10,742,913	\$ 506,891	\$ 2,303,076	\$ 13,552,880	1.50%
2006	\$ 10,568,788	\$ 440,021	\$ 2,499,840	\$ 13,508,649	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%

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 NINE YEARS AGO (cash basis of accounting)**

Schedule 6

2010			2001		
Rank	Name		2010 Rank	Rank	Name
1	Emerson Climate (formerly Copeland Corp)		1	1	Copeland Corporation
2	Wilson Memorial Hospital		6	2	American Trim
3	Honda of America Mfg		3	3	Honda of America Mfg
4	Cargill, Inc		2	4	Wilson Memorial Hospital
5	Sidney Board of Education		-	5	Alcoa Building Products, Inc
6	Superior Metal (formerly American Trim)		5	6	Sidney Board of Education
7	NK Parts Industries, Inc.		-	7	Gilardi, AM & Sons Inc
8	County Auditors Office		7	8	NK Parts Industries, Inc.
9	Freshway Foods		8	9	County Auditors Office
10	State of Ohio		-	10	Lear Operations Corp
Combined percentage of Total income taxes		30.70%	Combined percentage of Total income taxes		30.41%

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.

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

Schedule 7

Year	General Government Bonded Debt			Business-Type Activities					
	General Obligation Bonds	Percentage of actual property value	Per Capita	Water General Obligation Bonds	Water Revenue- Backed Notes	Sewer General Obligation Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2010	\$ 8,110,000	4.51%	\$ 807	\$ 3,247,000	\$ 3,826,073	\$ 5,770,000	\$ 20,953,073	1.93%	\$ 987
2009	\$ 8,525,000	4.04%	\$ 769	\$ 670,000	\$ 360,175	\$ 6,135,000	\$ 15,690,175	1.45%	\$ 787
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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Obligation Bonds	\$ 14,285,000	\$ 13,390,000	\$ 12,455,000	\$ 19,085,000	\$ 17,790,000	\$ 17,055,000	\$ 16,155,500	\$ 16,101,000	\$ 15,330,000	\$ 17,127,000
Assessed value of taxable property <sup>(a)</sup>	\$ 418,557,164	\$ 440,544,340	\$ 442,272,291	\$ 453,740,892	\$ 454,122,536	\$ 428,275,580	\$ 395,352,640	\$ 376,375,950	\$ 379,705,390	\$ 379,491,650
General Obligation Bonds as percent of total assessed value of taxable property	3.41%	3.04%	2.82%	4.21%	3.92%	3.98%	4.09%	4.28%	4.04%	4.51%
Estimated actual value of taxable property <sup>(b)</sup>	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	1,084,872,543	1,084,261,857
General Obligation Bonds as percent of total estimated actual value of taxable property	1.06%	0.95%	0.88%	1.31%	1.13%	1.39%	1.37%	1.50%	1.41%	1.58%
Population <sup>(b)</sup>	20,378	20,276	20,249	20,147	20,171	20,139	20,139	20,019	19,944	21,229
General Obligation Bonds Per capita	\$ 701	\$ 660	\$ 615	\$ 947	\$ 882	\$ 847	\$ 802	\$ 804	\$ 769	\$ 807
Less debt not subject to limitations										
Self-supporting securities issued for water systems or facilities	\$ (1,250,000)	\$ (1,000,000)	\$ (750,000)	\$ (500,000)	\$ (250,000)	\$ -	\$ (200,000)	\$ (650,000)	\$ (670,000)	\$ (3,357,000)
Self-supporting securities issued for sanitary sewer systems or facilities	\$ (10,450,000)	\$ (9,925,000)	\$ (9,365,000)	\$ (8,775,000)	\$ (8,155,000)	\$ (8,105,000)	\$ (7,450,000)	\$ (6,485,000)	\$ (6,135,000)	\$ (6,605,000)
Less: Bond Retirement Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net debt subject to 10-1/2% limitation <sup>(c)</sup>	\$ 2,585,000	\$ 2,465,000	\$ 2,340,000	\$ 9,810,000	\$ 9,385,000	\$ 8,950,000	\$ 8,505,500	\$ 8,966,000	\$ 8,525,000	\$ 7,165,000
Voted and Unvoted Debt Limit -- 10-1/2% of assessed value	\$ 43,948,502	\$ 46,257,156	\$ 46,438,591	\$ 47,642,794	\$ 47,682,866	\$ 44,968,936	\$ 41,512,027	\$ 39,519,475	\$ 39,869,066	\$ 39,846,623
Legal Debt Margin within 10-1/2% Limitation	\$ 41,363,502	\$ 43,792,156	\$ 44,098,591	\$ 37,832,794	\$ 38,297,866	\$ 36,018,936	\$ 33,006,527	\$ 30,553,475	\$ 31,344,066	\$ 32,681,623
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	5.88%	5.33%	5.04%	20.59%	19.68%	19.90%	20.49%	22.69%	21.38%	17.98%
Net debt subject to 5-1/2% limitation <sup>(d)</sup>	\$ 2,585,000	\$ 2,465,000	\$ 2,340,000	\$ 9,810,000	\$ 9,385,000	\$ 8,950,000	\$ 8,505,500	\$ 8,966,000	\$ 8,525,000	\$ 7,165,000
Unvoted Debt Limit -- 5-1/2% of assessed value	\$ 23,020,644	\$ 24,229,939	\$ 24,324,976	\$ 24,955,749	\$ 24,976,739	\$ 23,555,157	\$ 21,744,395	\$ 20,700,677	\$ 20,883,796	\$ 20,872,041
Legal Debt Margin within 5-1/2% Limitation	\$ 20,435,644	\$ 21,764,939	\$ 21,984,976	\$ 15,145,749	\$ 15,591,739	\$ 14,605,157	\$ 13,238,895	\$ 11,734,677	\$ 12,358,796	\$ 13,707,041
Net debt within limitations for Unvoted debt as a percentage of debt limit	11.23%	10.17%	9.62%	39.31%	37.57%	38.00%	39.12%	43.31%	40.82%	34.33%

<sup>(a)</sup> Source for assessed value and estimated actual value data: Shelby County Auditor

<sup>(b)</sup> Source for population: For years 2001 - 2009, U.S. Bureau of the Census-Population Estimates Program. For year 2010, U.S. Bureau of the Census-2010 Federal Census.

<sup>(c)</sup> 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.

<sup>(d)</sup> 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, 2010**

**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	\$ 8,110,000	100%	\$8,110,000
Sidney City School District <sup>(2)</sup>	\$19,264,981	100%	\$19,264,981
Shelby County <sup>(3)</sup>	\$319,347	43%	\$137,319

<sup>(2)</sup> Source: Treasurer of Sidney City Schools

<sup>(3)</sup> Source: Shelby County Auditor - calculated overlapping debt of Sidney 2010 population (21,229) as a percent of Shelby county 2010 population (49,423) (2010 Census data)

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

**Schedule 10**

<b>Fiscal Year</b>	<b>Population</b> <sup>(1)</sup>	<b>Per Capita Personal Income</b> <sup>(1)(b)</sup>	<b>Median Age</b> <sup>(1)(b)</sup>	<b>School Enrollment</b> <sup>(2)</sup>	<b>Unemployment Rate</b> <sup>(3)</sup>	<b>Total Assessed Property Value</b> <sup>(4)</sup>	<b>Estimated Actual Property Value</b> <sup>(4)</sup>
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
2009	19,944 (1)(a)	\$19,075	33.9 yrs	3,868	12.8%	\$379,705,390	\$1,084,872,543
2010	21,229 (1)(a)	\$19,075	33.9 yrs	3,757	10.4%	\$379,491,650	\$1,084,261,857

<sup>(1)</sup> Source: <sup>(a)</sup> U.S. Bureau of the Census - Population Estimates Program, Population Division;  
<sup>(b)</sup> U.S. Bureau of the Census - 2000 Federal Census (2010 data not available as of report date)  
<sup>(2)</sup> Source: Sidney City Schools Board of Education  
<sup>(3)</sup> Source: Bureau of Labor Statistics, U.S. Dept. of Labor  
<sup>(4)</sup> 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 EIGHT YEARS AGO**

**Schedule 11**

2010			2002		
<u>Employer</u>	<u>Approximate Number of Employees</u>	<u>Percentage of Total Top 10 Employment<sup>(2)</sup></u>	<u>Employer</u>	<u>Approximate Number of Employees</u>	<u>Percentage of Total Top 10 Employment<sup>(2)</sup></u>
1 Emerson Climate (formerly Copeland Corp)	1,533	30.70%	1 Copeland Corporation	2,200	29.12%
2 Wilson Memorial Hospital	725	14.52%	2 NK Parts Industries	1,100	14.56%
3 NK Parts Industries	491	9.83%	3 Stolle Products	800	10.59%
4 Sidney Board of Education	414	8.29%	4 Wilson Memorial Hospital	665	8.80%
5 Cargill, Inc	390	7.81%	5 Wal-Mart Super Center	600	7.94%
6 Superior Metal Products/American Trim	337	6.75%	6 Con Agra	484	6.41%
7 Holloway Sportswear	330	6.61%	7 Sidney Board of Education	459	6.07%
8 Freshway Foods	300	6.01%	8 Alcoa Building Products	450	5.96%
9 Wal-Mart Super Center	283	5.67%	9 Ross Aluminum Foundries	425	5.62%
10 Advanced Composites	191	3.82%	10 Cargill, Inc.	373	4.94%
Total	4,994	100.00%	Total	7,556	100.00%

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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government:	15.74	16.74	16.75	16.75	16.75	16.75	17.48	14.48	13.45	13.45
Police										
Officers	38.00	39.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	39.50
Civilians	14.45	14.45	14.84	14.84	15.84	15.84	15.84	15.84	15.84	15.18
Fire										
Firefighters and officers	37.00	37.00	37.00	37.00	37.00	37.00	37.00	38.00	38.00	36.25
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Judicial	17.65	17.84	17.89	17.95	17.88	17.95	17.95	17.95	17.95	17.66
Health - cemetery	2.85	3.23	3.38	3.38	3.32	3.32	3.08	3.08	2.76	2.26
Public transportation	8.99	8.99	8.37	9.35	12.55	12.38	12.28	13.89	13.60	13.60
Street repair & maintenance	11.65	11.89	11.79	11.79	12.29	12.04	11.67	11.67	8.88	8.38
Community development	1.26	1.26	1.26	1.23	1.23	1.23	1.23	1.23	1.00	1.00
Community environment	11.37	11.37	11.04	11.29	11.25	11.51	11.51	11.59	11.30	11.24
Parks and recreation	17.75	17.39	17.90	17.62	17.60	16.90	16.90	17.23	16.23	14.17
Basic utility services - stormwater management	2.96	2.96	2.96	2.96	3.06	4.06	4.06	4.06	4.06	3.60
Water	21.60	21.60	21.55	21.46	21.77	21.77	21.77	18.25	16.03	16.03
Sewer	14.36	14.36	14.13	14.00	15.33	15.33	15.33	15.33	15.55	15.33
Solid waste	2.87	2.87	2.87	2.76	0.10	0.10	-	-	-	-
Airport	-	-	-	0.25	0.25	0.25	-	-	-	-
Swimming pool	3.54	3.54	3.76	3.76	4.05	5.06	4.05	5.06	4.21	3.98
Revenue Collection	-	-	-	-	-	-	-	6.50	6.50	7.11
Service center including city garage	4.95	5.15	5.19	4.69	4.44	4.44	4.04	3.75	3.50	3.19
Information technology	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
<b>Total</b>	<b>230.99</b>	<b>233.64</b>	<b>234.68</b>	<b>235.08</b>	<b>238.71</b>	<b>239.93</b>	<b>238.19</b>	<b>242.91</b>	<b>233.86</b>	<b>226.93</b>

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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
Accounts payable checks processed	6,783	6,571	6,138	5,644	5,590	5,181	5,543	5,633	5,230	5,300
Purchase orders issued	1,915	1,850	1,865	1,870	1,825	1,611	1,680	1,650	1,479	1,430
<b>Police</b>										
Calls for service processed	37,942	37,548	36,676	37,330	37,445	36,825	34,880	31,573	26,943	24,789
9-1-1 calls processed	3,762	3,864	3,905	4,230	3,734	3,810	4,067	3,958	7,247	7,402
Adult & juvenile arrests	2,767	3,000	2,493	2,811	2,888	2,615	1,739	2,399	1,998	2,177
Traffic citations	2,562	3,885	3,976	3,340	3,478	3,261	2,923	2,337	2,003	1,416
<b>Fire</b>										
Fire calls	552	568	602	632	735	610	632	701	592	500
EMS calls	2,432	2,475	2,452	2,603	2,585	2,540	2,702	2,664	2,638	2,500
<b>Municipal Court</b>										
New cases filed	13,798	13,471	12,435	9,070	10,419	11,284	11,816	10,059	8,478	7,550
Cases completed	14,407	14,424	13,116	9,696	10,913	11,663	11,918	9,269	9,230	7,991
Prisoners transported by bailiff	1,203	1,250	991	982	1,147	1,246	1,300	1,313	1,242	450
<b>Cemetery</b>										
Burials	98	95	80	103	73	68	71	94	69	75
Grave sales	85	70	47	79	49	58	37	68	34	30
<b>Public Transportation</b>										
Total ridership	48,457	40,710	41,427	49,877	48,218	47,429	43,277	45,400	43,448	38,460
<b>Streets and highways</b>										
Miles of street responsibility	95.3	95.9	96.2	97.0	98.0	97.5	97.5	97.5	97.5	97.5
Traffic signal intersections	52	51	52	51	50	50	50	52	52	52
<b>Planning</b>										
Sign permits issued	61	48	68	72	43	41	53	40	37	20
ZBA applications reviewed	24	25	31	23	21	15	15	30	17	19
<b>Building inspection</b>										
Building permits issued	278	309	586	292	259	251	265	246	330	515
Building inspections	993	1,045	1,898	1,103	1,103	1,618	833	822	612	702
<b>Engineering</b>										
Sanitary sewer inspections	274	107	104	101	94	67	51	32	25	30
<b>Parks and recreation</b>										
Free clinics organized and directed	13	16	17	20	20	37	37	38	24	-
Free clinics (attendance)	590	707	444	609	764	1,526	1,494	1,452	2,560	-
Park shelters maintained	34	33	33	33	33	33	33	35	37	37
Trees planted	170	150	250	274	150	100	100	76	1	1
Senior Center members	1,350	1,307	1,200	1,200	1,200	1,200	1,200	1,044	1,002	893
<b>Water</b>										
Gallons of water processed (in millions)	1,223	1,142	1,141	1,365	1,339	1,375	1,375	1,382	2,994	3,207
Lime sludge processed/removed (dry tons)	8,461	20,699	43,476	5,632	-	10,000	10,000	10,300	7,095	7,680
Water main breaks	16	18	18	18	23	17	34	20	16	20
Regular meter readings obtained	31,839	32,578	33,555	34,976	19,621	34,888	34,403	45,000	45,000	50,000
<b>Sewer</b>										
Wastewater processed (million gallons per day)	4.80	5.40	5.50	5.10	6.00	5.80	6.00	6.03	4.76	6
Biosolids processed (dry tons)	972	1,095	593	725	855	723	1,002	642	618.55	605
Feet of sewer cleaned	155,581	173,000	90,000	90,000	137,969	112,663	105,901	102,997	90,089	103,000
<b>Swimming Pool</b>										
Daily admissions	17,912	21,469	13,548	12,032	20,181	16,912	16,354	14,612	12,957	14,703
Season passes	295	413	360	379	479	521	564	509	490	401
<b>Information Technology</b>										
Number of personal computers maintained	126	131	136	148	165	192	205	205	210	220
<b>Service Center - Garage</b>										
Units in fleet	235	247	251	235	236	239	235	276	263	255

Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 2001 - 2009. Estimated statistics for 2010.

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

Schedule 14

Function/Program	Year Ended December 31,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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 <sup>(1)</sup> Miles of streets	95.32	95.89	96.35	98.61	99.73	100.14	100.75	100.43	100.46	100.46
Basic utility services - stormwater management <sup>(1)</sup> Miles of storm sewers	69.01	69.31	69.90	71.78	73.29	73.27	74.46	74.67	75.17	75.24
Parks and recreation <sup>(2)</sup> Acres of parks maintained	387	380	380	380	380	430	430	430	430	450
Acres of public grounds maintained	250	250	250	250	250	250	250	250	250	250
Neighborhood parks	15	15	14	14	14	15	15	15	16	16
Sewer <sup>(1)</sup> Miles of sanitary sewers	112.15	113.70	114.36	116.19	117.86	118.81	119.86	120.50	120.57	122.07
Water <sup>(1)</sup> Miles of water mains	112.51	113.79	114.33	117.11	118.22	118.58	119.85	119.91	121.02	123.22

<sup>(1)</sup> Source: City of Sidney, Ohio, Engineering Department.

<sup>(2)</sup> Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 2001 - 2009. Estimated statistics for 2010.

**CITY OF SIDNEY**



**OHIO**