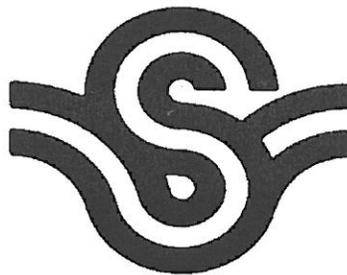


City of Sidney, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2012



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

City of Sidney



Ohio

City of Sidney
Comprehensive Annual Financial Report
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**CITY OF SIDNEY, OHIO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2012**

CITY COUNCIL MEMBERS

Michael Barhorst, Mayor

Martha Milligan, Vice-Mayor

Janet Born

Katie McMillan

Thomas Miller

Rufus "Rick" Sims

Steve Wagner

CITY MANAGER

Mark S. Cundiff

LAW DIRECTOR

Jeffrey Amick

CITY CLERK

Joyce Goubeaux

SENIOR DIRECTORS

Gary Clough	Assistant City Manager/Public Works Director
Ginger Adams, CPA	Finance Officer
Barbara Dulworth	Community Services Director
Duane Gaier	Parks & Recreation Director
Kevin Gessler	Police Chief
Bradley Jones	Fire Chief



City of Sidney

Letter of Transmittal for 2012 Comprehensive Annual Financial Report

June 20, 2013

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

The Comprehensive Annual Financial Report (CAFR) of the City of Sidney, Ohio for the year ended December 31, 2012, 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.

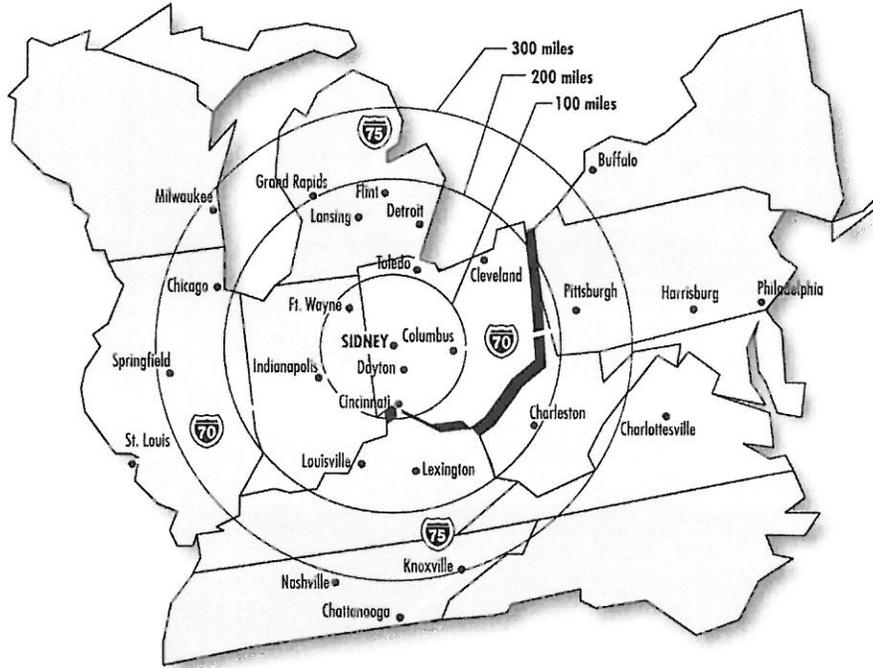
City of Sidney staff prepared all statements, schedules, and other presentations in this report. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control established for this purpose. 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 complement this letter of transmittal and should be read in conjunction with it.

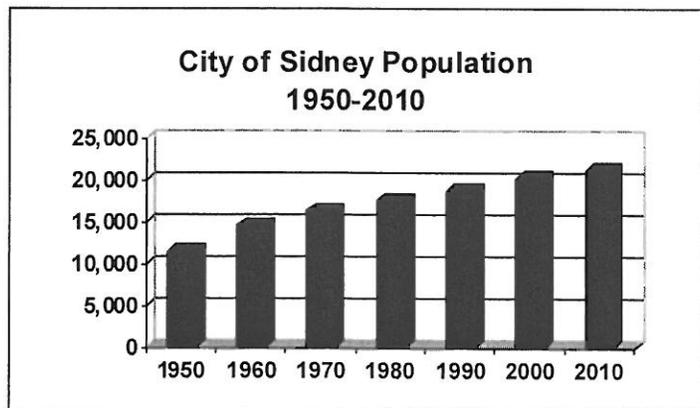
The Ohio Auditor of State audited the basic financial statements of the City of Sidney that are included in this report. The financial statements have received an unmodified ("clean") opinion. The independent auditor's report is located at the front of the financial section of this report. The audit 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.

PROFILE OF THE CITY

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 is serviced by Interstate 75 and State Routes 29 and 47, as well as CSX and Conrail railroads. 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. The population estimate for 2012 is 21,031.



Municipal Services and Facilities

Sidney is a total service community providing a broad range of services for the citizens of the community, 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 and approved 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

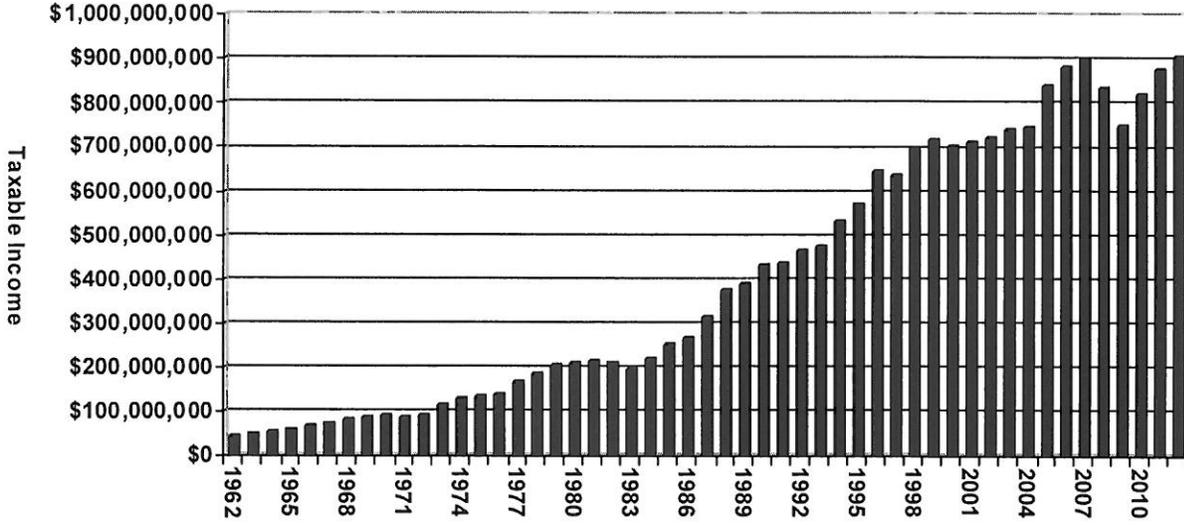
Economic Environment - Historically

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.

**City of Sidney Income Tax
Taxable Income 1962-2012**



From 1999 through 2004, the City experienced an economic slowdown. There was a “bounce back” year of considerable growth in 2005 with an increase in taxable income of 12.7%. The most recent national 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%.

Since 2009, the City’s income tax base has steadily returned to near 2007-levels. In 2010, the City’s income tax base grew 10.7% over 2009. In 2011, growth of 6.4% over 2010 was realized. For the year ended December 31, 2012, growth of 4.0% over 2011 was recorded. This increase is due in large part to growth in the taxable net profits of the City’s businesses, while elevated unemployment rates hampered the taxable income of Sidney’s employees.

2012 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 2012 were:

<u>Employer</u>	<u>Primary Business</u>	<u>Ave. no. of employees</u>
Emerson Climate Technologies (formerly Copeland Corporation)	Air compressor manufacturing	1,595
Wilson Memorial Hospital	Acute care facility	842
NK Parts Industries	Test, assemble, and ship auto parts	574
Cargill, Inc.	Soybean refining, meal & oil	426
Sidney Board of Education	Public education	398
Freshway Foods	Processor of fresh foods	360
Superior Metal / American Trim	Auto and appliance stampings	335
Wal-Mart Supercenter	Retail store	283
MaMa Rosa's Pizza	Wholesale pizza distributor	268
Ross Castings & Aluminum	Producer of aluminum castings	249

Source: West Ohio Development Council

In addition, a Honda of America Mfg., Inc. auto engine plant with approximately 2,400 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 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 2012 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.

To fund multi-million dollar capital and operating upgrades required by Environmental Protection Agency (EPA) mandates, significant utility rate increases were implemented in 2013. Fortunately, Sidney's utility rates were so low compared with area communities that even after these increases the City's rates compare reasonably with area communities. Based on the City of Oakwood's 2013 survey of 63 area communities, Sidney's combined water and sewer was 46th lowest, coming in at 8% above survey average, 19% more than neighboring City of Troy and 6% less than neighboring City of Piqua. Since many area communities are likely to experience the same regulatory burden and mandated cost outlays in upcoming years, it is anticipated that once those cities raise their rates to comply, Sidney's rates will once again rank lower compared to peer communities.

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. Where appropriate, the City utilizes tax increment financing (TIF) as an economic development tool to help grow our community. The City's first 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.

Another economic development tool utilized by Sidney where appropriate is the creation of Community Reinvestment Act (CRA) areas and related CRA tax abatements. The most recent example of that is a ten-year 90% CRA property tax abatement awarded to a property owner who will be investing approximately \$4.8 million to construct a hotel.

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:

- While income tax collections have returned to near 2007 levels, the City of Sidney must continue to manage the loss of state-generated shared revenues. In order to balance the State of Ohio's budget shortfall for the biennial period from July 2011 to June 2013, the State's budget included a reduction of Local Government Fund distributions to Ohio

municipalities of 25% for the period from July 2011 to June 2012, followed by another 25% reduction effective July 2012. The State also eliminated the estate tax effective 2013. Finally, the State's budget bill effectively eliminated in 2012 the State's reimbursement of tangible personal property tax to Sidney, which was to have continued through 2018. All told, the recently approved State of Ohio budget will reduce the City of Sidney's operating revenue by approximately \$440,000 in 2012 and \$825,000 in 2013.

- Given the uncertainty of future income tax levels and state-generated shared revenues, the City is continuing the following budget strategies initially implemented during the last national recession.
 - *Maintaining the reduced workforce achieved primarily through attrition and targeted reductions.* Staffing in 2012 remained at 206 full-time equivalents, a 15% reduction from 2008 staffing of 243 FTEs. Since 2008, there has been a reduction of 27 seasonal/part-time positions (approximately 8 FTEs) and 28 full-time positions. The reductions were accomplished through attrition of full-time positions, reductions in seasonal labor, layoffs of some part-time personnel, and an abolishment of four positions following the reorganization of the Engineering Division.
 - The City's Five-Year Plan 2013-2017 does not include any further reductions of positions. However, those vacancies remain unfunded in the Five-Year Plan 2013-2017.
 - No future layoffs, furloughs, or reduced schedules have been included in this Plan. We continue to monitor the economic environment and our financial condition. Should the economic situation worsen, such measures may be re-considered.
 - *Limited wage increases through 2017.* As wages and benefits are by far the City's largest operating cost, it is imperative, given current and expected revenue levels, that employee wage increases be minimal for the next five years.
 - *Deferral of maintenance, improvements and non-essential purchases.* Many vehicle and 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.
- Should the City experience another recession or financial difficulty that would cause fund balances to fall below our minimum cash reserves, City staff would return to Council with further reductions. On the other hand, City staff will be developing an economic recovery plan to determine how and when previous reductions could be reinstated. This plan could be used as a "blueprint" for providing improved service levels as fund balances grow during periods of economic growth.
- A significant sewer flow rate increase of 14% and a new flat monthly sewer fee of \$22 were included in 2013 to begin to pay for sewer system changes required by the Ohio EPA. In 2011, Sidney was put on notice by the Ohio EPA that the City does not comply with EPA regulations and that considerable capital improvements would be needed to avoid potential fines and barriers to development. Specifically, the Ohio EPA is

disallowing any bypass events during wet weather events. Rather than expand the current plant to handle all bypass events (which would essentially require a new plant be built), a three-pronged approach has been designed to achieve Ohio EPA compliance. This approach includes (1) implementing a new program to reduce inflow and infiltration (I&I) from private property, (2) increasing the removal of I&I from public property sources, and (3) expanding the wastewater treatment plant's capacity to handle 25 million gallons per day (mgd) during wet weather flows (up from current capacity of 13.5 mgd). Additional rate increases may be necessary to in order to be able to pay the debt service requirements of such an extensive project.

- A significant water flow rate increase of 14% in 2013 is necessary to pay for water source protection and other water system and plant improvements of about \$1.7 million. The funding of the new Water Source Reserve Fund began in 2007 with an initial infusion of \$300,000. Since then, another \$1 million has been placed into the Water Source Reserve Fund by transferring cash from the Water Fund. The intent is to build a reserve that can then be used to pay debt service on the long-term bonding of the new water source project in 2018. The water source property acquisition is expected to be finalized in 2013 with funding provided by lower cost Recovery Zone Economic Development bonds issued in late 2010. 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.
- With the reconstruction of Wapakoneta Avenue from I-75 to Parkwood Street completed in early 2012, emphasis will shift to phase II of the reconstruction from Parkwood Street to Russell Road in 2013. The majority of this project is 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. Standard & Poor's reaffirmed that rating in both 2010 and 2011. 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, 2011. 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 fourteen consecutive years. We believe that this comprehensive annual financial report for the year ended December 31, 2012 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 2013, the fifteenth 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 proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGEMENTS

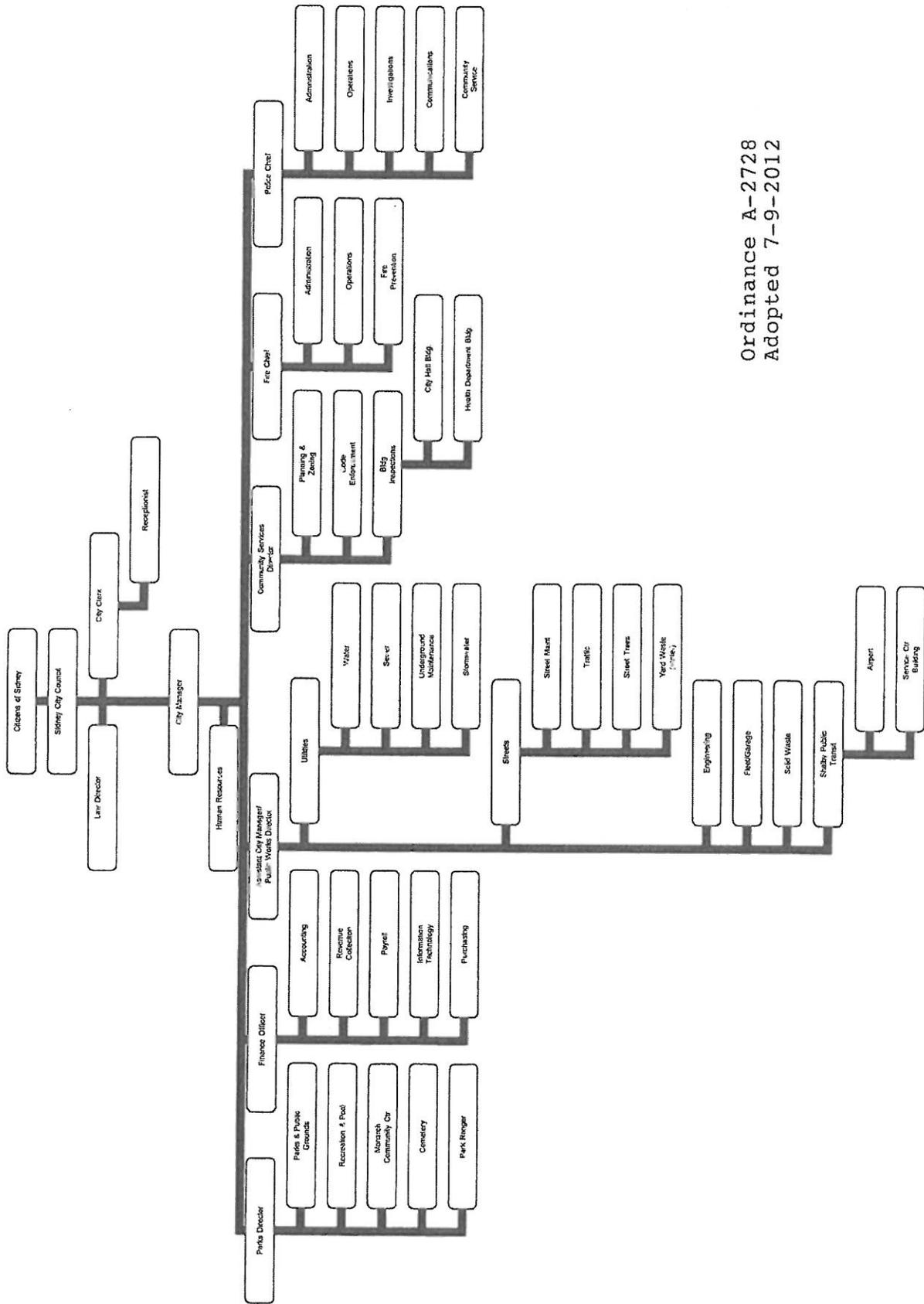
The preparation of this report was made possible by the efforts of the Finance Department staff, including Jennifer Wagner, Accountant, and Lori Rittenhouse, Account Clerk. Special recognition is extended to Assistant Finance Officer Renee DuLaney, CPA, for her skillful preparation of the financial statements.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



Ordinance A-2728
Adopted 7-9-2012

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, 2011

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



Christopher P. Morrill

President

Jeffrey R. Enev

Executive Director



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Sidney
Shelby County
201 West Poplar Street
Sidney, Ohio 45365

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney, Shelby County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney, Shelby County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, during the year ended December 31, 2012, the City adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis and required budgetary comparison schedules* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

June 20, 2013

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2012
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, 2012. 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 Position 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 Position and Statement of Activities

These government-wide statements answer the question, "How did the City as a whole do financially during 2012?" 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 Position.* This statement (page 14) reports all assets and liabilities of the City as of December 31, 2012. The difference between total assets and total liabilities is reported as "net position". Over time, increases in net position 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, 2012. Changes in net position 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 management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

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- *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 Position and the Statement of Activities) in reconciliations presented beside the governmental fund financial statements on pages 17 and 19.

The City of Sidney maintains 35 separate governmental funds. The governmental fund financial statements on pages 16 and 18 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.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
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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 – 45 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 46 to 49 of this report.

The City of Sidney as a Whole

The following table presents condensed information on net assets as of December 31, 2012 and 2011.

Net Position
December 31, 2012 and 2011

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011, as restated</u>	<u>2012</u>	<u>2011, as restated</u>	<u>2012</u>	<u>2011, as restated</u>
<u>Assets:</u>						
Current and other assets	\$ 17,526,876	\$ 16,687,340	\$ 7,174,302	\$ 8,161,734	\$ 24,701,178	\$ 24,849,074
Capital assets	53,580,207	54,474,641	44,686,508	43,963,067	98,266,715	98,437,708
Total assets	<u>71,107,083</u>	<u>71,161,981</u>	<u>51,860,810</u>	<u>52,124,801</u>	<u>122,967,893</u>	<u>123,286,782</u>
<u>Liabilities:</u>						
Long-term liabilities	8,843,685	9,497,110	12,658,378	13,351,631	21,502,063	22,848,741
Other liabilities	2,494,896	2,250,030	1,132,442	953,192	3,627,338	3,203,222
Total liabilities	<u>11,338,581</u>	<u>11,747,140</u>	<u>13,790,820</u>	<u>14,304,823</u>	<u>25,129,401</u>	<u>26,051,963</u>
Deferred inflows	<u>1,813,145</u>	<u>1,873,637</u>	-	-	<u>1,813,145</u>	<u>1,873,637</u>
Total liabilities and deferred inflows	<u>13,151,726</u>	<u>13,620,777</u>	<u>13,790,820</u>	<u>14,304,823</u>	<u>26,942,546</u>	<u>27,925,600</u>
<u>Net Position:</u>						
Invested in capital assets, net of debt	46,484,983	46,814,752	33,281,662	33,450,981	79,766,645	80,265,733
Restricted	3,273,154	3,116,853	-	-	3,273,154	3,116,853
Unrestricted	8,197,220	7,609,599	4,788,328	4,368,997	12,985,548	11,978,596
Total net position	<u>\$ 57,955,357</u>	<u>\$ 57,541,204</u>	<u>\$ 38,069,990</u>	<u>\$ 37,819,978</u>	<u>\$ 96,025,347</u>	<u>\$ 95,361,182</u>

The City's assets were greater than its liabilities and deferred inflows of resources by \$96.0 million at the close of 2012, as compared to \$95.4 million at close of 2011, an increase of approximately \$660,000. The 2011 governmental activities total net position has been restated from nearly \$57.7 million to \$57.5 million. The 2011 business-type activities total net position has been restated from nearly \$38.2 million to \$37.8 million. This restatement was for a change in accounting principle for bond issuance costs and a prior period adjustment for a deferred gain on last year's current refunding. For 2011, a reclassification was made amongst invested in capital assets, net of debt, restricted net assets, and unrestricted net assets in the governmental funds which had no effect on total net position.

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Unaudited

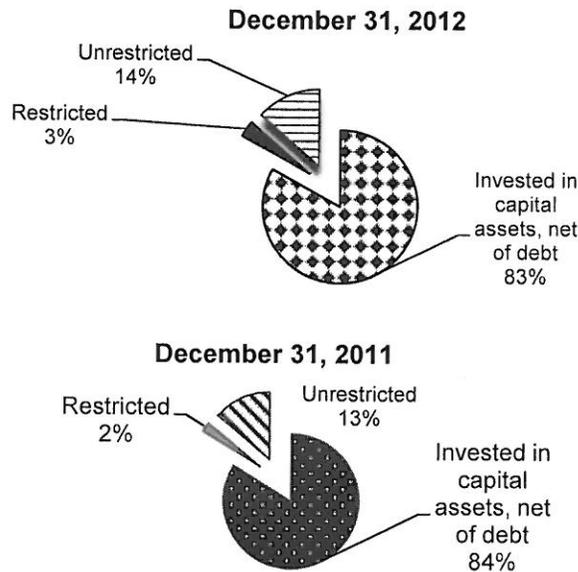
The component, "invested in capital assets, net of related debt" decreased nearly \$0.5 million, or 0.6% from nearly \$80.3 million at December 31, 2011 to nearly \$79.8 million at December 31, 2012. Decreases in this category of net position generally means that the sum of capital asset additions and bond principal repayments were less than the sum of depreciation expense, disposed assets, and additional debt now associated with capital assets. During 2011 the City received grant funding for Wapakoneta Avenue phase I, which resulted in additional capital infrastructure.

Restricted net position is subject to external restrictions as to their use. This category increased approximately \$156,000, or 5.0%, from \$3.12 million at December 31, 2011 to \$3.3 million at December 31, 2012 due to a reduction in salt expenditures in streets and an increase court revenue restricted by State legislature to special projects of the Sidney Municipal Court.

Unrestricted net position is available for future use as directed by City Council. Overall, this category increased approximately \$1.0 million from nearly \$12.0 million at December 31, 2011 to about \$13.0 million at December 31, 2012. It is important to note that although the total unrestricted net position is \$13.0 million, the unrestricted net position of the City's business-type activities, \$4.8 million, may not be used to fund governmental activities. Unrestricted net position of the City's governmental activities increased approximately \$600,000, or 7.2%, from \$7.6 million to \$8.2 million. In 2012 the City experienced a rebound in income tax revenue. For the City's business-type activities, the unrestricted net position increased \$400,000 from nearly \$4.4 million to \$4.8 million. The unrestricted net position increase is due to an increase in utility rates and capital grants and contributions received for the expansion of the Airport runway.

The majority of the City's net position reflects 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 position.



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The following table presents condensed information on the changes in net assets for the years ended December 31, 2012 and December 31, 2011.

Changes in Net Position For the Years Ended December 31, 2012 and 2011

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011, as restated</u>	<u>2012</u>	<u>2011, as restated</u>	<u>2012</u>	<u>2011, as restated</u>
Revenues:						
Program revenues:						
Charges for services	\$2,014,471	\$1,858,216	\$9,007,301	\$8,756,305	\$11,021,772	\$10,614,521
Operating grants and contributions	1,384,594	1,288,070	396,192	378,036	1,780,786	1,666,106
Capital grants and contributions	1,046,609	3,514,293	667,677	274,254	1,714,286	3,788,547
General revenues:						
Income taxes	13,508,264	12,833,355	-	-	13,508,264	12,833,355
Property taxes	1,064,514	1,180,084	-	-	1,064,514	1,180,084
Other taxes	670,257	810,199	-	-	670,257	810,199
Grants and other contributions not restricted to specific programs	577,012	886,421	-	-	577,012	886,421
Investment income	129,953	126,830	169,073	199,574	299,026	326,404
Gain (loss) on sale of capital assets	26,069	56,952	99,280	5,158	125,349	62,110
Miscellaneous	252,167	282,027	153,812	82,131	405,979	364,158
Total revenues	20,673,910	22,836,447	10,493,335	9,695,458	31,167,245	32,531,905
Expenses:						
General government	1,043,097	822,047	-	-	1,043,097	822,047
Police	5,947,129	5,995,394	-	-	5,947,129	5,995,394
Fire	4,636,484	4,635,651	-	-	4,636,484	4,635,651
Judicial	1,574,631	1,638,942	-	-	1,574,631	1,638,942
Health	200,968	188,091	-	-	200,968	188,091
Public transportation	5,643	-	-	-	5,643	-
Street repair & maintenance	3,275,490	3,420,370	-	-	3,275,490	3,420,370
Community development	690,046	833,892	-	-	690,046	833,892
Community environment	704,322	783,027	-	-	704,322	783,027
Parks and recreation	1,488,367	1,365,458	-	-	1,488,367	1,365,458
Basic utility services	54,751	-	-	-	54,751	-
Interest on long-term debt	295,729	321,257	-	-	295,729	321,257
Water	-	-	3,712,243	3,760,888	3,712,243	3,760,888
Sewer	-	-	3,473,960	3,631,479	3,473,960	3,631,479
Solid waste	-	-	1,233,201	1,188,726	1,233,201	1,188,726
Stormwater	-	-	568,224	543,603	568,224	543,603
Transportation	-	-	873,727	870,083	873,727	870,083
Airport	-	-	478,531	385,422	478,531	385,422
Swimming pool	-	-	150,027	101,734	150,027	101,734
Yard waste	-	-	96,510	165,399	96,510	165,399
Total expenses	19,916,657	20,004,129	10,586,423	10,647,334	30,503,080	30,651,463
Excess (deficiency) before transfers	757,253	2,832,318	(93,088)	(951,876)	664,165	1,880,442
Transfers	(343,100)	(126,500)	343,100	126,500	-	-
Change in net position	414,153	2,705,818	250,012	(825,376)	664,165	1,880,442
Net position, beginning of year, restated	57,541,204	54,835,386	37,819,978	38,645,354	95,361,182	93,480,740
Net position, end of year	\$ 57,955,357	\$ 57,541,204	\$ 38,069,990	\$ 37,819,978	\$ 96,025,347	\$ 95,361,182

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Management's Discussion and Analysis
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The City's net position increased approximately \$664,000 for the year ended December 31, 2012 as compared to an increase of about \$1,880,000 for the prior year. Results for 2011 have been restated to reflect a reclassification of certain cable franchise fees from charges for services to other taxes, with no effect on total revenue.

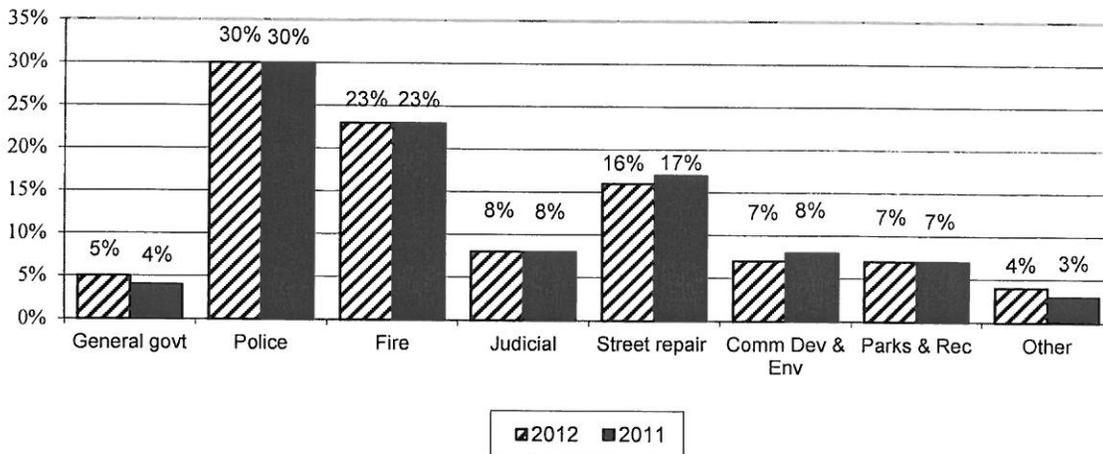
Total revenues decreased nearly \$1,365,000, or 4.2%. Income tax revenue increased approximately \$675,000 due to an increase in both taxes withholding from employees' pay and taxes collected based on business net profits. Business net profits is the most volatile source of income tax collections and traditionally has been subject to upward, as well as downward, swings from year to year. Capital grants and contributions had a declined roughly \$2,074,000 as a result of Wapakoneta Avenue phase I grant funding in 2011. Charges for services increased approximately \$407,000, or 3.8%, as a result of increased fees received from emergency medical services as well as a 3% rate increase in water and sewer charges for 2012. Unrestricted grants declined \$309,000 primarily as a result of state budget cuts to local government funding.

Total expenses decreased approximately \$148,000, or 0.5%. General government expenses increased \$221,000, or 26.9%, primarily to reimburse the Stormwater Fund. Street repair & maintenance are down about \$145,000, or 4.2%, primarily due to a mild winter that resulted in less overtime and salt purchases in 2012. Community development expenses for the City decreased nearly \$144,000, or 17.3%, due to timing of grant expenditures which tend to fluctuate from year to year. Parks and recreation expenses increased approximately 123,000, or 9.0%, due to the timing of tree maintenance expenditures and additional landscaping paid for by corporate donations.

Governmental activities

Governmental activities net position increased \$414,000 or 0.7%, from \$57.5 million at December 31, 2011 to \$57.9 million at December 31, 2012. Net position invested in capital assets, net of related debt, decreased about \$330,000, or 0.7%, from \$46.8 million to \$46.5 due to a reduction in capital investments. In 2011 the City received grant funding of approximately \$2.4 million to fund the first phase of Wapakoneta Avenue reconstruction. Restricted net position increased approximately \$156,000 during the year. Unrestricted net position increased approximately \$590,000, or 7.7%, from \$7.6 million to \$8.2 million, largely a result of improved income tax revenues. Increases in unrestricted net position 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 2011 to 2012. The two largest components of governmental expenses are public safety -- police and fire. Police makes up 30% of the total, while fire contributes another 23%. Judicial - consisting mainly of municipal court activities -- comprises about 8% of governmental activities' expenses. Street repair and maintenance (which includes

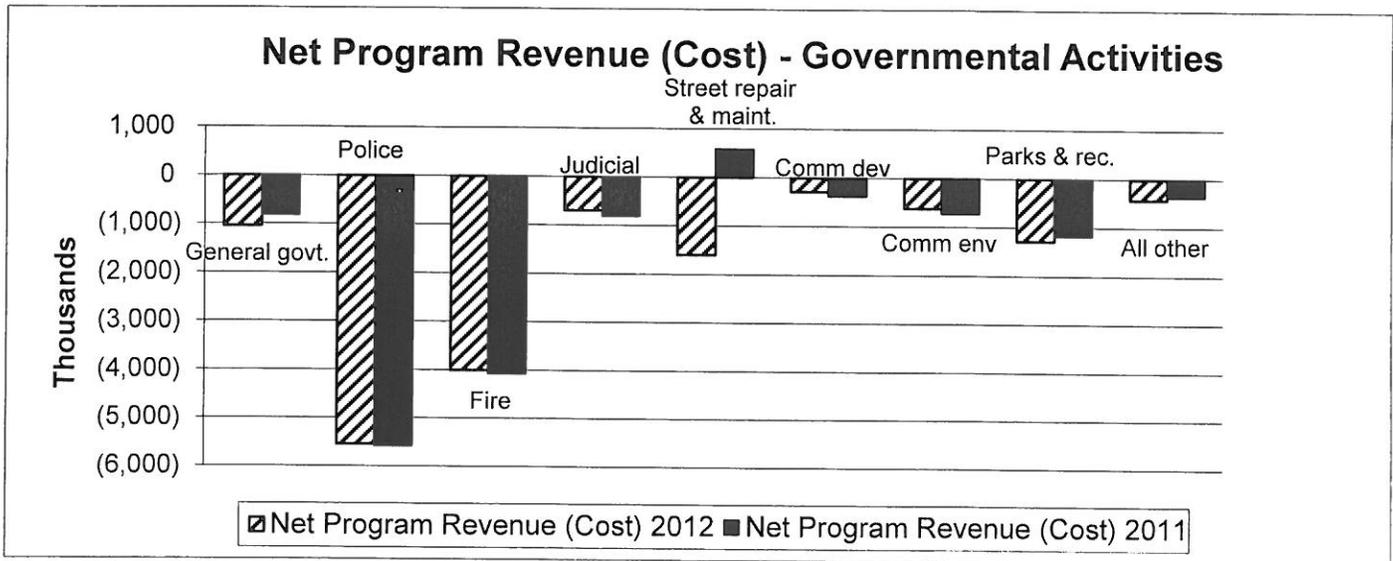
CITY OF SIDNEY, OHIO
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winter street clean-up) accounts for about 16% to 17% of expenses. The community development and environment program expenditures, which includes such activities as community planning, engineering, building inspection, and code enforcement, makes up 7% to 8%. 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 subsidized by general revenues, such as income taxes, property taxes and unrestricted contributions. The following table and graph summarize the net cost of each program:

Expenses and Program Revenues - Governmental Activities

	<u>Year Ended December 31, 2012</u>			<u>Year Ended December 31, 2011, restated</u>		
	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Revenue (Cost)</u>	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Revenue (Cost)</u>
General government	\$ 1,043,097	\$ 1,578	\$ (1,041,519)	\$ 822,047	\$ -	\$ (822,047)
Police	5,947,129	404,573	(5,542,556)	5,995,394	410,885	(5,584,509)
Fire	4,636,484	637,602	(3,998,882)	4,635,651	561,125	(4,074,526)
Judicial	1,574,631	883,356	(691,275)	1,638,942	831,903	(807,039)
Street repair & maintenance	3,275,490	1,683,455	(1,592,035)	3,420,370	3,999,963	579,593
Community development	690,046	405,217	(284,829)	833,892	457,017	(376,875)
Community environment	704,322	89,396	(614,926)	783,027	63,674	(719,353)
Parks & recreation	1,488,367	206,674	(1,281,693)	1,365,458	191,588	(1,173,870)
All others	557,091	133,823	(423,268)	509,348	144,307	(365,041)
Total net assets	\$ 19,916,657	\$ 4,445,674	\$ (15,470,983)	\$ 20,004,129	\$ 6,660,462	\$ (13,343,667)



Overall, the net program cost of governmental activities increased by \$2.1 million, or 15.9%. This increase primarily relates to the Street Repair & Maintenance program which changed from net program revenue of nearly \$580,000 in 2011 to net program cost of about \$1.6 million in 2012, primarily due to the

CITY OF SIDNEY, OHIO
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For the Year Ended December 31, 2012
Unaudited

2011 grant funding of the Wapakoneta Avenue phase I reconstruction. Program revenue for 2011 has been restated to reflect a reclassification of capital grants and contributions among various functions to properly match program revenue with its related program expense.

Business-type activities

Business-type activities' net position increased approximately \$250,000, or 0.7%, from \$37.8 million to slightly over \$38.0 million. The increase is primarily in the unrestricted category and is a result of transfers from the General Fund to help subsidize the activities of the transportation, airport and yard waste funds.

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

Expenses and Program Revenues - Business-Type Activities

	<u>Year Ended December 31, 2012</u>			<u>Year Ended December 31, 2011</u>		
	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Revenue (Cost)</u>	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Revenue (Cost)</u>
Water	\$ 3,712,243	\$ 3,512,002	\$ (200,241)	\$ 3,760,888	\$ 3,448,378	\$ (312,510)
Sewer	3,473,960	3,361,223	(112,737)	3,631,479	3,260,279	(371,200)
Solid Waste	1,233,201	1,205,710	(27,491)	1,188,726	1,140,751	(47,975)
Stormwater	568,224	350,362	(217,862)	543,603	345,438	(198,165)
Transportation	873,727	635,148	(238,579)	870,083	696,175	(173,908)
Airport	478,531	908,308	429,777	385,422	400,572	15,150
Swimming Pool	150,027	80,820	(69,207)	101,734	97,960	(3,774)
Yard Waste	96,510	17,597	(78,913)	165,399	19,042	(146,357)
Total business-type activities	<u>\$ 10,586,423</u>	<u>\$ 10,071,170</u>	<u>\$ (515,253)</u>	<u>\$ 10,647,334</u>	<u>\$ 9,408,595</u>	<u>\$ (1,238,739)</u>

Overall, the net program cost of the City's business-type activities decreased \$723,000 from net program cost of approximately \$1.2 million in 2011 to net program cost of \$515,000 for year ended December 31, 2012. Program revenue for business-type activities increased approximately \$663,000 or 7.0%, while program expenses decreased nearly \$61,000 or 0.6%. Key components of the changes in net program cost for each significant program change are as follows:

- Airport net program revenue increased nearly \$415,000 primarily due to Federal Aviation Authority (FAA) grants for the expansion of the runway.
- Sewer's net program cost decreased about \$258,000. The increase in revenue of approximately \$101,000 relates to grant dollars awarded for a Community Development Block Grant (CDBG) related Sewer project and other sewer grants received in 2012. Expenses decreased nearly \$158,000. Of this about \$67,000 is reduced personnel costs as a result of temporary vacancies due to retirements, while \$47,000 is a decrease in depreciation expense as aging equipment have been fully depreciated.
- Water net program cost decreased from \$312,000 in 2011 to \$200,000 in 2012. This decrease is due to 3% rate increases resulting in \$96,000 additional revenue collected to cover current and future operations.

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.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

The combined fund balance of the City's governmental funds at December 31, 2012 was \$9.4 million. Approximately 50% of this total amount constitutes unassigned fund balances available for spending at the City's discretion. Roughly 28% of the fund balance is in a nonspendable or restricted form. The portion of fund balance committed by City Council, the highest level of decision making authority, is 3.2% and those balances assigned are 18%. Approximately \$810,000 of fund balance has already been committed to liquidate purchase orders of the prior period.

Total fund balances of the City's governmental funds increased nearly \$365,000, or 4.0% from December 31, 2011 to December 31, 2012. (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 decreased approximately \$63,000, or 1.2%, for the year ended December 31, 2012. Local tax revenue increased approximately \$295,000 in 2012 compared to 2011. Income Tax revenue allocated to this fund increased roughly \$384,000, or 3.8%, 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. A decrease of nearly \$47,000 in local taxes is a result of the State of Ohio eliminating the tangible personal property tax reimbursement. Approximately \$40,000 of the reduction in local taxes relates to real estate tax revaluations completed in 2011 and payable in 2012. Intergovernmental revenue decreased nearly \$285,000 as a result of the State budget cuts of the Local Government Fund. General Fund expenditures, excluding debt service, increased about \$139,000 or 1.0%. With continued economic uncertainty efforts were made to maintain reduced expenditures citywide. General government expenditures increased nearly \$71,000 as a result of reduced allocation to various other functions. Community environment expenditures decreased \$95,000 as a result of a full year effect in 2012 of the reassignment and reorganization within engineering department during June 2011. Parks and recreation expenditures increased roughly \$83,000 as a result of timing of tree maintenance expenditures and additional landscaping paid by grants and corporate donations. General fund transfers out increased approximately \$109,000 to subsidize various funds, including the street repair & maintenance, transportation services, yard waste, airport, cemetery operations, and the swimming pool.

The Street Repair & Maintenance Fund, used to account for the state-levied gasoline tax and motor vehicle registration fees, is restricted by law for street maintenance and repair activities. Intergovernmental revenues decreased by approximately \$55,000, or 5.1%, in 2012 as compared to 2011 and these revenue sources remain below budget expectations. Expenditures declined from \$1.3 million in 2011 to nearly \$1.2 million in 2012. A large portion of this reduction in expenditures relates to less winter maintenance during 2012 due to a milder winter. In 2012, the General Fund subsidized the Street Repair & Maintenance Fund for \$180,000 as a result of declining revenues experienced over the past few years. Its fund balance increased by roughly \$107,000 from nearly \$289,000 at December 31, 2011 to \$396,000 at December 31, 2012.

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. Annually, twenty percent of the net income tax proceeds are allocated to this Fund. For the year ended December 31, 2012, this fund balance increased about \$169,000 from \$1.4 million at December 31, 2011 to \$1.5 million at December 31, 2012. In 2012, income tax proceeds allocated to this fund increased \$99,500, or 3.9%.

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 10.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

Capital asset and debt administration

Capital asset activity

Significant capital activity for the year included:

- ✓ Approximately \$1.3 million of land acquisitions for the new water source was added in the Water Fund.
- ✓ Land totaling \$404,000 was purchased from the Airport Fund and nearly \$183,000 of payments for airport runway relocation and extension was added to construction in progress.
- ✓ Street resurfacing for 2012 was roughly \$650,000.
- ✓ In 2012 the Ohio Environmental Protection Agency (OEPA) required the City to make several upgrades to the Sewer System. Therefore, costs of \$296,000 were paid for engineering services and recorded in construction in progress.

Additional detail on the capital asset activity for the year ended December 31, 2012 is presented in the Notes to the Basic Financial Statements in Note 6 on pages 34 – 35.

Debt

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 remaining \$4.4 million funded via a 0% loan to be repaid to the Ohio Water Development Authority (OWDA) 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. During 2012 all expenditures have been spent totaling \$7,311,565 which is about \$15,000 less than the total awarded grant. The total loan balance as of December 31, 2012 is \$3,721,272.

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, 2012, that debt ceiling was about \$19.5 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 \$6.5 million of net indebtedness as of December 31, 2012, leaving a legal debt margin for unvoted debt of approximately \$13.0 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 \$37.3 million, leaving a total debt margin of approximately \$30.8 million.

A summary of debt outstanding at December 31, 2012 and 2011 is as follows:

	<u>December 31, 2012</u>	<u>December 31, 2011,</u> <u>as restated</u>
Governmental activities	\$ 7,417,035	\$ 8,006,880
Business-type activities	<u>12,240,221</u>	<u>12,911,593</u>
Total	<u>\$ 19,657,256</u>	<u>\$ 20,918,473</u>

The 2011 balances are restated for the change in accounting principles and prior period adjustment. See additional detailed data for all debt of the City of Sidney is presented in the Notes to the Basic Financial Statements in Note 9 on pages 39 - 41 and in Schedules 7-9 in the Statistical Section of this report.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2012
Unaudited

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 POSITION
DECEMBER 31, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash	\$ 10,191,626	\$ 4,291,900	\$ 14,483,526
Restricted cash	-	835,375	835,375
Cash held by outside agent	121,888	-	121,888
Receivables:			
Income taxes	3,300,704	-	3,300,704
Property taxes	1,043,588	-	1,043,588
Other taxes	19,316	-	19,316
Accounts	5,168	1,567,852	1,573,020
Interest	169	-	169
Loans	659,640	-	659,640
Special assessments	153,135	-	153,135
Other	274,956	89,932	364,888
Internal balances	460,969	(460,969)	-
Receivables from other governments	1,003,793	421,582	1,425,375
Inventory	181,125	397,975	579,100
Prepaid items	110,799	30,655	141,454
Capital assets:			
Capital assets not subject to depreciation:			
Land	7,754,862	2,401,908	10,156,770
Construction in progress	2,827,687	1,817,299	4,644,986
Capital assets net of accumulated depreciation	<u>42,997,658</u>	<u>40,467,301</u>	<u>83,464,959</u>
Total assets	<u>\$ 71,107,083</u>	<u>\$ 51,860,810</u>	<u>\$ 122,967,893</u>
LIABILITIES			
Accounts payable	\$ 1,281,036	\$ 577,548	\$ 1,858,584
Salaries and benefits payable	1,190,349	196,828	1,387,177
Unearned revenue	-	213,609	213,609
Accrued interest payable	23,511	23,192	46,703
Refundable deposits	-	121,265	121,265
Noncurrent liabilities:			
Due within one year	722,387	768,828	1,491,215
Due in more than one year	<u>8,121,298</u>	<u>11,889,550</u>	<u>20,010,848</u>
Total liabilities	<u>11,338,581</u>	<u>13,790,820</u>	<u>25,129,401</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>1,813,145</u>	<u>-</u>	<u>1,813,145</u>
Total deferred inflows of resources	<u>1,813,145</u>	<u>-</u>	<u>1,813,145</u>
NET POSITION			
Net investment in capital assets	46,484,983	33,281,662	79,766,645
Restricted for:			
Capital projects	6,114	-	6,114
Street repair and maintenance	1,040,715	-	1,040,715
Community development projects	413,427	-	413,427
Judicial costs	581,916	-	581,916
Cemetery			
Expendable	786,493	-	786,493
Nonexpendable	30,376	-	30,376
Police	246,225	-	246,225
Other purposes - externally imposed restrictions	167,888	-	167,888
Unrestricted	<u>8,197,220</u>	<u>4,788,328</u>	<u>12,985,548</u>
Total net position	<u>57,955,357</u>	<u>38,069,990</u>	<u>96,025,347</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 71,107,083</u>	<u>\$ 51,860,810</u>	<u>\$ 122,967,893</u>

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 1,043,097	\$ -	\$ 1,578	\$ -	\$ (1,041,519)		\$ (1,041,519)
Police	5,947,129	309,093	22,177	73,303	(5,542,556)		(5,542,556)
Fire	4,636,484	628,890	8,712	-	(3,998,882)		(3,998,882)
Judicial	1,574,631	782,274	101,082	-	(691,275)		(691,275)
Health	200,968	133,578	245	-	(67,145)		(67,145)
Public transportation	5,643	-	-	-	(5,643)		(5,643)
Street repair and maintenance	3,275,490	27,843	1,218,906	436,706	(1,592,035)		(1,592,035)
Community development	690,046	20,397	8,220	376,600	(284,829)		(284,829)
Community environment	704,322	89,396	-	-	(614,926)		(614,926)
Parks and recreation	1,488,367	23,000	23,674	160,000	(1,281,693)		(1,281,693)
Basic utility services	54,751	-	-	-	(54,751)		(54,751)
Interest on long-term debt	295,729	-	-	-	(295,729)		(295,729)
Total governmental activities	<u>19,916,657</u>	<u>2,014,471</u>	<u>1,384,594</u>	<u>1,046,609</u>	<u>(15,470,983)</u>		<u>(15,470,983)</u>
Business-type activities:							
Water	3,712,243	3,508,224	3,778	-		\$ (200,241)	(200,241)
Sewer	3,473,960	3,289,516	2,139	69,568		(112,737)	(112,737)
Solid Waste	1,233,201	1,205,710	-	-		(27,491)	(27,491)
Stormwater	568,224	349,251	1,111	-		(217,862)	(217,862)
Transportation	873,727	208,812	389,164	37,172		(238,579)	(238,579)
Airport	478,531	347,371	-	560,937		429,777	429,777
Swimming Pool	150,027	80,820	-	-		(69,207)	(69,207)
Yard Waste	96,510	17,597	-	-		(78,913)	(78,913)
Total business-type activities	<u>10,586,423</u>	<u>9,007,301</u>	<u>396,192</u>	<u>667,677</u>		<u>(515,253)</u>	<u>(515,253)</u>
Total	<u>\$ 30,503,080</u>	<u>\$ 11,021,772</u>	<u>\$ 1,780,786</u>	<u>\$ 1,714,286</u>	<u>(15,470,983)</u>	<u>(515,253)</u>	<u>(15,986,236)</u>
General revenues:							
Taxes:							
Income taxes					13,508,264	-	13,508,264
Property taxes					1,064,514	-	1,064,514
Other taxes					670,257	-	670,257
Grants and contributions not restricted to specific programs					577,012	-	577,012
Investment earnings					129,953	169,073	299,026
Gain on sale of capital assets					26,069	99,280	125,349
Miscellaneous					252,167	153,812	405,979
Transfers					(343,100)	343,100	-
Total general revenues and transfers					<u>15,885,136</u>	<u>765,265</u>	<u>16,650,401</u>
Change in net position					414,153	250,012	664,165
Net position - beginning - as restated					57,541,204	37,819,978	95,361,182
Net position - ending					<u>\$ 57,955,357</u>	<u>\$ 38,069,990</u>	<u>\$ 96,025,347</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012**

	General Fund	Street Repair & Maintenance Fund	Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
Pooled cash	\$ 6,112,073	\$ 240,353	\$ 1,324,287	\$ 2,389,396	\$ 10,066,109
Cash held by outside agent	109,944	-	-	11,944	121,888
Receivables:					
Income taxes	3,300,704	-	-	-	3,300,704
Property taxes	912,861	-	-	130,727	1,043,588
Other taxes	16,087	-	-	3,229	19,316
Interest	-	-	-	169	169
Loans	-	-	-	659,640	659,640
Special assessments	147,021	-	6,114	-	153,135
Other	210,969	287	-	63,700	274,956
Due from other funds	11,147	20,868	149,445	245	181,705
Advances out	-	-	169,000	-	169,000
Receivables from other governments	283,462	615,339	-	104,992	1,003,793
Inventory	55,532	109,787	-	-	165,319
Prepaid items	43,605	595	-	10,734	54,934
Total assets	<u>\$ 11,203,405</u>	<u>\$ 987,229</u>	<u>\$ 1,648,846</u>	<u>\$ 3,374,776</u>	<u>\$ 17,214,256</u>
LIABILITIES					
Accounts payable	\$ 1,049,043	\$ 9,198	\$ 119,064	\$ 69,793	\$ 1,247,098
Salaries and benefits payable	1,061,814	44,810	-	23,310	1,129,934
Compensated absences	51,046	-	-	-	51,046
Due to other funds	149,445	-	-	39,288	188,733
Total liabilities	<u>2,311,348</u>	<u>54,008</u>	<u>119,064</u>	<u>132,391</u>	<u>2,616,811</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>3,742,867</u>	<u>536,925</u>	<u>6,114</u>	<u>933,238</u>	<u>5,219,144</u>
Total deferred inflows of resources	<u>3,742,867</u>	<u>536,925</u>	<u>6,114</u>	<u>933,238</u>	<u>5,219,144</u>
FUND BALANCES:					
Nonspendable	99,137	110,382	-	10,734	220,253
Restricted	-	285,914	-	2,105,922	2,391,836
Committed	64,415	-	-	237,336	301,751
Assigned	163,878	-	1,523,668	-	1,687,546
Unassigned	<u>4,821,760</u>	<u>-</u>	<u>-</u>	<u>(44,845)</u>	<u>4,776,915</u>
Total fund balances	<u>5,149,190</u>	<u>396,296</u>	<u>1,523,668</u>	<u>2,309,147</u>	<u>9,378,301</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 11,203,405</u>	<u>\$ 987,229</u>	<u>\$ 1,648,846</u>	<u>\$ 3,374,776</u>	<u>\$ 17,214,256</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
RECONCILIATION OF TOTAL
GOVERNMENTAL FUND BALANCES TO NET
POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012**

Total governmental fund balances	\$ 9,378,301
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Some assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Capital Assets	53,143,705
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Income taxes receivable	2,190,034
Other taxes and intergovernmental receivables	878,701
Other receivables	337,264
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 position.	
Net position of Internal Service Funds	441,237
Internal service fund activity allocated to enterprise funds	298,997
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds:	
Bonds payable	(7,380,000)
Premium on bond	(37,035)
Compensated absences	(1,272,336)
Accrued interest on long-term debt	(23,511)
Net position of governmental activities	<u>\$ 57,955,357</u>

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, 2012

	General Fund	Street Repair & Maintenance Fund	Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES:					
Local taxes	\$ 11,617,736	\$ -	\$ 2,627,544	\$ 194,382	\$ 14,439,662
Intergovernmental revenues	921,977	1,031,201	611,408	487,659	3,052,245
Special assessments	236,034	-	26,650	500	263,184
Charges for services	1,384,898	-	-	302,774	1,687,672
Fines, licenses and permits	130,720	-	-	69,650	200,370
Investment income	105,632	4,145	17	30,362	140,156
Miscellaneous receipts and reimbursements	294,390	99,786	96,390	193,408	683,974
Total revenues	<u>14,691,387</u>	<u>1,135,132</u>	<u>3,362,009</u>	<u>1,278,735</u>	<u>20,467,263</u>
EXPENDITURES:					
Current:					
General government	832,273	-	-	1,578	833,851
Police	5,615,362	-	-	29,081	5,644,443
Fire	4,383,023	-	-	4,241	4,387,264
Judicial	1,259,491	-	-	210,530	1,470,021
Health	-	-	-	164,201	164,201
Public transportation	5,643	-	-	-	5,643
Street repair and maintenance	-	1,207,573	-	96,868	1,304,441
Community development	126,280	-	-	197,724	324,004
Community environment	686,418	-	-	17,832	704,250
Parks and recreation	1,255,588	-	-	5,334	1,260,922
Basic utility services	54,751	-	-	7,028	61,779
Capital outlay	32,653	-	2,544,481	356,467	2,933,601
Debt service:					
Principal	25,000	-	510,000	50,000	585,000
Interest	7,719	-	263,255	31,450	302,424
Total expenditures	<u>14,284,201</u>	<u>1,207,573</u>	<u>3,317,736</u>	<u>1,172,334</u>	<u>19,981,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>407,186</u>	<u>(72,441)</u>	<u>44,273</u>	<u>106,401</u>	<u>485,419</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	180,000	-	45,000	225,000
Sale of capital assets	-	-	29,635	-	29,635
Capital contributions	-	-	95,000	-	95,000
Transfers out	(470,500)	-	-	-	(470,500)
Total other financing sources (uses)	<u>(470,500)</u>	<u>180,000</u>	<u>124,635</u>	<u>45,000</u>	<u>(120,865)</u>
Net change in fund balances	(63,314)	107,559	168,908	151,401	364,554
Fund balances, beginning of year	<u>5,212,504</u>	<u>288,737</u>	<u>1,354,760</u>	<u>2,157,746</u>	<u>9,013,747</u>
Fund balances, end of year	<u>\$ 5,149,190</u>	<u>\$ 396,296</u>	<u>\$ 1,523,668</u>	<u>\$ 2,309,147</u>	<u>\$ 9,378,301</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Net change in fund balances - total governmental funds \$ 364,554

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	1,830,788
Donated Capital Assets	97,384
Current year depreciation	(2,878,525)

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

Income taxes	507,031
Intergovernmental revenue	(237,274)
Investment income	(576)
Other revenue	(33,202)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 585,000

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	(29,635)
Gain on sale of assets	26,069
Contributed capital to proprietary funds	97,600

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	93,917
Interest payable	1,849
Amortization of bond premium	4,846

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 Position	(30,319)
Add: Enterprise allocation	14,646

Change in net position of governmental activities \$ 414,153

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Stormwater	Non-major Enterprise Funds		
ASSETS						
Current assets:						
Pooled cash	\$ 2,772,047	\$ 997,303	\$ 193,933	\$ 328,617	\$ 4,291,900	\$ 125,517
Restricted cash	835,375	-	-	-	835,375	-
Receivables:						
Accounts	748,912	643,276	64,795	110,869	1,567,852	5,168
Other	1,719	88,213	-	-	89,932	-
Receivables from other governments	15,708	-	-	405,874	421,582	-
Inventory	285,692	62,558	25,861	23,864	397,975	15,806
Due from other funds	3,778	2,139	1,111	-	7,028	-
Prepaid items	14,695	12,374	-	3,586	30,655	55,865
Total current assets	<u>4,677,926</u>	<u>1,805,863</u>	<u>285,700</u>	<u>872,810</u>	<u>7,642,299</u>	<u>202,356</u>
Noncurrent assets:						
Capital assets:						
Capital assets not subject to depreciation:						
Land	1,449,255	126,320	-	826,333	2,401,908	-
Construction in progress	961,576	472,438	53,887	329,398	1,817,299	-
Capital assets net of						
accumulated depreciation	<u>13,682,885</u>	<u>18,069,692</u>	<u>4,867,094</u>	<u>3,847,630</u>	<u>40,467,301</u>	<u>436,502</u>
Total noncurrent assets	<u>16,093,716</u>	<u>18,668,450</u>	<u>4,920,981</u>	<u>5,003,361</u>	<u>44,686,508</u>	<u>436,502</u>
Total assets	<u>\$ 20,771,642</u>	<u>\$ 20,474,313</u>	<u>\$ 5,206,681</u>	<u>\$ 5,876,171</u>	<u>\$ 52,328,807</u>	<u>\$ 638,858</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 120,673	\$ 210,295	\$ 7,287	\$ 239,293	\$ 577,548	\$ 33,938
Salaries and benefits payable	79,882	69,805	16,571	30,570	196,828	60,415
Due to other funds	-	-	-	169,000	169,000	-
Current portion of long term debt	295,518	470,000	-	-	765,518	-
Compensated absences	1,543	954	588	225	3,310	941
Unearned revenue	-	38,383	-	175,226	213,609	-
Refundable deposits	120,975	-	-	290	121,265	-
Accrued interest payable	14,281	8,911	-	-	23,192	-
Total current liabilities	<u>632,872</u>	<u>798,348</u>	<u>24,446</u>	<u>614,604</u>	<u>2,070,270</u>	<u>95,294</u>
Noncurrent liabilities:						
Noncurrent portion of long term debt	6,873,606	4,601,097	-	-	11,474,703	-
Compensated absences	199,403	133,930	42,321	39,193	414,847	102,327
Total noncurrent liabilities	<u>7,073,009</u>	<u>4,735,027</u>	<u>42,321</u>	<u>39,193</u>	<u>11,889,550</u>	<u>102,327</u>
Total liabilities	<u>7,705,881</u>	<u>5,533,375</u>	<u>66,767</u>	<u>653,797</u>	<u>13,959,820</u>	<u>197,621</u>
NET POSITION						
Net investment in capital assets	9,759,967	13,597,353	4,920,981	5,003,361	33,281,662	436,502
Unrestricted	<u>3,305,794</u>	<u>1,343,585</u>	<u>218,933</u>	<u>219,013</u>	<u>5,087,325</u>	<u>4,735</u>
Total net position	<u>13,065,761</u>	<u>14,940,938</u>	<u>5,139,914</u>	<u>5,222,374</u>	<u>38,368,987</u>	<u>441,237</u>
Total liabilities and net position	<u>\$ 20,771,642</u>	<u>\$ 20,474,313</u>	<u>\$ 5,206,681</u>	<u>\$ 5,876,171</u>	<u>\$ 52,328,807</u>	<u>\$ 638,858</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(298,997)	
Total position from above					<u>38,368,987</u>	
Net position of business-type activities					<u>\$ 38,069,990</u>	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Stormwater	Non-major Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 3,508,224	\$ 3,289,516	\$ 349,251	\$ 1,860,310	\$ 9,007,301	\$ 2,018,896
Other revenue	3,778	2,468	121,949	32,645	160,840	825
Total operating revenues	<u>3,512,002</u>	<u>3,291,984</u>	<u>471,200</u>	<u>1,892,955</u>	<u>9,168,141</u>	<u>2,019,721</u>
OPERATING EXPENSES:						
Personal services	1,297,236	1,161,100	294,024	535,331	3,287,691	1,012,694
Operations and maintenance	1,707,234	1,299,534	81,653	2,015,192	5,103,613	954,296
Depreciation & amortization	530,080	892,179	190,885	275,674	1,888,818	83,050
Total operating expenses	<u>3,534,550</u>	<u>3,352,813</u>	<u>566,562</u>	<u>2,826,197</u>	<u>10,280,122</u>	<u>2,050,040</u>
Operating (loss)	<u>(22,548)</u>	<u>(60,829)</u>	<u>(95,362)</u>	<u>(933,242)</u>	<u>(1,111,981)</u>	<u>(30,319)</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income	147,978	21,095	-	-	169,073	-
Intergovernmental	-	-	-	389,164	389,164	-
Gain (loss) on disposal of assets	-	-	-	99,280	99,280	-
Interest expense	(173,755)	(117,900)	-	-	(291,655)	-
Total nonoperating revenues (expenses)	<u>(25,777)</u>	<u>(96,805)</u>	<u>-</u>	<u>488,444</u>	<u>365,862</u>	<u>-</u>
(Loss) before contributions and transfers	<u>(48,325)</u>	<u>(157,634)</u>	<u>(95,362)</u>	<u>(444,798)</u>	<u>(746,119)</u>	<u>(30,319)</u>
Capital contributions	-	74,500	23,100	-	97,600	-
Capital grants	-	69,568	-	598,109	667,677	-
Transfers out	-	(5,479)	(3,418)	-	(8,897)	-
Transfers in	8,897	-	10,000	235,500	254,397	-
Change in net position	<u>(39,428)</u>	<u>(19,045)</u>	<u>(65,680)</u>	<u>388,811</u>	<u>264,658</u>	<u>(30,319)</u>
Total net position - beginning, as restated	<u>13,105,189</u>	<u>14,959,983</u>	<u>5,205,594</u>	<u>4,833,563</u>		<u>471,556</u>
Total net position - ending	<u>\$ 13,065,761</u>	<u>\$ 14,940,938</u>	<u>\$ 5,139,914</u>	<u>\$ 5,222,374</u>		<u>\$ 441,237</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(14,646)	
Change in net assets of business-type activities					<u>\$ 250,012</u>	

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Stormwater	Non-major Enterprise Funds		
Cash flows from operating activities:						
Receipts from customers and users	\$ 3,482,144	\$ 3,364,861	\$ 256,811	\$ 1,866,259	\$ 8,970,075	\$ 74,873
Receipts from interfund services	21,160	5,552	206,901	19,721	253,334	1,939,680
Payments to suppliers	(946,666)	(676,013)	(21,981)	(1,645,709)	(3,290,369)	(862,351)
Payments to employees	(1,303,970)	(1,183,085)	(277,421)	(536,250)	(3,300,726)	(1,009,356)
Payments for interfund services used	(776,863)	(622,469)	(67,595)	(185,284)	(1,652,211)	(98,296)
Net cash provided by (used for) operating activities	<u>475,805</u>	<u>888,846</u>	<u>96,715</u>	<u>(481,263)</u>	<u>980,103</u>	<u>44,550</u>
Cash flows from noncapital financing activities:						
Transfers in	-	-	10,000	235,500	245,500	-
Intergovernmental	-	-	-	389,164	389,164	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>624,664</u>	<u>634,664</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(1,470,025)	(425,346)	(33,417)	(605,447)	(2,534,235)	(44,935)
Proceeds from sale of capital assets	-	-	-	190,942	190,942	-
Proceeds from the issuance of capital debt	87,396	-	-	-	87,396	-
Principal paid on capital debt	(295,518)	(460,000)	-	-	(755,518)	-
Interest paid on capital debt	(174,125)	(122,905)	-	-	(297,030)	-
Intergovernmental	-	69,568	-	238,117	307,685	-
Net cash (used for) capital and related financing activities	<u>(1,852,272)</u>	<u>(938,683)</u>	<u>(33,417)</u>	<u>(176,388)</u>	<u>(3,000,760)</u>	<u>(44,935)</u>
Cash flows from investing activities:						
Sale of investments	335,418	71,095	8,339	24,996	439,848	8,703
Interest on investments	148,396	21,168	-	-	169,564	-
Net cash & cash equivalent provided by investing activities	<u>483,814</u>	<u>92,263</u>	<u>8,339</u>	<u>24,996</u>	<u>609,412</u>	<u>8,703</u>
Net increase (decrease) in cash & cash equivalents	(892,653)	42,426	81,637	(7,991)	(776,581)	8,318
Pooled cash & cash equivalents, beginning of year	<u>4,500,075</u>	<u>954,877</u>	<u>112,296</u>	<u>336,608</u>	<u>5,903,856</u>	<u>117,199</u>
Pooled cash & cash equivalents, end of year	<u>\$ 3,607,422</u>	<u>\$ 997,303</u>	<u>\$ 193,933</u>	<u>\$ 328,617</u>	<u>\$ 5,127,275</u>	<u>\$ 125,517</u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:						
Operating (loss)	\$ (22,548)	\$ (60,829)	\$ (95,362)	\$ (933,242)	\$ (1,111,981)	\$ (30,319)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation & amortization	530,080	892,179	190,885	275,674	1,888,818	83,050
Change in assets and liabilities:						
Accounts receivable	(56,780)	48,236	(6,377)	(1,969)	(16,890)	(5,168)
Other receivables	49,941	(6,051)	-	(12,538)	31,352	-
Due from other funds	(3,778)	(2,139)	(1,111)	-	(7,028)	(465)
Prepaid items	565	7,927	15	(1,174)	7,333	(16,318)
Inventory	(26,825)	(20,248)	(8,508)	(12,328)	(67,909)	(3,578)
Accounts payable	9,966	13,373	570	28,411	52,320	14,010
Salaries and benefits payable and compensated absences	(6,734)	(21,985)	16,603	(919)	(13,035)	3,338
Advances in	-	-	-	169,000	169,000	-
Refundable deposits	1,918	-	-	290	2,208	-
Unearned revenue	-	38,383	-	7,532	45,915	-
Net cash provided (used) by operating activities	<u>\$ 475,805</u>	<u>\$ 888,846</u>	<u>\$ 96,715</u>	<u>\$ (481,263)</u>	<u>\$ 980,103</u>	<u>\$ 44,550</u>
Noncash investing, capital and financing activities:						
Purchase of equipment on account	\$ 7,559	\$ 141,210	\$ 5,920	\$ 5,718	\$ 160,407	\$ -
Prior year purchase of equipment on account	\$ 49,489	\$ 20,165	\$ -	\$ 18,667	\$ 88,321	\$ -
Contributions of capital assets from governmental funds	\$ -	\$ 74,500	\$ 23,100	\$ -	\$ 97,600	\$ -
Transfer net book value of equipment	\$ 8,897	\$ (5,479)	\$ (3,418)	\$ -	\$ -	\$ -

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

	Agency Funds	Private-Purpose Trust Fund C.Truster Flower Trust
	<u> </u>	<u> </u>
ASSETS		
Pooled cash	\$ 42,484	\$ 2,742
Municipal Court checking account	<u>142,646</u>	<u>-</u>
Total assets	<u>\$ 185,130</u>	<u>\$ 2,742</u>
LIABILITIES		
Due to other governments	86,834	-
Undistributed monies	<u>98,296</u>	<u>2,742</u>
Total liabilities	<u>\$ 185,130</u>	<u>\$ 2,742</u>

See Notes to the Basic Financial Statements

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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, 2012.

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 Career Center, 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 position 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. Exceptions to this general rule are charges between the government's water, sewer,

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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 "Invested in 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 position is 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 position is restricted for other purposes result from special revenue funds and the restrictions on their intended 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, 2012

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 it accounts 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 restricted for street maintenance and repair.

Capital Improvement Fund – To account for the income tax resources 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 customer user charges.

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. The City also has one private-purpose trust fund the C. Truster Flower Trust Fund.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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 inflows of resources on its governmental funds' balance sheet. Deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows of resources 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 inflow of resources 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 the net total position. 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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

Fiduciary Funds. The agency funds and private-purpose trust fund, being custodial in nature, are merely "assets equal liabilities" and, thus, do not involve the measurement of results of operations. Fiduciary 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.

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 and the GAAP basis are that:

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- (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 restricted, committed, or assigned fund balance (GAAP).
- (3) Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a restricted, committed, or assigned 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.

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 position/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 used. Reported inventories are included within the nonspendable fund balance classification in the governmental funds category, which indicates that it does not constitute available resources.

Payments made to vendors for services that will benefit periods beyond December 31, 2012 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 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.

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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 26
Buildings and improvements	10 to 45
Machinery and equipment	3 to 20
Infrastructure	23 to 50

H. 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. These amounts are recorded in the General fund as compensated absences.

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.

I. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory & prepaid expenses) or have a legal or contractual requirement to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators, or through enabling legislation.

Committed – resources that are constrained for specific purposes that are internally imposed on them by the government by formal action (ordinance) at its highest level of decision making authority, City Council. These committed amounts cannot be used for any other purpose unless the City Council changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – resources that are intended to be used for specific purposes as approved by the City Manager with authority given by City Charter.

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Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The City applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net assets are available. The City considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

J. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net position has no restricted net position.

K. Restricted Assets

The City has certain resources from the bond issuance of Water fund Recovery Zone Economic Development Bonds in the amount of \$835,375. These resources are classified as restricted cash on the Statement of Net Assets because their use is limited by bond covenants. These resources are to fund the purchase of the new water source property acquisition and other new water source project costs.

L. Pensions

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

M. Grants and Other Intergovernmental Revenues

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

N. Interfund Activity

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

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

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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.

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.
- Imprest cash held on hand and was \$3,100 at December 31, 2012.

At December 31, 2012 the carrying amount of the City's deposits was \$15,628,661 and the bank balance was \$15,862,313. Of the bank balance:

1. \$514,034 was covered by federal depository insurance;
2. \$15,348,279 was collateralized with securities held by the pledging financial institution's trust departments or agents, but not in the City's name.

3. Pooled Investments:

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

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

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

Credit Risk. As of December 31, 2012, the City's investments in government-sponsored corporations were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. 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,

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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%

4. Income Taxes:

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

5. Property Taxes:

Property taxes are levied against all real and public utility 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 2012 were levied on December 31, 2011 on assessed values listed as of January 1, 2011, the lien date. One-half of these taxes were due on February 14, 2012 with the remaining balance due on July 20, 2012.

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 2011. Public utility property taxes are assessed on tangible personal property as well as land and improvements at true value (50% of cost). The assessed value for 2011 upon which the 2012 levy was based was approximately \$356,004,730. The assessed value for 2012 upon which the 2013 levy will be based is approximately \$355,354,130.

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.

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6. Capital Assets:

Capital asset activity for the year ended December 31, 2012 was as follows:

Governmental activities:

	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 7,632,261	\$ 122,601	\$ -	\$ -	\$ 7,754,862
Construction in progress	2,562,418	265,269	-	-	2,827,687
Subtotal	<u>10,194,679</u>	<u>387,870</u>	<u>-</u>	<u>-</u>	<u>10,582,549</u>
<i>Capital assets being depreciated:</i>					
Buildings and improvements	18,131,245	265,156	-	-	18,396,401
Machinery and equipment	9,842,204	437,746	(118,946)	(37,100)	10,123,904
General infrastructure	47,543,900	979,935	-	-	48,523,835
Subtotal	<u>75,517,349</u>	<u>1,682,837</u>	<u>(118,946)</u>	<u>(37,100)</u>	<u>77,044,140</u>
Totals at historical cost	<u>85,712,028</u>	<u>2,070,707</u>	<u>(118,946)</u>	<u>(37,100)</u>	<u>87,626,689</u>
<i>Less accumulated depreciation for:</i>					
Buildings and improvements	5,379,928	464,488	-	-	5,844,416
Machinery and equipment	7,082,085	673,785	(115,380)	(37,100)	7,603,390
General infrastructure	18,775,374	1,823,302	-	-	20,598,676
Total accumulated depreciation	<u>31,237,387</u>	<u>2,961,575</u>	<u>(115,380)</u>	<u>(37,100)</u>	<u>34,046,482</u>
Net capital assets	<u>\$ 54,474,641</u>	<u>\$ (890,868)</u>	<u>\$ (3,566)</u>	<u>\$ -</u>	<u>\$ 53,580,207</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 30,057
Police	365,146
Fire	244,710
Judicial	108,030
Health	33,913
Street repairs and maintenance	1,894,452
Community development	0
Community environment	11,946
Parks and recreation	<u>190,271</u>

Total governmental funds depreciation expense \$ 2,878,525

Portion of internal service funds' depreciation allocable to governmental activities 83,050

Total additions to accumulated depreciation of governmental activities \$ 2,961,575

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Business-type activities:

	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 790,693	\$ 1,709,953	\$ (98,738)	\$ -	\$ 2,401,908
Construction in progress	2,908,397	783,592	-	(1,874,690)	1,817,299
Subtotal	<u>3,699,090</u>	<u>2,493,545</u>	<u>(98,738)</u>	<u>(1,874,690)</u>	<u>4,219,207</u>
<i>Capital assets being depreciated:</i>					
Buildings, improvements and Infrastructure	59,386,754	133,731	-	1,874,690	61,395,175
Machinery and equipment	<u>11,711,431</u>	<u>83,719</u>	<u>(390,045)</u>	<u>21,190</u>	<u>11,426,295</u>
Subtotal	<u>71,098,185</u>	<u>217,450</u>	<u>(390,045)</u>	<u>1,895,880</u>	<u>72,821,470</u>
Totals at historical cost	<u>74,797,275</u>	<u>2,710,995</u>	<u>(488,783)</u>	<u>21,190</u>	<u>77,040,677</u>
<i>Less accumulated depreciation for:</i>					
Buildings, improvements and Infrastructure	23,100,744	1,439,918	-	-	24,540,662
Machinery and equipment	<u>7,733,464</u>	<u>448,900</u>	<u>(390,047)</u>	<u>21,190</u>	<u>7,813,507</u>
Total accumulated depreciation	<u>30,834,208</u>	<u>1,888,818</u>	<u>(390,047)</u>	<u>21,190</u>	<u>32,354,169</u>
Net capital assets	<u>\$ 43,963,067</u>	<u>\$ 822,177</u>	<u>\$ (98,736)</u>	<u>\$ -</u>	<u>\$ 44,686,508</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 530,080
Sewer	892,179
Transportation	166,770
Stormwater	190,885
Yard waste	3,589
Airport	73,602
Swimming Pool	<u>31,713</u>
Total additions to accumulated depreciation of business-type activities	<u>\$ 1,888,818</u>

7. Pension Plans:

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

Ohio Public Employees Retirement System

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

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

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value of member and (vested) employer contributions plus any investment earnings.

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional 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 visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, the member and employer contribution rates were consistent across all three plans. The 2012 member contribution rates were 10.0% of covered payroll.

The 2012 employer contribution rate was 14.00% of covered payroll. The City's employers' contributions, representing 88% for 2012, 100% for 2011 and 2010, for the years ended December 31, 2012, 2011, and 2010 were \$958,398, \$1,025,845, and \$1,036,199, respectively. The unpaid portion of \$119,221 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 72% for 2012, 100% for 2011 and 2010 for the years ended December 31, 2012, 2011 and 2010 were \$1,125,199, \$1,192,418, and \$1,131,376, respectively. The unpaid portion of \$317,476 is reported as liability in the respective funds.

8. Post-Employment Benefits:

A. Ohio Public Employees Retirement System

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

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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. The Ohio Revised Code provides the statutory authority requiring employers to fund post-retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0% of covered payroll. The ORC currently limits the employer contributions to a rate not to exceed 14.0% of covered payroll. 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 4.0% during calendar year 2012. The portion of employer contribution allocated to the health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary. 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, 2012, 2011 and 2010, was \$273,814, \$293,084, and \$375,235 respectively; 88% has been contributed for 2012 and 100% for 2011 and 2010.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the health care fund after the end of the transition period.

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

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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. Authorities 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. That report is also available on OP&F's website at www.op-f.org.

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, 2012, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustee's primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Section 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected.

The City's actual contributions for 2012, 2011 and 2010 that were used to fund post-employment benefits for police and firefighters were \$349,350, \$370,468 and \$352,637, respectively; 72% has been contributed for 2012 and 100% for 2011 and 2010.

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9. Noncurrent Liabilities:

The following is a summary of changes for noncurrent liabilities of the City for the year ended December 31, 2012:

Governmental activities:	Restated Balance January 1, 2012	Additions	Reductions	Balance December 31, 2012	Due Within One Year
Capital Improvement fund:					
<i>G.O. bonds, 2011-2018, 2.0%, Monumental Bldg renovation</i>	1,260,000	-	175,000	1,085,000	175,000
<i>G.O. bonds, 2005-2024, 4.0% to 4.7%, Police Facility Construction</i>	5,455,000	-	335,000	5,120,000	345,000
General fund:					
<i>G.O. bonds, 2011-2022, 2.0% to 2.5%, Fire & Police Pension</i>	345,000	-	25,000	320,000	30,000
Kuther Road TIF fund:					
<i>G.O. bonds 2010-2030, 2.0% to 4.25%, , Kuther Road TIF, Water & Sewer Infrastructure</i>	235,000	-	10,000	225,000	10,000
Menards TIF fund:					
<i>G.O. bonds, 2010-2025, 2.0% to 4.0%, Menards TIF, Sewer Infrastructure</i>	670,000	-	40,000	630,000	40,000
Premium on Bonds	41,880	-	4,845	37,035	-
Accrued vacation and sick leave	<u>1,490,230</u>	<u>1,831,571</u>	<u>1,895,151</u>	<u>1,426,650</u>	<u>122,387</u>
Total	<u>\$ 9,497,110</u>	<u>\$ 1,831,571</u>	<u>\$ 2,484,996</u>	<u>\$ 8,843,685</u>	<u>\$ 722,387</u>
Business-type activities:					
Water fund:					
<i>O.W.D.A. loans, 2009-2029, 0% ARRA –Distribution system upgrades, Automated water meter reads system</i>	\$ 3,853,685	\$ 87,397	\$ 219,810	\$ 3,721,272	\$ 219,810
<i>O.W.D.A. loans, 2009-2029, 0% ARRA – NMHP distribution system</i>	282,744	-	15,708	267,036	15,708
<i>G.O. bonds, 2010-2040, 2.0% to 4.5% Water Source testing</i>	700,000	-	15,000	685,000	15,000
Premium on Bonds	3,958	-	141	3,817	-

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Notes to the Basic Financial Statements
December 31, 2012

Business-type activities:	Restated Balance January 1, 2012	Additions	Reductions	Balance December 31, 2012	Due Within One Year
Water fund (continued):					
<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) Water source property acquisition and other water source projects</i>	2,537,000	-	45,000	2,492,000	45,000
Sewer fund:					
<i>G.O. bonds, 2011-2022, 2.0% to 2.5% - Wastewater system improvements</i>	5,500,000	-	460,000	5,040,000	470,000
Premium on Bonds	34,206	-	3,110	31,096	-
Accrued vacation and sick leave	<u>440,038</u>	<u>533,267</u>	<u>555,148</u>	<u>418,157</u>	<u>3,310</u>
Total	<u>\$ 13,351,631</u>	<u>\$ 620,664</u>	<u>\$ 1,313,917</u>	<u>\$ 12,658,378</u>	<u>\$ 768,828</u>

The full faith and credit of the City are pledged as collateral for all general obligation bonds. The 2012 beginning balances have been restated to reflect an increase for a prior period adjustment for the deferred gain on last year's current refunding which totaled \$28,463 in Capital Improvement Fund and \$122,415 in Sewer Fund as well as a change in accounting principle for GASB Statement No. 65 of bond issuance costs of \$25,044 in Capital Improvement Fund and \$27,091 in the Sewer Fund.

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, 2012, \$4,396,202 had been drawn on the loan; however, semi-annual payments of \$109,905 began on July 1, 2010. Water revenue, net of operating and maintenance expenses, is pledged as repayment for this loan.

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. 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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, 2012 are \$3,988,308. Principal paid and total customer net revenues for 2012 were \$235,518 and \$3,508,224, respectively.

The City has 30-year taxable general obligation Recovery Zone Economic Development Bonds issued in 2010 in the amount of \$2,542,000. The federal government subsidizes the bonds by reimbursing the City for 45% of the interest payments. Bond proceeds of \$1,706,625 were used to pay for new water source project costs. The unspent proceeds as of December 31, 2012 totaling \$835,375 will be used for new water source property acquisition and other water infrastructure project costs.

Annual requirements to pay principal and interest on long-term debt at December 31, 2012 are:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Federal Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Subsidy</u>
2013	\$ 600,000	\$ 282,129	\$ 765,518	\$ 278,304	\$ (64,450)
2014	615,000	263,229	770,518	266,151	(63,347)
2015	635,000	243,829	775,518	253,899	(62,243)
2016	655,000	223,454	775,518	241,471	(61,139)
2017	660,000	201,719	795,518	228,969	(60,036)
2018-2022	2,885,000	664,123	4,197,591	934,843	(280,926)
2023-2027	1,275,000	108,030	1,652,590	642,435	(242,667)
2028-2032	55,000	4,888	1,065,537	506,450	(192,634)
2033-2037	-	-	805,000	315,225	(120,690)
2038-2041	-	-	602,000	70,185	(27,027)
Total	\$ 7,380,000	\$ 1,991,401	\$12,205,308	\$ 3,737,932	\$ (1,175,159)

10. Contingent Liabilities:

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

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2012

11. Interfund Receivables and Payables:

Interfund balances in the basic financial statements at December 31, 2012 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 11,147	\$ 149,445
Street	20,868	-
Capital Improvement	149,445	-
Water	3,778	-
Sewer	2,139	-
Stormwater	1,111	-
Non-major governmental funds	<u>245</u>	<u>39,288</u>
	<u>\$ 188,733</u>	<u>\$ 188,733</u>

Interfund balances at December 31, 2012 resulted from the timing difference of when reimbursable expenditures occurred and when the payments between funds were made.

A cash advance was made from the Capital Improvement Fund to the Airport Fund in the amount of \$169,000 to provide for grant related expenditures which are reimbursed by grant dollars.

12. Interfund Transfers:

Interfund transfers in the basic financial statements for the year ended December 31, 2012 were:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 470,500
Street fund	180,000	-
Non-major governmental funds	45,000	-
Stormwater	10,000	-
Non-major enterprise funds	<u>235,500</u>	<u>-</u>
	<u>\$ 470,500</u>	<u>\$ 470,500</u>

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

In 2012 two vehicles were transferred one was from the Stormwater Fund to the Sewer Fund with a net book value of \$3,418. The other transfer was from the Sewer Fund to the Water Fund with a net book value of \$8,897.

13. 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 2012, the Association's per-occurrence retention limit for property was \$250,000, 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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

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

14. Components of Fund Balance:

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General Fund	Street Repair & Maintenance Fund	Capital Improvement Fund	Other Non-major Governmental Funds	Total
Fund balances:					
Nonspendable					
Inventory	\$ 55,532	\$ 109,787	\$ -	\$ -	\$ 165,319
Prepaid Expenses	43,605	595	-	10,734	54,934
Restricted for:					
Streets & Highways	-	285,914	-	56,268	342,182
Law Enforcement	-	-	-	237,497	237,497
Municipal Court	-	-	-	581,916	581,916
Cemetery	-	-	-	816,598	816,598
Community development	-	-	-	117,932	117,932
Tax incremental financing	-	-	-	290,035	290,035
Other purposes	-	-	-	5,676	5,676
Committed to:					
Seperation pay	64,415	-	-	-	64,415
Health	-	-	-	165,937	165,937
Other purposes	-	-	-	71,399	71,399
Assigned to:					
Capital projects	-	-	1,523,668	-	1,523,668
Other purposes	163,878	-	-	-	163,878
Unassigned:	4,821,760	-	-	(44,845)	4,776,915
	<u>\$ 5,149,190</u>	<u>\$ 396,296</u>	<u>\$ 1,523,668</u>	<u>\$ 2,309,147</u>	<u>\$ 9,378,301</u>

15. Fund Deficit:

At December 31, 2012, Revenue Collections Fund had a deficit fund balance of \$93,806. 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 \$110,016 as of December 31, 2012. Solid Waste

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2012

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 \$1,375, Moving Ohio Forward Fund has a deficit fund balance of \$1,950, FEMA Fund has a deficit fund balance of \$37,494, and Municipal Court Mental Health Grant Fund had a deficit fund balance of \$4,026 at December 31, 2012, 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.

16. Change in Accounting Principle / Prior Period Adjustment and Restatement of Net Position:

Change in Accounting Principle:

For 2012, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements.", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities".

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and Local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the City.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the City's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

The implementation of GASB Statement No. 65 reclassifies certain items that were previously reported as assets and liabilities as deferred outflows of resources, deferred inflows of resources, or current-period outflows and inflows. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

Prior Period Adjustment:

As of December 31, 2011, the City reported a deferred gain for both governmental and business-type activities as a result of a current debt refunding. This deferred gain, recorded against the outstanding debt, inadvertently included principal payments.

Restatement of Net Position:

The implementation of GASB Statement 65 and the prior period adjustment had the following effect on the financial statements of the City:

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2012

	Governmental Activities	Water	Sewer	Business-type Activities
Net position as previously reported, 1/1/2012	\$ 57,689,128	\$ 13,209,872	\$ 15,205,357	\$ 38,170,035
Removal of unamortized bond costs	(94,417)	(104,683)	(95,867)	(200,550)
Removal of deferred gain on current refunding	(53,507)	-	(149,507)	(149,507)
Net position, 1/1/2012, as restated	<u>\$ 57,541,204</u>	<u>\$ 13,105,189</u>	<u>\$ 14,959,983</u>	<u>\$ 37,819,978</u>

17. Contractual Commitment:

The encumbrances (amounts committed to liquidate purchase orders of the prior periods) at December 31, 2012 for governmental activities are as follows:

<u>Fund</u>	<u>Total Encumbrances</u>
General	\$ 163,879
Street Capital Improvement	21,780
Non-major	406,485
	217,502
Total	<u>\$ 809,646</u>

18. 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, 2012, 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.

19. Subsequent Event:

In February 2013, the City was issued a notice that an underground storage tank owned by the City was not in compliance. The City is taking all necessary measures to comply with the Bureau of Underground Storage Tank Regulations (BUSTR). Per GASB Statement No. 49, the City would be obligated for any potential cost of any pollution remediation. As of December 31, 2012, no known pollution remediation liability has been recorded as these potential costs are unknown.

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, 2012

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 10,924,331	\$ 10,924,331	\$ 12,129,661	\$ 1,205,330
Intergovernmental revenues	1,020,791	1,020,791	950,378	(70,413)
Special assessments	230,300	230,300	235,666	5,366
Charges for services	1,468,323	1,468,323	1,407,466	(60,857)
Fines, licenses and permits	124,275	124,275	131,551	7,276
Investment income	25,000	25,000	107,248	82,248
Miscellaneous receipts and reimbursements	-	-	-	-
	<u>1,588,556</u>	<u>1,588,556</u>	<u>1,733,605</u>	<u>145,049</u>
Total revenues	<u>15,381,576</u>	<u>15,381,576</u>	<u>16,695,575</u>	<u>1,313,999</u>
EXPENDITURES:				
Current:				
General government	2,652,689	2,896,809	2,746,170	150,639
Police	5,640,503	5,738,048	5,549,399	188,649
Fire	4,332,577	4,387,733	4,322,547	65,186
Judicial	1,151,296	1,126,997	1,111,750	15,247
Community development	137,434	133,734	128,717	5,017
Community environment	683,000	705,293	689,867	15,426
Parks and recreation	1,263,447	1,265,162	1,239,112	26,050
Capital outlay	-	38,128	16,704	21,424
	<u>-</u>	<u>38,128</u>	<u>16,704</u>	<u>21,424</u>
Total expenditures	<u>15,860,946</u>	<u>16,291,904</u>	<u>15,804,266</u>	<u>487,638</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(479,370)</u>	<u>(910,328)</u>	<u>891,309</u>	<u>1,801,637</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(455,500)</u>	<u>(470,500)</u>	<u>(470,500)</u>	<u>-</u>
Total other financing sources	<u>(455,500)</u>	<u>(470,500)</u>	<u>(470,500)</u>	<u>-</u>
Net change in fund balance	(934,870)	(1,380,828)	420,809	1,801,637
Fund Balances, beginning of year	5,092,780	5,092,780	5,092,780	-
Prior Year Encumbrances	<u>257,636</u>	<u>257,636</u>	<u>257,636</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 4,415,546</u>	<u>\$ 3,969,588</u>	<u>\$ 5,771,225</u>	<u>\$ 1,801,637</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, 2012

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Intergovernmental revenues	\$ 1,085,237	\$ 1,085,237	\$ 1,035,990	\$ (49,247)
Charges for services	-	-	623	623
Investment Income	160	160	4,172	4,012
Miscellaneous receipts and reimbursements	91,500	80,500	78,008	(2,492)
Total revenues	1,176,897	1,165,897	1,118,793	(47,104)
EXPENDITURES:				
Current:				
Street repair & maintenance	1,355,476	1,364,170	1,237,098	127,072
Total expenditures	1,355,476	1,364,170	1,237,098	127,072
Deficiency of revenues under expenditures	(178,579)	(198,273)	(118,305)	79,968
OTHER FINANCING SOURCES (USES):				
Transfers in	180,000	180,000	180,000	-
Total other financing sources	180,000	180,000	180,000	-
Net change in fund balance	1,421	(18,273)	61,695	79,968
Fund Balances, beginning of year	125,845	125,845	125,845	-
Prior Year Encumbrances	26,348	26,348	26,348	-
Fund Balances, end of year	\$ 153,614	\$ 133,920	\$ 213,888	\$ 79,968

See Notes to the Required Supplementary Information.

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2012

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;
 - 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;

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2012

- 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, 2012, 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>	\$ (63,314)	\$ 107,559
Increase / (decrease):		
Due to revenues	2,004,188	(16,339)
Due to expenditures	(1,520,065)	(29,525)
Net change in fund balance - Budget Basis	\$ 420,809	\$ 61,695

CITY OF SIDNEY



OHIO

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 restricted for street maintenance and repair of state highways within the City.

County Auto License Fund. To account for county-levied motor vehicle registration fees restricted 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.

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

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

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

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

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

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.

CITY OF SIDNEY, OHIO
Fund Descriptions

IDAT - Surplus Fund (Municipal Court). To account for the resources and expenditures declared to be Indigent Driver Alcohol Treatment Surplus funds. This fund is not required to have a legally adopted budget.

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

Municipal Court Mental Health Grant Fund. To account for the resources and expenditures of the Justice and Mental Health Collaboration Program grant as administered by Sidney Municipal 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 committed 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 committed 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.

Moving Ohio Forward Fund. To account for funds received as a part of the Moving Ohio Forward Grant Program. This funding is for removal of blighted residences, resulting in properties which are cleared and available for future reuse.

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.

CITY OF SIDNEY, OHIO
Fund Descriptions

TIF – Kuther Rd 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 the Echo Business Center subdivision.

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:

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

ENTERPRISE FUNDS

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

Major enterprise funds:

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

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

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

Non-major enterprise funds:

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

CITY OF SIDNEY, OHIO
Fund Descriptions

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

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 these services.

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

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

CITY OF SIDNEY, OHIO
Fund Descriptions

PRIVATE-PURPOSE TRUST FUND

Private purpose funds are used to account for a trust arrangement where specific benefits accrue to specific individuals.

C. Trustee Flower Trust Fund. To account for the purchase and placement of flowers upon the monument of Grantor and Grantor's sister at Memorial Day at the Graceland Cemetery until distribution amount is exhausted.

**CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2012**

	Non-major Special Revenue Funds	Brookside Park Capital Projects Fund	Total Non-major Governmental Funds
ASSETS			
Pooled cash	\$ 2,387,630	\$ 1,766	\$ 2,389,396
Cash held by outside agent	11,944	-	11,944
Receivables:			
Property taxes	130,727	-	130,727
Other taxes	3,229	-	3,229
Interest	169	-	169
Loans	659,640	-	659,640
Other	63,700	-	63,700
Due from other funds	245	-	245
Receivables from other governments	104,992	-	104,992
Prepaid items	10,734	-	10,734
	<u>3,373,010</u>	<u>1,766</u>	<u>3,374,776</u>
Total assets	<u>\$ 3,373,010</u>	<u>\$ 1,766</u>	<u>\$ 3,374,776</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 69,793	\$ -	\$ 69,793
Salaries and benefits payable	23,310	-	23,310
Due to other funds	39,288	-	39,288
	<u>132,391</u>	<u>-</u>	<u>132,391</u>
Total liabilities	<u>132,391</u>	<u>-</u>	<u>132,391</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	933,238	-	933,238
Total deferred inflows of resources	933,238	-	933,238
FUND BALANCES			
Nonspendable	10,734	-	10,734
Restricted	2,105,922	-	2,105,922
Committed	235,570	1,766	237,336
Unassigned	(44,845)	-	(44,845)
	<u>2,307,381</u>	<u>1,766</u>	<u>2,309,147</u>
Total fund balances	<u>2,307,381</u>	<u>1,766</u>	<u>2,309,147</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,373,010</u>	<u>\$ 1,766</u>	<u>\$ 3,374,776</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, 2012

	Non-major Special Revenue Funds	Brookside Park Capital Projects Fund	Total Non-major Governmental Funds
REVENUES:			
Local taxes	\$ 194,382	\$ -	\$ 194,382
Intergovernmental revenues	487,659	-	487,659
Special assessments	500	-	500
Charges for services	302,774	-	302,774
Fines, licenses and permits	69,650	-	69,650
Investment income	30,362	-	30,362
Miscellaneous receipts and reimbursements	38,408	155,000	193,408
	<hr/>	<hr/>	<hr/>
Total revenues	1,123,735	155,000	1,278,735
EXPENDITURES:			
Current:			
General government	1,578	-	1,578
Police	29,081	-	29,081
Fire	4,241	-	4,241
Judicial	210,530	-	210,530
Health	164,201	-	164,201
Street repairs and maintenance	96,868	-	96,868
Community development	197,724	-	197,724
Community environment	17,832	-	17,832
Parks and recreation	5,334	-	5,334
Basic utility services	7,028	-	7,028
Capital outlay	350,343	6,124	356,467
Debt service:			
Principal	50,000	-	50,000
Interest	31,450	-	31,450
	<hr/>	<hr/>	<hr/>
Total expenditures	1,166,210	6,124	1,172,334
Excess (deficiency) of revenues over (under) expenditures	<hr/> (42,475)	<hr/> 148,876	<hr/> 106,401
OTHER FINANCING SOURCES:			
Transfers in	45,000	-	45,000
	<hr/>	<hr/>	<hr/>
Total other financing sources	45,000	-	45,000
Net change in fund balance	2,525	148,876	151,401
Fund balances, beginning of year	<hr/> 2,304,856	<hr/> (147,110)	<hr/> 2,157,746
Fund balances, end of year	<hr/> <u>\$ 2,307,381</u>	<hr/> <u>\$ 1,766</u>	<hr/> <u>\$ 2,309,147</u>

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2012

	State Highway	County Auto License	Convention and Visitors Bureau			Parking Enforcement	Drug Law Enforcement	Law Enforcement	Indigent Driver Alcohol Treatment	Enforcement & Education
ASSETS										
Pooled cash	\$ 810	\$ 49,701	\$ 17,969	\$ 69,045	\$ 24,299	\$ 26,772	\$ 23,030	\$ 19,294		
Cash held by outside agent	-	11,944	-	-	-	-	-	-	-	
Receivables:										
Property taxes	-	-	-	-	-	-	-	-	-	
Other taxes	-	-	3,229	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	-	
Other	-	-	-	1,020	-	-	707	-	123	
Due from other funds	-	-	-	-	-	-	-	-	-	
Receivables from other governments	45,039	-	-	-	-	-	-	-	-	
Prepaid items	-	-	-	-	-	100	-	-	-	
Total assets	\$ 45,849	\$ 61,645	\$ 21,198	\$ 70,065	\$ 24,299	\$ 26,872	\$ 23,737	\$ 19,417		
LIABILITIES										
Accounts payable	-	-	-	432	-	-	1,382	-	-	
Salaries and benefits payable	-	-	-	-	-	-	-	-	544	
Due to other funds	-	-	-	-	-	-	-	-	-	
Total liabilities	-	-	17,969	432	-	-	1,382	-	544	
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue	39,282	11,944	-	-	-	-	-	-	-	
Total deferred inflows of resources	39,282	11,944	-	-	-	-	-	-	-	
FUND BALANCES										
Nonspendable	-	-	-	-	-	100	-	-	-	
Restricted	6,567	49,701	3,229	-	24,299	26,772	22,355	-	18,873	
Committed	-	-	-	69,633	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	-	
Total fund balances	6,567	49,701	3,229	69,633	24,299	26,872	22,355	-	18,873	
Total liabilities, deferred inflows of resources and fund balances	\$ 45,849	\$ 61,645	\$ 21,198	\$ 70,065	\$ 24,299	\$ 26,872	\$ 23,737	\$ 19,417		

(continued)

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2012

	Health Department Building Lease	F.E.M.A. Grant	Probation Grant	Municipal Court Special Projects	Indigent Driver Interlock & Alcohol Monitoring	IDAT - Surplus	Municipal Court Computer	Municipal Court Mental Health Grant
ASSETS								
Pooled cash	\$ 165,937	\$ 9	\$ 2,365	\$ 492,430	\$ 34,472	\$ 26,101	\$ 14,686	\$ -
Cash held by outside agent	-	-	-	-	-	-	-	-
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other	-	-	-	8,187	383	-	2,181	-
Due from other funds	-	-	-	-	-	-	-	-
Receivables from other governments	-	37,503	-	-	-	-	-	5,901
Prepaid items	1,735	-	-	-	-	-	-	-
Total assets	\$ 167,672	\$ 37,512	\$ 2,365	\$ 500,617	\$ 34,855	\$ 26,101	\$ 16,867	\$ 5,901
LIABILITIES								
Accounts payable	-	-	-	\$ 33	\$ 2,620	\$ 4,083	-	\$ 2,167
Salaries and benefits payable	-	-	3,740	12,143	-	-	-	1,949
Due to other funds	-	37,503	-	-	-	-	-	1,785
Total liabilities	-	37,503	3,740	12,176	2,620	4,083	-	5,901
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	37,503	-	-	-	-	-	4,026
Total deferred inflows of resources	-	37,503	-	-	-	-	-	4,026
FUND BALANCES								
Nonspendable	1,735	-	-	-	-	-	-	-
Restricted	-	-	-	488,441	32,235	22,018	16,867	-
Committed	165,937	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(37,494)	(1,375)	-	-	-	-	(4,026)
Total fund balances	167,672	(37,494)	(1,375)	488,441	32,235	22,018	16,867	(4,026)
Total liabilities, deferred inflows of resources and fund balances	\$ 167,672	\$ 37,512	\$ 2,365	\$ 500,617	\$ 34,855	\$ 26,101	\$ 16,867	\$ 5,901

(continued)

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2012

	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
ASSETS								
Pooled cash	\$ 54,224	\$ 736,240	\$ 29,947	\$ 61,674	\$ 43,490	\$ 10,462	\$ 39,021	\$ 216
Cash held by outside agent	-	-	-	-	-	-	-	-
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	169	-	-	-
Loans	-	-	-	618,377	41,263	-	-	-
Other	50,031	-	1,068	-	-	-	-	-
Due from other funds	245	-	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	-	-	-
Prepaid items	271	-	-	-	-	-	-	-
Total assets	\$ 104,771	\$ 736,240	\$ 31,015	\$ 680,051	\$ 84,922	\$ 10,462	\$ 39,021	\$ 216
LIABILITIES								
Accounts payable	\$ 1,313	\$ 111	-	\$ 18,557	\$ 19,176	\$ -	\$ -	\$ -
Salaries and benefits payable	4,934	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	6,247	111	-	18,557	19,176	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	47,731	-	1,068	618,377	40,630	-	-	-
Total deferred inflows of resources	47,731	-	1,068	618,377	40,630	-	-	-
FUND BALANCES								
Nonspendable	271	-	-	-	-	-	-	-
Restricted	50,522	736,129	29,947	43,117	25,116	10,462	39,021	216
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	50,793	736,129	29,947	43,117	25,116	10,462	39,021	216
Total liabilities, deferred inflows of resources and fund balances	\$ 104,771	\$ 736,240	\$ 31,015	\$ 680,051	\$ 84,922	\$ 10,462	\$ 39,021	\$ 216

(continued)

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2012

	Moving Ohio Forward	E-911 Wireless	Fire Loss Security	CRA	TIF - Kuther Rd	TIF - Menards	TIF - Echo	Non-major Special Revenue Funds Totals
ASSETS								
Pooled cash	\$ -	\$ 152,954	\$ -	\$ 2,447	\$ 49,045	\$ 234,931	\$ 6,059	\$ 2,387,630
Cash held by outside agent	-	-	-	-	-	-	-	11,944
Receivables:								
Property taxes	-	-	-	-	28,220	97,753	4,754	130,727
Other taxes	-	-	-	-	-	-	-	3,229
Interest	-	-	-	-	-	-	-	169
Loans	-	-	-	-	-	-	-	659,640
Other	-	-	-	-	-	-	-	63,700
Due from other funds	-	-	-	-	-	-	-	245
Receivables from other governments	1,950	14,599	-	-	-	-	-	104,992
Prepaid items	-	8,628	-	-	-	-	-	10,734
Total assets	\$ 1,950	\$ 176,181	\$ -	\$ 2,447	\$ 77,265	\$ 332,684	\$ 10,813	\$ 3,373,010
LIABILITIES								
Accounts payable	\$ 1,950	-	-	-	-	-	-	\$ 69,793
Salaries and benefits payable	-	-	-	-	-	-	-	23,310
Due to other funds	-	-	-	-	-	-	-	39,288
Total liabilities	1,950							132,391
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	1,950	-	-	-	28,220	97,753	4,754	933,238
Total deferred inflows of resources	1,950				28,220	97,753	4,754	933,238
FUND BALANCES								
Nonspendable	-	8,628	-	-	-	-	-	10,734
Restricted	-	167,553	-	2,447	49,045	234,931	6,059	2,105,922
Committed	-	-	-	-	-	-	-	235,570
Assigned	-	-	-	-	-	-	-	-
Unassigned	(1,950)	-	-	-	-	-	-	(44,845)
Total fund balances	(1,950)	176,181	-	2,447	49,045	234,931	6,059	2,307,381
Total liabilities, deferred inflows of resources and fund balances	\$ 1,950	\$ 176,181	\$ -	\$ 2,447	\$ 77,265	\$ 332,684	\$ 10,813	\$ 3,373,010

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, 2012

	State Highway	County Auto License	Convention and Visitors Bureau	Parking Enforcement	Drug Law Enforcement	Law Enforcement	Indigent Driver Alcohol Treatment	Enforcement & Education
REVENUES:								
Local taxes	\$ -	\$ -	\$ 65,169	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	75,587	95,000	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines, licenses and permits	-	-	-	17,565	7,890	21,046	19,950	3,199
Investment income	752	-	-	-	-	-	-	-
Miscellaneous receipts and reimbursements	-	-	-	-	-	-	-	-
Total revenues	76,339	95,000	65,169	17,565	7,890	21,046	19,950	3,199
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	-	-
Police	-	-	-	-	1,000	7,886	-	6,271
Fire	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	24,007	-
Health	-	-	-	-	-	-	-	-
Street repairs and maintenance	76,000	-	-	-	-	-	-	-
Community development	-	-	67,969	-	-	-	-	-
Community environment	-	-	-	17,832	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-	-	-
Capital outlay	-	95,000	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	76,000	95,000	67,969	17,832	1,000	7,886	24,007	6,271
Excess (deficiency) of revenues over (under) expenditures	339	-	(2,800)	(267)	6,890	13,160	(4,057)	(3,072)
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	339	-	(2,800)	(267)	6,890	13,160	(4,057)	(3,072)
Fund balances, beginning of year	6,228	49,701	6,029	69,900	17,409	13,712	26,412	21,945
Fund balances, end of year	6,567	49,701	3,229	69,633	24,299	26,872	22,355	18,873

(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, 2012

	Health Department Building Lease	FEMA Grant	Probation Grant	Municipal Court Special Projects	Indigent Driver Interlock & Alcohol Monitoring	IDAT - Surplus	Municipal Court Computer	Municipal Court Mental Health Grant
REVENUES:								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	51,863	-	-	-	-	45,193
Special Assessments	-	-	-	-	-	-	-	-
Charges for services	-	-	-	144,012	14,157	-	38,215	-
Fines, licenses and permits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous receipts and reimbursements	21,313	-	-	-	-	15,000	-	-
Total revenues	21,313	-	51,863	144,012	14,157	15,000	38,215	45,193
EXPENDITURES:								
Current:								
General government	-	1,578	-	-	-	-	-	-
Police	-	209	-	-	-	-	-	-
Fire	-	2,241	-	-	-	-	-	-
Judicial	-	-	51,979	18,623	15,268	18,396	33,038	49,219
Health	10,780	-	-	-	-	-	-	-
Street repairs and maintenance	-	245	-	-	-	-	-	-
Community development	-	20,868	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Basic utility services	-	5,334	-	-	-	-	-	-
Capital outlay	-	7,028	-	-	-	-	-	-
Debt service:	-	-	-	34	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	10,780	37,503	51,979	18,657	15,268	18,396	33,038	49,219
Excess (deficiency) of revenues over (under) expenditures	10,533	(37,503)	(116)	125,355	(1,111)	(3,396)	5,177	(4,026)
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	10,533	(37,503)	(116)	125,355	(1,111)	(3,396)	5,177	(4,026)
Fund balances, beginning of year	157,139	9	(1,259)	363,086	33,346	25,414	11,690	-
Fund balances, end of year	\$ 167,672	\$ (37,494)	\$ (1,375)	\$ 488,441	\$ 32,235	\$ 22,018	\$ 16,867	\$ (4,026)

(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, 2012

REVENUES:	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
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	162,565	-	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Charges for services	103,161	-	3,229	-	-	-	-	-
Fines, licenses and permits	-	-	-	-	-	-	-	-
Investment income	-	14,595	547	2,779	10,708	207	774	-
Miscellaneous receipts and reimbursements	2,095	-	-	-	-	-	-	-
Total revenues	105,256	14,595	3,776	165,344	10,708	207	774	-
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Health	152,865	311	-	-	-	-	-	-
Street repairs and maintenance	-	-	-	-	-	-	-	-
Community development	-	-	-	65,983	38,855	-	-	-
Community environment	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	245,114	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	152,865	311	-	311,097	38,855	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(47,609)	14,284	3,776	(145,753)	(28,147)	207	774	-
OTHER FINANCING SOURCES:								
Transfers in	45,000	-	-	-	-	-	-	-
Total other financing sources	45,000	-	-	-	-	-	-	-
Net change in fund balance	(2,609)	14,284	3,776	(145,753)	(28,147)	207	774	-
Fund balances, beginning of year	53,402	721,845	26,171	188,870	53,263	10,255	38,247	216
Fund balances, end of year	\$ 50,793	\$ 736,129	\$ 29,947	\$ 43,117	\$ 25,116	\$ 10,462	\$ 39,021	\$ 216

(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, 2012

REVENUES:	Moving Ohio Forward	E-911 Wireless	Fire Loss Security	CRA	TIF - Kuttler Rd	TIF - Menards	TIF - Echo	Non-major Special Revenue Funds Totals
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ 27,893	\$ 96,621	\$ 4,699	\$ 194,382
Intergovernmental revenues	-	57,451	-	-	-	-	-	487,659
Special Assessments	-	-	-	500	-	-	-	500
Charges for services	-	-	-	-	-	-	-	302,774
Fines, licenses and permits	-	-	-	-	-	-	-	69,650
Investment income	-	-	-	-	-	-	-	30,362
Miscellaneous receipts and reimbursements	-	-	-	-	-	-	-	-
Total revenues	1,950	57,451	-	500	27,893	96,621	4,699	1,123,735
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	-	1,578
Police	-	13,715	-	-	-	-	-	29,081
Fire	-	-	2,000	-	-	-	-	4,241
Judicial	-	-	-	-	-	-	-	210,530
Health	-	-	-	-	-	-	-	164,201
Street repairs and maintenance	-	-	-	-	-	-	-	96,868
Community development	-	-	-	310	2,000	21,667	940	197,724
Community environment	-	-	-	-	-	-	-	17,832
Parks and recreation	-	-	-	-	-	-	-	5,334
Basic utility services	-	-	-	-	-	-	-	7,028
Capital outlay	1,950	8,245	-	-	-	-	-	350,343
Debt service:								
Principal	-	-	-	-	10,000	40,000	-	50,000
Interest	-	-	-	-	8,625	22,825	-	31,450
Total expenditures	1,950	21,960	2,000	310	20,625	84,492	940	1,166,210
Excess (deficiency) of revenues over (under) expenditures	(1,950)	35,491	(2,000)	190	7,268	12,129	3,759	(42,475)
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	45,000
Total other financing sources	-	-	-	-	-	-	-	45,000
Net change in fund balance	(1,950)	35,491	(2,000)	190	7,268	12,129	3,759	2,525
Fund balances, beginning of year	-	140,690	2,000	2,257	41,777	222,802	2,300	2,304,856
Fund balances, end of year	(1,950)	176,181	-	2,447	49,045	234,931	6,059	2,307,381

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2012

	Transportation	Airport	Yard Waste	Solid Waste	Swimming Pool	Non-major Enterprise Funds Totals
ASSETS						
Current assets:						
Pooled cash	\$ 105,626	\$ 11,043	\$ 22,985	\$ 158,014	\$ 30,949	\$ 328,617
Receivables:						
Accounts	11,215	5,175	-	94,479	-	110,869
Receivables from other governments	45,882	359,992	-	-	-	405,874
Inventory		23,864	-	-	-	23,864
Prepaid items	1,497	2,015	-	14	60	3,586
	<u>164,220</u>	<u>402,089</u>	<u>22,985</u>	<u>252,507</u>	<u>31,009</u>	<u>872,810</u>
Total current assets						
Noncurrent assets:						
Capital assets:						
Capital assets not subject to depreciation:						
Land	55,000	759,993	11,340	-	-	826,333
Construction in progress	-	329,398	-	-	-	329,398
Capital assets net of accumulated depreciation	<u>1,494,727</u>	<u>1,384,851</u>	<u>-</u>	<u>-</u>	<u>968,052</u>	<u>3,847,630</u>
	<u>1,549,727</u>	<u>2,474,242</u>	<u>11,340</u>	<u>-</u>	<u>968,052</u>	<u>5,003,361</u>
Total noncurrent assets						
	<u>1,549,727</u>	<u>2,474,242</u>	<u>11,340</u>	<u>-</u>	<u>968,052</u>	<u>5,003,361</u>
Total assets	<u>\$ 1,713,947</u>	<u>\$ 2,876,331</u>	<u>\$ 34,325</u>	<u>\$ 252,507</u>	<u>\$ 999,061</u>	<u>\$ 5,876,171</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 6,353	\$ 39,894	\$ 5,960	\$ 186,748	\$ 338	\$ 239,293
Salaries and benefits payable	28,964	-	-	324	1,282	30,570
Compensated absences	-	-	-	225	-	225
Advances in	-	169,000	-	-	-	169,000
Refundable deposits	-	290	-	-	-	290
Unearned revenue	-	-	-	175,226	-	175,226
	<u>35,317</u>	<u>209,184</u>	<u>5,960</u>	<u>362,523</u>	<u>1,620</u>	<u>614,604</u>
Total current liabilities						
	<u>35,317</u>	<u>209,184</u>	<u>5,960</u>	<u>362,523</u>	<u>1,620</u>	<u>614,604</u>
Noncurrent liabilities:						
Compensated absences	<u>39,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,193</u>
Total noncurrent liabilities	<u>39,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,193</u>
Total liabilities	<u>74,510</u>	<u>209,184</u>	<u>5,960</u>	<u>362,523</u>	<u>1,620</u>	<u>653,797</u>
NET POSITION						
Net investment in capital assets	1,549,727	2,474,242	11,340	-	968,052	5,003,361
Unrestricted	<u>89,710</u>	<u>192,905</u>	<u>17,025</u>	<u>(110,016)</u>	<u>29,389</u>	<u>219,013</u>
Total net position	<u>1,639,437</u>	<u>2,667,147</u>	<u>28,365</u>	<u>(110,016)</u>	<u>997,441</u>	<u>5,222,374</u>
Total liabilities and net position	<u>\$ 1,713,947</u>	<u>\$ 2,876,331</u>	<u>\$ 34,325</u>	<u>\$ 252,507</u>	<u>\$ 999,061</u>	<u>\$ 5,876,171</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Transportation	Airport	Yard Waste	Solid Waste	Swimming Pool	Non-major Enterprise Funds Totals
OPERATING REVENUES:						
Charges for services	\$ 208,812	\$ 347,371	\$ 17,597	\$ 1,205,710	\$ 80,820	\$ 1,860,310
Other revenue	11,504	19,735	1,406	-	-	32,645
Total operating revenues	220,316	367,106	19,003	1,205,710	80,820	1,892,955
OPERATING EXPENSES:						
Personal services	458,006	-	-	1,915	75,410	535,331
Operations and maintenance	245,694	404,425	92,733	1,229,436	42,904	2,015,192
Depreciation	166,770	73,602	3,589	-	31,713	275,674
Total operating expenses	870,470	478,027	96,322	1,231,351	150,027	2,826,197
Operating loss	(650,154)	(110,921)	(77,319)	(25,641)	(69,207)	(933,242)
NONOPERATING REVENUE:						
Intergovernmental	389,164	-	-	-	-	389,164
Gain on disposal of assets	11,500	80,729	7,051	-	-	99,280
Total nonoperating revenue	400,664	80,729	7,051	-	-	488,444
Loss before contributions and transfers	(249,490)	(30,192)	(70,268)	(25,641)	(69,207)	(444,798)
Capital grants	37,172	560,937	-	-	-	598,109
Transfers in	73,500	35,000	67,000	-	60,000	235,500
Change in net position	(138,818)	565,745	(3,268)	(25,641)	(9,207)	388,811
Net position - beginning	1,778,255	2,101,402	31,633	(84,375)	1,006,648	4,833,563
Net position - ending	\$ 1,639,437	\$ 2,667,147	\$ 28,365	\$ (110,016)	\$ 997,441	\$ 5,222,374

CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Transportation	Airport	Yard Waste	Solid Waste	Swimming Pool	Non-major Enterprise Funds Totals
Cash flows from operating activities:						
Receipts from customers and users	\$ 208,905	\$ 351,009	\$ 19,003	\$ 1,206,627	\$ 80,715	\$ 1,866,259
Receipts from interfund services	-	19,616	-	-	105	19,721
Payments to suppliers	(65,078)	(370,688)	(90,789)	(1,085,643)	(33,511)	(1,645,709)
Payments to employees	(459,164)	-	-	(1,366)	(75,720)	(536,250)
Payments for interfund services used	(178,736)	139,612	(6,516)	(130,424)	(9,220)	(185,284)
Net cash provided by (used for) operating activities	(494,073)	139,549	(78,302)	(10,806)	(37,631)	(481,263)
Cash flows from noncapital financing activities:						
Transfers in	73,500	35,000	67,000	-	60,000	235,500
Intergovernmental	389,164	-	-	-	-	389,164
Net cash provided by noncapital financing activities	462,664	35,000	67,000	-	60,000	624,664
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets	11,500	179,466	7,051	-	(7,075)	190,942
Acquisition of capital assets	(5,903)	(599,544)	-	-	-	(605,447)
Intergovernmental	37,172	200,945	-	-	-	238,117
Net cash provided by (used for) capital and related financing activities	42,769	(219,133)	7,051	-	(7,075)	(176,388)
Cash flows from investing activities:						
Sale of investments	6,516	3,845	1,883	11,670	1,082	24,996
Net cash provided by investing activities	6,516	3,845	1,883	11,670	1,082	24,996
Net increase (decrease) in pooled cash	17,876	(40,739)	(2,368)	864	16,376	(7,991)
Pooled cash, beginning of year	87,750	51,782	25,353	157,150	14,573	336,608
Pooled cash, end of year	\$ 105,626	\$ 11,043	\$ 22,985	\$ 158,014	\$ 30,949	\$ 328,617
Reconciliation of operating loss to net cash used by operating activities:						
Operating loss	\$ (650,154)	\$ (110,921)	\$ (77,319)	\$ (25,641)	\$ (69,207)	\$ (933,242)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:						
Depreciation	166,770	73,602	3,589	-	31,713	275,674
Change in assets and liabilities:						
Accounts receivable	1,127	3,519	-	(6,615)	-	(1,969)
Other receivables	(12,538)	-	-	-	-	(12,538)
Prepaid items	(1,484)	384	-	(14)	(60)	(1,174)
Inventory	-	(12,328)	-	-	-	(12,328)
Accounts payable	3,364	16,003	(4,572)	13,383	233	28,411
Advances in	-	169,000	-	-	-	169,000
Salaries and benefits payable and compensated absences	(1,158)	-	-	549	(310)	(919)
Refundable deposits	-	290	-	-	-	290
Unearned revenue	-	-	-	7,532	-	7,532
Net cash provided by (used for) operating activities	\$ (494,073)	\$ 139,549	\$ (78,302)	\$ (10,806)	\$ (37,631)	\$ (481,263)
Noncash investing, capital and related financing activities:						
Purchase of equipment on account	\$ -	\$ 5,718	\$ -	\$ -	\$ -	\$ 5,718
Prior year purchase of equipment on account	\$ -	\$ 18,667	\$ -	\$ -	\$ -	\$ 18,667

CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2012

	Service Center Building	Technology	Revenue Collections	Garage/Fleet Operations	Internal Service Totals
ASSETS					
Current assets:					
Pooled cash	\$ 28,081	\$ 65,289	\$ 15,731	\$ 16,416	\$ 125,517
Receivables (net):					
Accounts	-	5,168	-	-	5,168
Inventory	-	2,391	-	13,415	15,806
Prepaid items	346	53,012	340	2,167	55,865
Total current assets	28,427	125,860	16,071	31,998	202,356
Noncurrent assets:					
Capital assets, net of accumulated depreciation	319,951	108,676	-	7,875	436,502
Total noncurrent assets	319,951	108,676	-	7,875	436,502
Total assets	\$ 348,378	\$ 234,536	\$ 16,071	\$ 39,873	\$ 638,858
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 4,639	\$ 4,695	\$ 4,340	\$ 20,264	\$ 33,938
Salaries and benefits payable	-	20,511	25,935	13,969	60,415
Compensated absences	-	-	941	-	941
Total current liabilities	4,639	25,206	31,216	34,233	95,294
Noncurrent liabilities:					
Compensated absences	-	18,954	78,661	4,712	102,327
Total noncurrent liabilities	-	18,954	78,661	4,712	102,327
Total liabilities	4,639	44,160	109,877	38,945	197,621
NET POSITION					
Invested in capital assets, net of related debt	319,951	108,676	-	7,875	436,502
Unrestricted	23,788	81,700	(93,806)	(6,947)	4,735
Total net position	343,739	190,376	(93,806)	928	441,237
Total liabilities and net position	\$ 348,378	\$ 234,536	\$ 16,071	\$ 39,873	\$ 638,858

CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Service Center Building	Technology	Revenue Collections	Garage/Fleet Operations	Internal Service Totals
OPERATING REVENUES:					
Charges for services	\$ 86,835	\$ 647,803	\$ 536,501	\$ 747,757	\$ 2,018,896
Other revenue	-	-	-	825	825
Total operating revenues	<u>86,835</u>	<u>647,803</u>	<u>536,501</u>	<u>748,582</u>	<u>2,019,721</u>
OPERATING EXPENSES:					
Personal services	-	333,564	434,022	245,108	1,012,694
Operations and maintenance	71,655	247,063	113,648	521,930	954,296
Depreciation	<u>27,137</u>	<u>52,655</u>	-	<u>3,258</u>	<u>83,050</u>
Total operating expenses	<u>98,792</u>	<u>633,282</u>	<u>547,670</u>	<u>770,296</u>	<u>2,050,040</u>
Operating income (loss)	<u>(11,957)</u>	<u>14,521</u>	<u>(11,169)</u>	<u>(21,714)</u>	<u>(30,319)</u>
Change in net position	(11,957)	14,521	(11,169)	(21,714)	(30,319)
Net position - beginning	<u>355,696</u>	<u>175,855</u>	<u>(82,637)</u>	<u>22,642</u>	<u>471,556</u>
Net position - ending	<u>\$ 343,739</u>	<u>\$ 190,376</u>	<u>\$ (93,806)</u>	<u>\$ 928</u>	<u>\$ 441,237</u>

CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Service Center Building</u>	<u>Technology</u>	<u>Revenue Collections</u>	<u>Garage/Fleet Operations</u>	<u>Internal Service Totals</u>
Cash flows from operating activities:					
Receipts from customers and users	\$ -	\$ 74,048	\$ -	\$ 825	\$ 74,873
Receipts from interfund services	86,835	568,587	536,501	747,757	1,939,680
Payments to suppliers	(62,613)	(240,114)	(68,162)	(491,462)	(862,351)
Payments to employees	-	(332,811)	(431,124)	(245,421)	(1,009,356)
Payments for interfund services used	(7,272)	(18,509)	(46,936)	(25,579)	(98,296)
Net cash provided by (used for) operating activities	<u>16,950</u>	<u>51,201</u>	<u>(9,721)</u>	<u>(13,880)</u>	<u>44,550</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(11,751)	(33,184)	-	-	(44,935)
Net cash used for capital and related financing activities	<u>(11,751)</u>	<u>(33,184)</u>	<u>-</u>	<u>-</u>	<u>(44,935)</u>
Cash flows from investing activities:					
Sale of investments	1,582	3,268	1,759	2,094	8,703
Net cash provided by investing activities	<u>1,582</u>	<u>3,268</u>	<u>1,759</u>	<u>2,094</u>	<u>8,703</u>
Net increase (decrease) in pooled cash	6,781	21,285	(7,962)	(11,786)	8,318
Pooled cash, beginning of year	21,300	44,004	23,693	28,202	117,199
Pooled cash, end of year	<u>\$ 28,081</u>	<u>\$ 65,289</u>	<u>\$ 15,731</u>	<u>\$ 16,416</u>	<u>\$ 125,517</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (11,957)	\$ 14,521	\$ (11,169)	\$ (21,714)	\$ (30,319)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	27,137	52,655	-	3,258	83,050
Change in assets and liabilities:					
Accounts receivables	-	(5,168)	-	-	(5,168)
Due from other funds	-	(465)	-	-	(465)
Prepaid items	(1)	(14,605)	59	(1,771)	(16,318)
Inventory	327	-	-	(3,905)	(3,578)
Accounts payable	1,444	3,510	(1,509)	10,565	14,010
Salaries and benefits payable and compensated absences	-	753	2,898	(313)	3,338
Net cash provided by (used for) operating activities	<u>\$ 16,950</u>	<u>\$ 51,201</u>	<u>\$ (9,721)</u>	<u>\$ (13,880)</u>	<u>\$ 44,550</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

	Municipal Court	Medical Reimbursement	Port Jefferson	River Clean-Up	Agency Funds Totals	Private-Purpose Trust Fund C.Truster Flower Trust
ASSETS						
Pooled cash	\$ -	\$ 2,697	\$ 14,252	\$ 25,535	\$ 42,484	2,742
Municipal Court checking account	<u>142,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,646</u>	<u>-</u>
Total assets	<u>\$ 142,646</u>	<u>\$ 2,697</u>	<u>\$ 14,252</u>	<u>\$ 25,535</u>	<u>\$ 185,130</u>	<u>\$ 2,742</u>
LIABILITIES						
Due to other governments	72,582	-	14,252	-	86,834	-
Undistributed monies	<u>70,064</u>	<u>2,697</u>	<u>-</u>	<u>25,535</u>	<u>98,296</u>	<u>2,742</u>
Total liabilities	<u>\$ 142,646</u>	<u>\$ 2,697</u>	<u>\$ 14,252</u>	<u>\$ 25,535</u>	<u>\$ 185,130</u>	<u>\$ 2,742</u>

CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance at January 1, 2012	Additions	Deductions	Balance at December 31, 2012
<u>Municipal Court Fund</u>				
ASSETS				
Municipal Court checking account	\$ 124,850	\$ 2,108,170	\$ 2,090,374	\$ 142,646
Total assets	<u>\$ 124,850</u>	<u>\$ 2,108,170</u>	<u>\$ 2,090,374</u>	<u>\$ 142,646</u>
LIABILITIES				
Due to other governments	\$ 85,651	\$ 1,206,640	\$ 1,219,709	\$ 72,582
Undistributed monies	<u>39,199</u>	<u>901,530</u>	<u>870,665</u>	<u>70,064</u>
Total liabilities	<u>\$ 124,850</u>	<u>\$ 2,108,170</u>	<u>\$ 2,090,374</u>	<u>\$ 142,646</u>
<u>Medical Reimbursement Fund</u>				
ASSETS				
Pooled cash	\$ -	\$ 57,060	\$ 54,363	\$ 2,697
Total assets	<u>\$ -</u>	<u>\$ 57,060</u>	<u>\$ 54,363</u>	<u>\$ 2,697</u>
LIABILITIES				
Accounts payable	\$ 6,501	\$ -	\$ 6,501	-
Undistributed monies	<u>(6,501)</u>	<u>57,060</u>	<u>47,862</u>	<u>2,697</u>
Total liabilities	<u>\$ -</u>	<u>\$ 57,060</u>	<u>\$ 54,363</u>	<u>\$ 2,697</u>
<u>Port Jefferson Fund</u>				
ASSETS				
Pooled cash	\$ 14,611	\$ 65,171	\$ 65,530	\$ 14,252
Pooled investments	1,085	-	1,085	-
Accounts receivable	<u>9,460</u>	<u>-</u>	<u>9,460</u>	<u>-</u>
Total assets	<u>\$ 25,156</u>	<u>\$ 65,171</u>	<u>\$ 76,075</u>	<u>\$ 14,252</u>
LIABILITIES				
Due to other governments	<u>25,156</u>	<u>65,171</u>	<u>76,075</u>	<u>14,252</u>
Total liabilities	<u>\$ 25,156</u>	<u>\$ 65,171</u>	<u>\$ 76,075</u>	<u>\$ 14,252</u>

(continued)

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Balance at January 1, 2012	Additions	Deductions	Balance at December 31, 2012
<u>River Clean-Up Fund</u>				
ASSETS				
Pooled cash	\$ 27,343	\$ 15,547	\$ 17,355	\$ 25,535
Pooled investments	2,031	-	2,031	-
Total assets	<u>\$ 29,374</u>	<u>\$ 15,547</u>	<u>\$ 19,386</u>	<u>\$ 25,535</u>
LIABILITIES				
Undistributed monies	29,374	15,547	19,386	25,535
Total liabilities	<u>\$ 29,374</u>	<u>\$ 15,547</u>	<u>\$ 19,386</u>	<u>\$ 25,535</u>
<u>C. Trustee Flower Trust Fund</u>				
ASSETS				
Pooled cash	\$ -	\$ 2,742	\$ -	\$ 2,742
Total assets	<u>\$ -</u>	<u>\$ 2,742</u>	<u>\$ -</u>	<u>\$ 2,742</u>
LIABILITIES				
Undistributed monies	-	2,742	-	2,742
Total liabilities	<u>\$ -</u>	<u>\$ 2,742</u>	<u>\$ -</u>	<u>\$ 2,742</u>
<u>Total Fiduciary Funds</u>				
ASSETS				
Pooled cash	\$ 41,954	\$ 140,520	\$ 137,248	\$ 45,226
Pooled investments	3,116	-	3,116	-
Municipal Court checking account	124,850	2,108,170	2,090,374	142,646
Accounts receivable	9,460	-	9,460	-
Total assets	<u>\$ 179,380</u>	<u>\$ 2,248,690</u>	<u>\$ 2,240,198</u>	<u>\$ 187,872</u>
LIABILITIES				
Accounts payable	\$ 6,501	\$ -	\$ 6,501	\$ -
Due to other governments	110,807	1,271,811	1,295,784	86,834
Undistributed monies	62,072	976,879	937,913	101,038
Total liabilities	<u>\$ 179,380</u>	<u>\$ 2,248,690</u>	<u>\$ 2,240,198</u>	<u>\$ 187,872</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 10,924,331	\$ 12,129,661	\$ 1,205,330
Intergovernmental revenues	1,020,791	950,378	(70,413)
Special assessments	230,300	235,666	5,366
Charges for services	1,468,323	1,407,466	(60,857)
Fines, licenses and permits	124,275	131,551	7,276
Investment income	25,000	107,248	82,248
Miscellaneous receipts and reimbursements	<u>1,588,556</u>	<u>1,733,605</u>	<u>145,049</u>
Total revenues	<u>15,381,576</u>	<u>16,695,575</u>	<u>1,313,999</u>
EXPENDITURES:			
Current:			
General government			
City Council			
Personal services	64,182	63,482	700
Contractual, materials and other	24,643	21,440	3,203
City Administration			
Personal services	237,380	235,910	1,470
Contractual, materials and other	21,483	16,159	5,324
Finance			
Personal services	344,225	341,962	2,263
Contractual, materials and other	114,801	112,377	2,424
Law Director			
Personal services	184,538	183,187	1,351
Contractual, materials and other	89,064	85,046	4,018
Personnel			
Personal services	164,820	163,723	1,097
Contractual, materials and other	185,934	179,667	6,267
County Auditor Deductions			
Contractual, materials and other	157,258	151,567	5,691
Purchasing			
Personal services	51,145	49,833	1,312
Contractual, materials and other	16,537	12,144	4,393
City Hall			
Personal services	54,936	54,254	682
Contractual, materials and other	168,354	157,230	11,124
Miscellaneous			
Contractual, materials and other	<u>1,017,509</u>	<u>918,189</u>	<u>99,320</u>
Total general government	<u>2,896,809</u>	<u>2,746,170</u>	<u>150,639</u>
Police			
Police Services			
Personal services	4,619,670	4,517,241	102,429
Contractual, materials and other	901,876	815,654	86,222
Street Lighting Department			
Contractual, materials and other	<u>233,209</u>	<u>233,208</u>	<u>1</u>
Total police	<u>5,754,755</u>	<u>5,566,103</u>	<u>188,652</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
Fire			
Fire Services			
Personal services	3,778,560	3,722,960	55,600
Contractual, materials and other	630,594	599,587	31,007
Total fire	4,409,154	4,322,547	86,607
Judicial			
Municipal Court			
Personal services	867,615	867,594	21
Contractual, materials and other	259,341	244,115	15,226
Prosecutor			
Personal services	-	-	-
Contractual, materials and other	41	41	-
Total judicial	1,126,997	1,111,750	15,247
Community environment			
Building Inspection			
Personal services	123,680	123,321	359
Contractual, materials and other	13,598	13,592	6
Engineering			
Personal services	254,586	249,722	4,864
Contractual, materials and other	170,423	166,033	4,390
Public Works			
Personal services	16,065	15,739	326
Code Enforcement			
Personal services	77,984	76,147	1,837
Contractual, materials and other	48,957	45,313	3,644
Total community environment	705,293	689,867	15,426
Community development			
Community Planning & Development			
Personal services	107,719	104,156	3,563
Contractual, materials and other	26,015	24,561	1,454
Total community development	133,734	128,717	5,017
Parks and recreation			
Parks & Recreation - Administration			
Personal services	91,185	90,718	467
Contractual, materials and other	25,126	23,919	1,207
Parks & Recreation - Programs			
Personal services	92,604	92,167	437
Contractual, materials and other	46,957	42,549	4,408

(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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
Parks & Public Grounds			
Personal services	639,088	631,924	7,164
Contractual, materials and other	252,760	243,856	8,904
Urban Forest			
Contractual, materials and other	68,250	67,508	742
Senior Center			
Contractual, materials and other	49,192	46,471	2,721
	<u>1,265,162</u>	<u>1,239,112</u>	<u>26,050</u>
Total parks and recreation			
Total expenditures	<u>16,291,904</u>	<u>15,804,266</u>	<u>487,638</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(910,328)</u>	<u>891,309</u>	<u>1,801,637</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(470,500)</u>	<u>(470,500)</u>	<u>-</u>
Total other financing uses	<u>(470,500)</u>	<u>(470,500)</u>	<u>-</u>
Net change in fund balance	<u>(1,380,828)</u>	<u>420,809</u>	<u>1,801,637</u>
Fund Balances, beginning of year - restated	5,092,780	5,092,780	-
Prior Year Encumbrances	257,636	257,636	-
Fund Balances, end of year	<u>\$ 3,969,588</u>	<u>\$ 5,771,225</u>	<u>\$ 1,801,637</u>



OHIO

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
STREET REPAIR AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 1,085,237	\$ 1,035,990	\$ (49,247)
Charges for services	-	623	623
Investment Income	160	4,172	4,012
Miscellaneous receipts and reimbursements	<u>80,500</u>	<u>78,008</u>	<u>(2,492)</u>
Total revenues	<u>1,165,897</u>	<u>1,118,793</u>	<u>(47,104)</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Personal services	572,023	539,445	32,578
Contractual, materials and other	<u>792,147</u>	<u>697,653</u>	<u>94,494</u>
Total expenditures	<u>1,364,170</u>	<u>1,237,098</u>	<u>127,072</u>
Deficiency of revenues under expenditures	<u>(198,273)</u>	<u>(118,305)</u>	<u>79,968</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Total other financing sources	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Net change in fund balance	(18,273)	61,695	79,968
Fund Balances, beginning of year	125,845	125,845	-
Prior Year Encumbrances	26,348	26,348	-
Fund Balances, end of year	<u>\$ 133,920</u>	<u>\$ 213,888</u>	<u>\$ 79,968</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 75,990	\$ 75,930	\$ (60)
Investment income	125	752	627
Total revenues	<u>76,115</u>	<u>76,682</u>	<u>567</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Contractual, materials and other	<u>76,000</u>	<u>76,000</u>	<u>-</u>
Total expenditures	<u>76,000</u>	<u>76,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	115	682	567
Fund Balances, beginning of year	128	128	-
Fund Balances, end of year	<u>\$ 243</u>	<u>\$ 810</u>	<u>\$ 567</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 95,000	\$ 95,000	\$ -
Total revenues	<u>95,000</u>	<u>95,000</u>	<u>-</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Contractual, materials and other	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Total expenditures	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-
Fund Balances, beginning of year	27,505	27,505	-
Prior Year Encumbrances	22,197	22,197	-
Fund Balances, end of year	<u>\$ 49,702</u>	<u>\$ 49,702</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
CONVENTION AND VISITORS' BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 50,678	\$ 61,940	\$ 11,262
Total revenues	<u>50,678</u>	<u>61,940</u>	<u>11,262</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	678	11,940	11,262
Fund Balances, beginning of year	<u>6,029</u>	<u>6,029</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 6,707</u>	<u>\$ 17,969</u>	<u>\$ 11,262</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 17,660	\$ 15,596	\$ (2,064)
Fines, licenses and permits	<u>3,500</u>	<u>1,069</u>	<u>(2,431)</u>
Total revenues	<u>21,160</u>	<u>16,665</u>	<u>(4,495)</u>
EXPENDITURES:			
Current:			
Community Environment			
Personal services	9,131	4,628	4,503
Contractual, materials and other	<u>13,397</u>	<u>12,970</u>	<u>427</u>
Total expenditures	<u>22,528</u>	<u>17,598</u>	<u>4,930</u>
Excess (deficiency) of revenues over (under) expenditures	(1,368)	(933)	435
Fund Balances, beginning of year	<u>69,833</u>	<u>69,833</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 68,465</u>	<u>\$ 68,900</u>	<u>\$ 435</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 5,000	\$ 7,891	\$ 2,891
Total revenues	<u>5,000</u>	<u>7,891</u>	<u>2,891</u>
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	<u>10,000</u>	<u>1,000</u>	<u>9,000</u>
Total expenditures	<u>10,000</u>	<u>1,000</u>	<u>9,000</u>
Excess (deficiency) of revenues over (under) expenditures	(5,000)	6,891	11,891
Fund Balances, beginning of year	<u>17,409</u>	<u>17,409</u>	-
Fund Balances, end of year	<u>\$ 12,409</u>	<u>\$ 24,300</u>	<u>\$ 11,891</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 5,000	\$ 21,046	\$ 16,046
Total Revenues	<u>5,000</u>	<u>21,046</u>	<u>16,046</u>
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	<u>13,070</u>	<u>10,307</u>	<u>2,763</u>
Total Expenditures	<u>13,070</u>	<u>10,307</u>	<u>2,763</u>
Deficiency of revenues under expenditures	(8,070)	10,739	18,809
Fund Balances, beginning of year	<u>13,713</u>	<u>13,713</u>	-
Fund Balances, end of year	<u>\$ 5,643</u>	<u>\$ 24,452</u>	<u>\$ 18,809</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 18,000	\$ 19,979	\$ 1,979
Total revenues	18,000	19,979	1,979
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	45,000	25,694	19,306
Total expenditures	45,000	25,694	19,306
Deficiency of revenues under expenditures	(27,000)	(5,715)	21,285
Fund Balances, beginning of year	28,745	28,745	-
Fund Balances, end of year	\$ 1,745	\$ 23,030	\$ 21,285

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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 500	\$ 400	\$ (100)
Fines, licenses and permits	2,000	2,832	832
Total revenues	2,500	3,232	732
EXPENDITURES:			
Current:			
Police			
Personal services	6,243	2,959	3,284
Contractual, materials and other	3,750	3,597	153
Total expenditures	9,993	6,556	3,437
Excess (deficiency) of revenues over (under) expenditures	(7,493)	(3,324)	4,169
Fund Balances, beginning of year	22,618	22,618	-
Fund Balances, end of year	\$ 15,125	\$ 19,294	\$ 4,169

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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 20,000	\$ 21,312	\$ 1,312
Total revenues	<u>20,000</u>	<u>21,312</u>	<u>1,312</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	18,864	16,841	2,023
Total expenditures	<u>18,864</u>	<u>16,841</u>	<u>2,023</u>
Excess of revenues over expenditures	1,136	4,471	3,335
Fund Balances, beginning of year	153,919	153,919	-
Prior Year Encumbrances	2,662	2,662	-
Fund Balances, end of year	<u>\$ 157,717</u>	<u>\$ 161,052</u>	<u>\$ 3,335</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:	-	-	-
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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 51,162	\$ 51,863	\$ 701
Total revenues	<u>51,162</u>	<u>51,863</u>	<u>701</u>
EXPENDITURES:			
Current:			
Judicial			
Personal services	51,162	51,159	3
Contractual, materials and other	<u>700</u>	<u>690</u>	<u>10</u>
Total expenditures	<u>51,862</u>	<u>51,849</u>	<u>13</u>
Excess of revenues over expenditures	(700)	14	714
Fund Balances, beginning of year	2,351	2,351	-
Fund Balances, end of year	<u>\$ 1,651</u>	<u>\$ 2,365</u>	<u>\$ 714</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 130,000	\$ 145,537	\$ 15,537
Total revenues	<u>130,000</u>	<u>145,537</u>	<u>15,537</u>
EXPENDITURES:			
Current:			
Judicial			
Personal services	2,100	926	1,174
Contractual, materials and other	<u>225,397</u>	<u>7,670</u>	<u>217,727</u>
Total expenditures	<u>227,497</u>	<u>8,596</u>	<u>218,901</u>
Excess (deficiency) of revenues over (under) expenditures	(97,497)	136,941	234,438
Fund Balances, beginning of year	355,092	355,092	-
Prior Year Encumbrances	397	397	-
Fund Balances, end of year	<u>\$ 257,992</u>	<u>\$ 492,430</u>	<u>\$ 234,438</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 15,700	\$ 14,280	\$ (1,420)
Total revenues	<u>15,700</u>	<u>14,280</u>	<u>(1,420)</u>
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	<u>14,000</u>	<u>13,578</u>	<u>422</u>
Total expenditures	<u>14,000</u>	<u>13,578</u>	<u>422</u>
Excess of revenues over expenditures	1,700	702	(998)
Fund Balances, beginning of year	33,770	33,770	-
Fund Balances, end of year	<u>\$ 35,470</u>	<u>\$ 34,472</u>	<u>\$ (998)</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
IDAT - SURPLUS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 15,000	\$ 15,000	\$ -
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>-</u>
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	<u>50,000</u>	<u>23,899</u>	<u>26,101</u>
Total expenditures	<u>50,000</u>	<u>23,899</u>	<u>26,101</u>
Excess of revenues over expenditures	(35,000)	(8,899)	26,101
Fund Balances, beginning of year	35,000	35,000	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 26,101</u>	<u>\$ 26,101</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 MENTAL HEALTH GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 44,400	\$ 43,318	\$ (1,082)
Total Revenues	<u>44,400</u>	<u>43,318</u>	<u>(1,082)</u>
EXPENDITURES:			
Current:			
Judicial			
Personal services	34,701	31,430	3,271
Contractual, materials and other	<u>14,400</u>	<u>14,399</u>	<u>1</u>
Total expenditures	<u>49,101</u>	<u>45,829</u>	<u>3,272</u>
Deficiency of revenues under expenditures	(4,701)	(2,511)	2,190
Fund Balances, beginning of year	-	-	-
Fund Balances, end of year	<u>\$ (4,701)</u>	<u>\$ (2,511)</u>	<u>\$ 2,190</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 35,000	\$ 38,636	\$ 3,636
Total Revenues	<u>35,000</u>	<u>38,636</u>	<u>3,636</u>
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	<u>43,500</u>	<u>33,193</u>	<u>10,307</u>
Total expenditures	<u>43,500</u>	<u>33,193</u>	<u>10,307</u>
Deficiency of revenues under expenditures	(8,500)	5,443	13,943
Fund Balances, beginning of year	9,243	9,243	-
Fund Balances, end of year	<u>\$ 743</u>	<u>\$ 14,686</u>	<u>\$ 13,943</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 93,449	\$ 112,875	\$ 19,426
Miscellaneous receipts and reimbursements	-	1,962	1,962
Total revenues	<u>93,449</u>	<u>114,837</u>	<u>21,388</u>
EXPENDITURES:			
Current:			
Health			
Personal services	116,059	107,530	8,529
Contractual, materials and other	<u>48,456</u>	<u>45,729</u>	<u>2,727</u>
Total expenditures	<u>164,515</u>	<u>153,259</u>	<u>11,256</u>
Deficiency of revenues under expenditures	<u>(71,066)</u>	<u>(38,422)</u>	<u>32,644</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total other financing sources	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund balance	(26,066)	6,578	32,644
Fund Balances, beginning of year	45,446	45,446	-
Prior Year Encumbrances	662	662	-
Fund Balances, end of year	<u>\$ 20,042</u>	<u>\$ 52,686</u>	<u>\$ 32,644</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 2,500	\$ 14,725	\$ 12,225
Investment income			-
Total revenues	<u>2,500</u>	<u>14,725</u>	<u>12,225</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	500	319	181
Total expenditures	<u>500</u>	<u>319</u>	<u>181</u>
Excess of revenues over expenditures	2,000	14,406	12,406
Fund Balances, beginning of year	721,834	721,834	-
Fund Balances, end of year	<u>\$ 723,834</u>	<u>\$ 736,240</u>	<u>\$ 12,406</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 200	\$ 3,244	\$ 3,044
Investment income	110	553	443
Total revenues	<u>310</u>	<u>3,797</u>	<u>3,487</u>
EXPENDITURES:			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	310	3,797	3,487
Fund Balances, beginning of year	26,150	26,150	-
Fund Balances, end of year	<u>\$ 26,460</u>	<u>\$ 29,947</u>	<u>\$ 3,487</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 310,502	\$ 162,565	\$ (147,937)
Investment income	200	2,815	2,615
Total revenues	<u>310,702</u>	<u>165,380</u>	<u>(145,322)</u>
EXPENDITURES:			
Current:			
Community development			
Personal services	17,852	12,428	5,424
Contractual, materials and other	482,780	482,197	583
Total expenditures	<u>500,632</u>	<u>494,625</u>	<u>6,007</u>
Excess (deficiency) of revenues over (under) expenditures	(189,930)	(329,245)	(139,315)
Fund Balances, beginning of year	88,660	88,660	-
Prior Year Encumbrances	105,350	105,350	-
Fund Balances, end of year	<u>\$ 4,080</u>	<u>\$ (135,235)</u>	<u>\$ (139,315)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
AT LEGAL LEVEL OF BUDGETARY CONTROL
C.D.B.G. REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 10,377	\$ 10,718	\$ 341
Total revenues	<u>10,377</u>	<u>10,718</u>	<u>341</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	62,825	55,973	6,852
Total expenditures	<u>62,825</u>	<u>55,973</u>	<u>6,852</u>
Deficiency of revenues under expenditures	(52,448)	(45,255)	7,193
Fund Balances, beginning of year	49,626	49,626	-
Prior Year Encumbrances	2,825	2,825	-
Fund Balances, end of year	<u>\$ 3</u>	<u>\$ 7,196</u>	<u>\$ 7,193</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 35	\$ 209	\$ 174
Total revenues	<u>35</u>	<u>209</u>	<u>174</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Excess (deficiency) of revenues over (under) expenditures	(3,965)	209	4,174
Fund Balances, beginning of year	10,253	10,253	-
Fund Balances, end of year	<u>\$ 6,288</u>	<u>\$ 10,462</u>	<u>\$ 4,174</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 175	\$ 780	\$ 605
Total revenues	<u>175</u>	<u>780</u>	<u>605</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Deficiency of revenues under expenditures	(14,825)	780	15,605
Fund Balances, beginning of year	38,240	38,240	-
Fund Balances, end of year	<u>\$ 23,415</u>	<u>\$ 39,020</u>	<u>\$ 15,605</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:			
Current:			
Community development			
Personal services	-	-	-
Contractual, materials and other	<u>216</u>	<u>216</u>	<u>-</u>
Total expenditures	<u>216</u>	<u>216</u>	<u>-</u>
Deficiency of revenues under expenditures	(216)	(216)	-
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	<u>216</u>	<u>216</u>	<u>-</u>
Fund Balances, end of year	<u>\$ -</u>	<u>\$ -</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
E-911 WIRELESS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 65,000	\$ 42,852	\$ (22,148)
Total revenues	<u>65,000</u>	<u>42,852</u>	<u>(22,148)</u>
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	<u>26,000</u>	<u>20,905</u>	<u>5,095</u>
Total expenditures	<u>26,000</u>	<u>20,905</u>	<u>5,095</u>
Excess of revenues over expenditures	39,000	21,947	(17,053)
Fund Balances, beginning of year	131,007	131,007	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 170,007</u>	<u>\$ 152,954</u>	<u>\$ (17,053)</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
FIRE LOSS SECURITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:			
Current:			
Fire Services			
Contractual, materials and other	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Deficiency of revenues under expenditures	(2,000)	(2,000)	-
Fund Balances, beginning of year	2,000	2,000	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ -</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
CRA FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Special assessments	\$ 500	\$ 500	\$ -
Total Revenues	<u>500</u>	<u>500</u>	<u>-</u>
EXPENDITURES:			
Current:			
Community development			
Personal services	391	310	81
Contractual, materials and other	<u>200</u>	<u>-</u>	<u>200</u>
Total expenditures	<u>591</u>	<u>310</u>	<u>281</u>
Excess (deficiency) of revenues over (under) expenditures	(91)	190	281
Fund Balances, beginning of year	2,257	2,257	-
Fund Balances, end of year	<u>\$ 2,166</u>	<u>\$ 2,447</u>	<u>\$ 281</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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 27,804	\$ 27,893	\$ 89
Investment Income			-
Total revenues	<u>27,804</u>	<u>27,893</u>	<u>89</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>20,625</u>	<u>20,625</u>	<u>-</u>
Total expenditures	<u>20,625</u>	<u>20,625</u>	<u>-</u>
Excess of revenues over expenditures	7,179	7,268	89
Fund Balances, beginning of year	41,777	41,777	-
Fund Balances, end of year	<u>\$ 48,956</u>	<u>\$ 49,045</u>	<u>\$ 89</u>

CITY OF SIDNEY, OHIO
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
TIF -MENARDS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local Taxes	\$ 96,316	\$ 96,620	\$ 304
Miscellaneous receipts and reimbursements			-
Total revenues	<u>96,316</u>	<u>96,620</u>	<u>304</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>84,492</u>	<u>84,492</u>	<u>-</u>
Total expenditures	<u>84,492</u>	<u>84,492</u>	<u>-</u>
Excess of revenues over expenditures	11,824	12,128	304
Fund Balances, beginning of year	222,802	222,802	-
Fund Balances, end of year	<u>\$ 234,626</u>	<u>\$ 234,930</u>	<u>\$ 304</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 - ECHO FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local Taxes	\$ 2,875	\$ 4,699	\$ 1,824
Total revenues	<u>2,875</u>	<u>4,699</u>	<u>1,824</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	940	940	-
Total expenditures	<u>940</u>	<u>940</u>	<u>-</u>
Excess of revenues over expenditures	1,935	3,759	1,824
Fund Balances, beginning of year	2,300	2,300	-
Fund Balances, end of year	<u>\$ 4,235</u>	<u>\$ 6,059</u>	<u>\$ 1,824</u>



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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, 2012

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 2,454,905	\$ 2,499,852	\$ 44,947
Intergovernmental revenues	757,410	611,408	(146,002)
Interest income	15	17	2
Special assessments	20,000	26,650	6,650
Miscellaneous receipts and reimbursements	<u>95,910</u>	<u>96,390</u>	<u>480</u>
Total revenues	<u>3,328,240</u>	<u>3,234,317</u>	<u>(93,923)</u>
EXPENDITURES:			
Capital Outlay:			
Contractual, materials and other	<u>4,198,715</u>	<u>3,729,860</u>	<u>468,855</u>
Total expenditures	<u>4,198,715</u>	<u>3,729,860</u>	<u>468,855</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(870,475)</u>	<u>(495,543)</u>	<u>374,932</u>
OTHER FINANCING SOURCES (USES):			
Capital contributions	-	95,000	95,000
Sale of asset	<u>15,000</u>	<u>29,635</u>	<u>14,635</u>
Total other financing sources	<u>15,000</u>	<u>124,635</u>	<u>109,635</u>
Net change in fund balance	(855,475)	(370,908)	484,567
Fund Balances, beginning of year	825,756	825,756	-
Prior Year Encumbrances	<u>568,715</u>	<u>568,715</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 538,996</u>	<u>\$ 1,023,563</u>	<u>\$ 484,567</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, 2012

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 155,000	\$ 155,000	\$ -
Total revenues	<u>155,000</u>	<u>155,000</u>	<u>-</u>
EXPENDITURES:			
Capital Outlay: Contractual, materials and other	<u>182,708</u>	<u>182,708</u>	<u>-</u>
Total expenditures	<u>182,708</u>	<u>182,708</u>	<u>-</u>
Excess of revenues over expenditures	(27,708)	(27,708)	-
Fund Balances, beginning of year	1,766	1,766	-
Prior Year Encumbrances	<u>27,708</u>	<u>27,708</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 1,766</u>	<u>\$ 1,766</u>	<u>\$ -</u>

CITY OF SIDNEY



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CITY OF SIDNEY, OHIO
Statistical Section
December 31, 2012

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

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

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

CITY OF SIDNEY



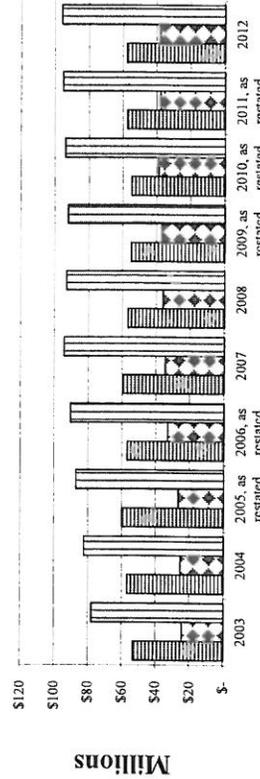
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Year Ended December 31,

	2003	2004	2005, as restated	2006, as restated	2007	2008	2009, as restated	2010, as restated	2011, as restated	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 41,850,468	44,263,989	46,330,165	41,944,422	43,858,848	43,433,659	45,610,506	44,608,862	46,814,752	46,484,983
Restricted for:										
Other purposes	1,374,427	1,764,537	1,342,722	1,546,232	1,321,211	1,042,116	1,641,658	1,782,614	3,116,853	3,273,154
Unrestricted	10,240,893	10,957,084	12,637,014	13,638,819	14,559,542	12,449,516	7,917,041	8,591,834	7,609,599	8,197,220
Total governmental activities net position	53,465,788	56,985,610	60,309,901	57,129,473	59,739,601	56,925,291	55,169,205	54,983,310	57,541,204	57,955,357
Business-type activities										
Invested in capital assets, net of related debt	19,460,644	21,277,102	23,223,096	29,250,922	29,300,583	31,074,156	31,619,476	34,273,069	33,450,981	33,281,662
Restricted						160,420				
Unrestricted	5,108,748	4,327,735	3,643,310	4,059,842	5,387,473	4,928,706	5,458,953	4,722,342	4,368,997	4,788,328
Total business-type activities net position	24,569,392	25,604,837	26,866,406	33,310,764	34,688,056	36,163,282	37,078,429	38,995,411	37,819,978	38,069,990
Total										
Invested in capital assets, net of related debt	61,311,112	65,541,091	69,553,261	71,195,344	73,159,431	74,507,815	77,229,982	78,881,931	80,265,733	79,766,645
Restricted for:										
Other purposes	1,374,427	1,764,537	1,342,722	1,546,232	1,321,211	1,202,536	1,641,658	1,782,614	3,116,853	3,273,154
Unrestricted	15,349,641	15,284,819	16,280,324	17,698,661	19,947,015	17,378,222	13,375,994	13,314,176	11,978,596	12,985,548
Total net position	\$ 78,035,180	\$ 82,590,447	\$ 87,176,307	\$ 90,440,237	\$ 94,427,657	\$ 93,088,573	\$ 92,247,634	\$ 93,978,721	\$ 95,361,182	\$ 96,025,347

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.

Net Assets (accrual basis)



Legend: Total governmental activities net position (hatched bar), Total business-type activities net position (white bar), Total net position (black bar)

Note: The following restatements of prior years' balances are reflected in the above schedule:

- Correction of airport capital assets for 2005
- Change of transportation and stormwater management funds from governmental activities to business-type activities for 2006
- Change in classification between restricted and unrestricted net assets for 2009 and 2010
- Change in accounting principle for GASB Statement No. 65, prior period adjustment for deferred gain on current refunding, and classification amongst invested in capital assets, net of related debt, restricted and unrestricted net position as well as a reclassification for 2011 between program revenues and other taxes - prior year balances have not been restated

CITY OF SIDNEY, OHIO
CHANGES IN POSITION
LAST TEN FISCAL YEARS

	Year Ended December 31,									
	2003	2004	2005, as restated	2006, as restated	2007	2008	2009	2010	2011, as restated	2012
Expenses										
Governmental activities:										
General government	1,782,921	1,489,376	1,614,428	1,741,846	1,726,929	1,842,173	1,314,285	928,165	822,047	1,043,097
Public safety	9,878,689									
Police		5,184,474	5,539,643	5,796,813	6,167,426	6,389,260	6,271,553	6,142,034	5,995,394	5,947,129
Fire		3,913,548	3,855,945	4,120,953	4,372,436	4,636,979	4,523,985	4,334,589	4,635,651	4,636,484
Judicial		1,401,639	1,496,683	1,517,325	1,686,848	1,588,281	1,636,905	1,563,723	1,638,942	1,574,631
Health	295,910	218,608	202,737	214,883	227,045	239,068	375,100	197,366	188,091	200,968
Transportation	2,569,392									
Public transportation		471,970	608,704							5,643
Street repair & maintenance		2,300,975	2,466,174	2,692,044	3,163,599	3,308,905	3,093,966	3,324,839	3,420,370	3,275,490
Community environment	1,313,960									
Community development		514,914	448,168	453,261	326,902	735,153	339,155	924,429	833,892	690,046
Community environment		915,697	920,618	973,205	1,291,112	1,152,583	1,167,276	1,301,521	783,027	704,322
Parks and recreation	1,400,906	1,427,369	1,469,323	1,461,172	1,628,824	1,670,604	1,504,878	1,388,202	1,365,458	1,488,367
Basic utility services	378,706	460,118	487,141	-	54,531	24,630	134,047	73,127	-	-
Interest on long-term debt	114,938	266,501	425,995	411,424	392,921	386,824	364,625	353,017	321,257	295,729
Total governmental activities expenses	17,735,442	18,565,189	19,535,559	19,382,926	21,038,573	21,994,460	20,725,775	20,531,012	20,004,129	19,916,657
Business-type activities:										
Water	2,657,083	2,930,771	2,959,127	3,253,577	3,908,385	3,581,450	3,219,126	3,400,452	3,760,888	3,712,243
Sewer	2,791,159	3,125,699	3,466,500	3,464,976	3,720,157	3,812,880	3,864,227	3,724,801	3,631,479	3,473,960
Stormwater	-	-	-	644,140	567,091	538,199	579,263	561,378	543,603	568,224
Solid Waste	1,003,765	1,038,399	1,048,669	1,126,873	1,086,908	1,002,412	1,085,937	1,146,766	1,188,726	1,233,201
Other business-type activities	364,138	448,909	493,991	1,095,913	996,388	1,433,523	1,414,485	1,492,936	1,522,638	1,598,795
Total business-type activities expenses	6,816,145	7,543,778	7,968,287	9,585,479	10,278,929	10,368,464	10,163,038	10,326,333	10,647,334	10,586,423
Total Expenses	24,551,587	26,108,967	27,503,846	28,968,405	31,317,502	32,362,924	30,888,813	30,857,345	30,651,463	30,503,080
Program Revenues **										
Governmental activities:										
General government	1,850,965	-	-	-	5,801	882	-	-	-	1,578
Public safety										
Police		539,633	570,464	368,777	388,020	487,553	379,701	420,134	410,885	404,573
Fire		736,431	607,655	687,561	853,487	389,990	443,174	751,523	561,125	637,602
Judicial		625,725	715,396	800,751	867,714	857,705	867,504	804,453	831,903	883,356
Health	115,028	150,921	97,804	129,886	120,151	139,266	101,170	115,009	144,307	133,823
Transportation	1,799,891									
Public transportation		421,071	487,542							
Street repair & maintenance		4,564,128	3,429,467	3,505,690	2,516,499	1,858,465	3,459,464	1,842,707	3,999,963	1,683,455
Community environment	483,702									
Community development		269,124	450,043	334,276	507,213	465,771	125,651	596,581	457,017	405,217
Community environment		228,672	209,990	76,179	82,830	114,375	105,499	86,795	63,674	89,396
Parks and recreation	65,267	29,718	235,638	72,453	64,939	111,888	193,613	259,480	191,588	206,674
Basic utility services	-	-	17,224	-	-	14,503	-	-	-	-
Total governmental activities program revenues	4,314,853	7,565,423	6,821,223	5,975,573	5,406,654	4,440,398	5,681,776	4,876,682	6,660,462	4,445,674
Business-type activities:										
Water	3,109,280	3,321,811	3,562,350	3,540,699	4,105,837	3,454,995	4,050,081	5,721,059	3,448,378	3,512,002
Sewer	3,357,205	3,453,028	3,821,448	3,706,858	4,564,326	3,321,692	3,399,951	3,259,769	3,260,279	3,361,223
Solid Waste	845,898	927,527	874,119	841,242	893,935	1,016,660	974,202	1,094,019	1,140,751	1,205,710
Stormwater	-	-	-	-	275,893	316,988	403,100	318,396	350,362	350,362
Other business-type activities	254,713	548,303	609,976	980,687	1,041,434	1,832,099	1,925,899	1,302,550	1,213,749	1,641,873
Total business-type activities program revenues	7,567,096	8,250,669	8,867,893	9,069,486	10,881,425	9,942,434	10,753,233	11,695,793	9,408,595	10,071,170

CITY OF SIDNEY, OHIO
CHANGES IN POSITION
LAST TEN FISCAL YEARS

	Year Ended December 31,									
	2003	2004	2005, as restated	2006, as restated	2007	2008	2009	2010	2011, as restated	2012
Net (Expense) Revenue ^(a)										
Governmental activities:										
General government	(1,782,921)	(1,489,376)	(1,614,428)	(1,741,846)	(1,721,128)	(1,841,291)	(1,314,285)	(928,165)	(822,047)	(1,041,519)
Public safety	(8,027,724)	(4,644,841)	(4,969,179)	(5,428,036)	(5,779,406)	(5,901,707)	(5,891,852)	(5,721,900)	(5,584,509)	(5,542,556)
Police		(3,177,117)	(3,248,290)	(3,433,392)	(3,518,949)	(4,266,989)	(4,080,811)	(3,583,066)	(4,074,526)	(3,998,882)
Fire		(775,914)	(781,287)	(716,574)	(819,134)	(730,576)	(769,401)	(759,270)	(807,039)	(691,275)
Judicial	(180,882)	(67,687)	(104,933)	(84,997)	(106,894)	(99,802)	(273,930)	(82,357)	(43,784)	(67,145)
Health	(769,501)	(50,899)	(121,162)	813,646	(647,100)	(1,450,440)	365,498	(1,482,132)	579,593	(5,643)
Public transportation		2,263,153	963,293							(1,592,035)
Street repair & maintenance	(830,258)									
Community environment		(245,790)	1,875	(118,985)	180,311	(269,382)	(213,504)	(327,848)	(376,875)	(284,829)
Community development		(687,025)	(710,628)	(897,026)	(1,208,282)	(1,038,208)	(1,061,777)	(1,214,726)	(719,353)	(614,926)
Parks and recreation	(1,335,639)	(1,397,651)	(1,233,685)	(1,388,719)	(1,563,885)	(1,558,716)	(1,305,265)	(1,128,722)	(1,173,870)	(1,281,693)
Basic utility services	(378,706)	(460,118)	(469,917)		(54,531)	(10,127)	(134,047)	(73,127)		(54,751)
Interest on long-term debt	(114,958)	(266,501)	(425,995)	(411,424)	(392,921)	(386,824)	(364,625)	(353,017)	(321,257)	(295,729)
Total governmental activities	(13,420,589)	(10,999,766)	(12,714,336)	(13,407,353)	(15,631,919)	(17,554,062)	(15,043,999)	(15,654,330)	(13,343,667)	(15,470,983)
Net (Expense) Revenue ^(a)										
Business-type activities:										
Water	452,197	391,040	603,223	287,122	197,452	(126,455)	830,955	2,320,607	(312,510)	(200,241)
Sewer	566,046	327,329	354,948	241,882	844,169	(491,188)	(464,276)	(465,032)	(371,200)	(112,737)
Solid Waste	(157,867)	(110,872)	(174,550)	197,102	(192,973)	14,248	(111,735)	(52,747)	(47,975)	(27,491)
Stormwater				(1,126,873)	(291,198)	(221,211)	(176,163)	(242,982)	(198,165)	(217,862)
Other business-type activities	(109,425)	99,394	115,985	(115,226)	45,046	398,576	511,414	(190,386)	(308,889)	43,078
Total business-type activities	750,951	706,891	899,606	(515,993)	602,496	(426,030)	590,195	1,369,460	(1,238,739)	(515,253)
Total	(12,669,638)	(10,292,875)	(11,814,730)	(13,923,346)	(15,029,423)	(17,980,092)	(14,453,804)	(14,284,870)	(14,582,406)	(15,986,236)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Income taxes	11,180,689	11,313,150	12,707,698	13,261,167	13,417,106	12,505,553	9,996,527	12,120,834	12,833,355	13,508,264
Property taxes	1,250,527	1,321,566	1,336,737	1,492,187	1,481,916	1,440,528	1,451,435	1,478,089	1,180,084	1,064,514
Other taxes	618,180	585,600	688,045	507,960	819,030	693,003	805,708	637,560	810,199	670,257
Grants and contributions not restricted to specific prog	1,146,863	1,287,579	1,174,034	1,183,356	1,610,680	1,135,782	887,749	977,843	886,421	577,012
Investment earnings	171,516	243,088	340,469	545,906	894,963	561,282	132,406	114,967	126,830	129,953
Gain (loss) on sale/disposal of capital assets	9,300	12,983	10,430	24,248	-	4,070	21,017	31,689	56,952	26,069
Miscellaneous	88,705	42,357	76,941	46,216	573,924	68,482	242,371	442,446	282,027	252,167
Transfers	(351,422)	(286,635)	(295,727)	(190,440)	(555,572)	(1,668,948)	(249,300)	(334,993)	(126,500)	(343,100)
Total governmental activities	14,114,358	14,519,688	16,038,627	16,870,600	18,242,047	14,739,752	13,287,913	15,468,435	16,049,368	15,885,136
Business-type activities:										
Miscellaneous		39,519	64,736	118,884	219,224	227,958	75,652	117,007	82,131	153,812
Investment earnings	76,870	2,400	1,500	7,352	-	4,350	249,300	20,502	199,574	169,073
Gain on sale/disposal of capital assets	5,369	286,635	295,727	190,440	555,572	1,668,948	334,993	334,993	5,158	99,280
Transfers	(433,661)	(328,534)	(361,963)	(316,676)	(774,796)	(1,901,256)	(324,952)	(547,522)	(413,363)	(765,265)
Total business-type activities	14,548,019	14,848,242	16,400,590	17,187,276	19,016,843	16,641,008	13,612,865	16,015,957	16,462,731	16,650,401
Change in Net Position										
Governmental activities	693,769	3,519,922	3,324,291	3,463,247	2,610,128	(2,814,310)	(1,756,086)	(185,895)	2,705,818	414,153
Business-type activities	1,184,612	1,035,445	1,261,569	(199,317)	1,377,292	1,475,226	915,147	1,916,982	(825,376)	250,012
Total	1,878,381	4,555,367	4,585,860	3,263,930	3,987,420	(1,339,084)	(840,939)	1,731,087	1,880,442	664,165

(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

Schedule 3

	December 31,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved for:										
Inventory	\$ 42,560	\$ 41,583	\$ 35,817	\$ 36,018	\$ 49,255	\$ 48,516	\$ 51,953	\$ 65,312		
Prepaid items	41,776	43,949	31,608	24,389	21,576	23,793	33,350	30,918		
Encumbrances	106,148	95,417	20,441	692,064	104,072	125,775	69,040	112,982		
Unreserved	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	\$ 2,901,101	\$ 3,075,187	\$ 3,841,305	\$ 5,097,216	\$ 6,254,789	\$ 4,454,558	\$ 4,039,233	\$ 4,583,410		
Fund Balances:										
Nonspendable									\$ 78,974	\$ 99,137
Restricted										
Committed									275,349	64,415
Assigned									190,981	163,878
Unassigned									4,667,200	4,821,760
Total general fund									\$ 5,212,504	\$ 5,149,190
All Other Governmental Funds										
Reserved for:										
Inventory	\$ 88,655	\$ 85,260	\$ 76,273	\$ 92,915	\$ 52,740	\$ 101,224	\$ 65,994	\$ 72,438		
Prepaid items	50,444	97,254	91,248	85,851	1,342	1,154	9,930	10,962		
Long-term loans receivable	95,191	82,474	69,112	55,066	40,301	24,781	-	-		
Encumbrances	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	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	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	\$ 6,050,592	\$ 12,741,518	\$ 7,690,546	\$ 7,731,554	\$ 6,704,189	\$ 5,878,678	\$ 3,967,601	\$ 4,397,191		
Fund Balances:										
Nonspendable									\$ 105,080	\$ 121,116
Restricted									2,263,940	2,391,836
Committed									226,106	237,336
Assigned									1,354,486	1,523,668
Unassigned									(148,369)	(44,845)
Total all other governmental funds									\$ 3,801,243	\$ 4,229,111

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

** In 2011 the City implemented GASB 54. Prior year balances have not been restated

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

Schedule 4

	For Year Ended December 31,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Local taxes	12,543,684	13,445,397	14,365,781	14,851,099	14,988,112	14,338,595	12,110,032	14,203,412	14,201,437	14,439,662
Intergovernmental revenues	3,320,149	3,810,313	5,067,711	4,071,733	3,788,406	3,885,983	4,913,153	3,605,456	5,907,208	3,052,245
Special assessments	227,605	229,316	236,104	223,510	258,866	245,045	261,408	249,283	296,942	263,184
Charges for services	969,279	1,421,837	1,622,762	1,587,491	1,737,641	1,671,362	1,524,444	1,761,900	1,641,677	1,687,672
Fines, licenses and permits	287,411	256,498	258,766	269,686	267,507	240,658	385,620	188,665	181,183	200,370
Investment income	268,883	207,837	334,897	612,932	880,706	610,887	173,504	145,895	135,882	140,156
Miscellaneous receipts and reimbursements	303,245	308,898	321,297	289,589	797,011	304,689	348,460	623,442	501,423	683,974
Total revenues	17,920,256	19,680,096	22,207,318	21,906,040	22,718,249	21,297,219	19,716,621	20,778,053	22,685,752	20,467,263
EXPENDITURES:										
Current:										
General government	1,837,408	1,440,284	1,605,525	1,542,352	1,629,417	1,754,338	1,241,283	994,747	761,594	833,851
Public safety	9,300,073	4,978,256	5,190,004	5,358,816	5,671,817	5,852,203	5,726,015	5,736,959	5,600,738	5,644,443
Police	3,607,916	3,757,035	3,757,299	4,073,027	4,073,027	4,303,371	4,309,081	4,112,147	4,435,691	4,387,264
Fire	1,274,857	1,364,225	1,367,510	1,367,510	1,438,810	1,438,914	1,487,055	1,421,674	1,544,293	1,470,021
Judicial	259,649	189,070	185,517	194,161	209,334	220,980	358,851	193,334	161,354	164,201
Health	1,504,254	393,795	532,245	569,944	-	-	-	-	-	5,643
Transportation	1,013,585	1,250,523	1,390,396	1,182,040	1,424,212	1,484,688	1,359,318	1,443,553	1,404,900	1,304,441
Public repair & maintenance										
Street repair & maintenance										
Community environment & development										
Community development	229,394	326,767	377,251	377,251	321,575	1,006,091	289,206	450,990	253,872	324,004
Community environment	875,699	895,827	908,978	908,978	988,605	1,084,882	1,117,688	1,080,338	798,625	704,252
Parks and recreation	1,246,529	1,251,521	1,352,572	1,255,863	1,366,273	1,422,988	1,273,062	1,186,393	1,172,055	1,260,922
Basic utility services	222,810	284,370	283,767	398,791	45,593	23,543	44,872	14,127	-	61,779
Capital outlay	2,449,097	4,247,656	8,568,102	2,723,186	3,888,697	4,039,330	4,691,407	2,333,585	5,656,047	2,933,601
Debt service:										
Principal	125,000	130,000	425,000	435,000	445,000	435,000	445,000	1,360,000	838,714	585,000
Interest and other charges	115,522	239,721	429,276	413,338	388,520	369,535	371,902	360,066	323,888	302,424
Total expenditures	18,073,927	20,393,062	26,306,258	20,484,529	21,890,880	23,435,863	22,714,740	20,687,913	22,951,771	19,981,844
Excess (deficiency) of revenues over (under) expenditures	(153,671)	(712,966)	(4,098,940)	1,421,511	827,369	(2,138,644)	(2,998,119)	90,140	(266,019)	485,419
OTHER FINANCING SOURCES (USES):										
Transfers in	11,320,014	12,028,819	12,605,445	13,956,196	14,189,448	13,571,638	2,312,307	25,000	235,000	225,000
Bonds issued	-	7,600,000	-	-	-	-	900,000	945,000	1,605,000	-
Payment to refunding agent	-	-	-	-	-	-	-	-	(1,263,463)	95,000
Premium on bonds	14,400	26,525	10,430	31,448	74,328	26,392	21,017	56,389	56,952	29,635
Sale of capital assets	(11,495,014)	(12,132,019)	(12,801,789)	(14,112,236)	(14,747,305)	(14,085,128)	(2,561,607)	(160,000)	(361,500)	(470,500)
Transfers out	(160,600)	7,523,325	(185,914)	(124,592)	(483,529)	(487,098)	671,717	883,627	299,165	(120,865)
Total other financing sources (uses)	\$ (314,271)	\$ 6,810,359	\$ (4,284,854)	\$ 1,296,919	\$ 343,840	\$ (2,625,742)	\$ (2,326,402)	\$ 973,767	\$ 33,146	\$ 364,554
Net change in fund balances	1.5%	2.2%	4.7%	4.7%	4.5%	4.0%	4.4%	8.9%	6.4%	4.9%
Debt service as a percentage of noncapital expenditures										

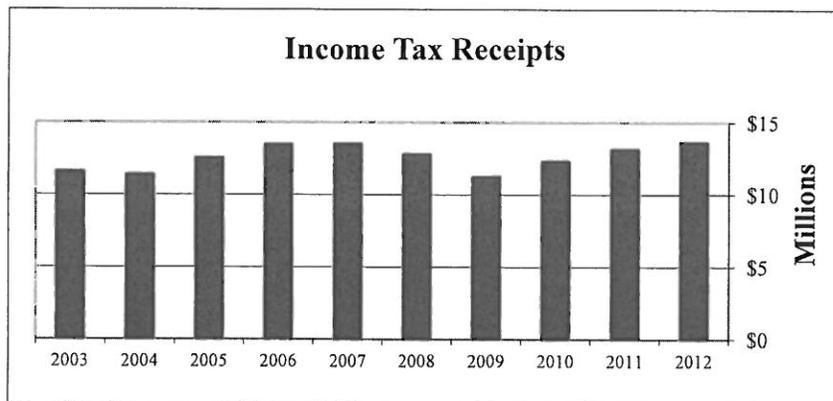
CITY OF SIDNEY, OHIO
INCOME TAX BY PAYER TYPE AND INCOME TAX RATE
LAST TEN FISCAL YEARS (cash basis of accounting -- excluding refunds)

Schedule 5

Year	Individuals			Total	Income Tax Rate
	Withheld by Employer	Paid by Taxpayer	Net Profits		
2012	\$ 9,984,145	\$ 642,581	\$ 3,034,441	\$ 13,661,167	1.50%
2011	\$ 9,564,046	\$ 632,536	\$ 2,993,983	\$ 13,190,565	1.50%
2010	\$ 9,238,357	\$ 555,659	\$ 2,564,710	\$ 12,358,726	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%

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

2012		2003		
<u>Rank</u>	<u>Name</u>	<u>2012 Rank</u>	<u>Rank</u>	<u>Name</u>
1	Emerson Climate (formerly Copeland Corp)	1	1	Copeland Corporation
2	Wilson Memorial Hospital	5	2	NK Parts Industries, Inc.
3	Honda of America Mfg	6	3	American Trim
4	Cargill, Inc	3	4	Honda of America Mfg
5	NK Parts Industries, Inc.	2	5	Wilson Memorial Hospital
6	Superior Metal (formerly American Trim)	4	6	Cargill, Inc
7	Sidney Board of Education	7	7	Sidney Board of Education
8	Shelby County Auditors Office	-	8	Alcoa Building Products, Inc
9	Freshway Foods	8	9	Shelby County Auditors Office
10	Advanced Composites	-	10	Lear Operations Corp
Combined percentage of Total income taxes 28.80%		Combined percentage of Total income taxes 31.64%		

Source: City of Sidney, Ohio, Income Tax Department

Note:

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					Percentage of Estimated actual property value	Per Capita
	General Obligation Bonds	Percentage of estimated actual property value	Per Capita	Water General Obligation Bonds	Water Revenue- Backed Notes	Sewer General Obligation Bonds	Total Primary Government			
2012	\$ 7,380,000	0.73%	\$ 736	\$ 3,177,000	\$ 3,988,308	\$ 5,040,000	\$ 19,585,308	1.93%	\$ 925	
2011	\$ 7,965,000	0.78%	\$ 789	\$ 3,237,000	\$ 4,136,429	\$ 5,500,000	\$ 20,838,429	2.05%	\$ 984	
2010	\$ 9,055,000	0.84%	\$ 807	\$ 3,247,000	\$ 3,826,073	\$ 5,770,000	\$ 21,898,073	2.02%	\$ 1,032	
2009	\$ 8,525,000	0.79%	\$ 769	\$ 670,000	\$ 360,175	\$ 6,135,000	\$ 15,690,175	1.45%	\$ 787	
2008	\$ 8,966,000	0.83%	\$ 804	\$ 650,000	\$ -	\$ 6,485,000	\$ 16,101,000	1.50%	\$ 804	
2007	\$ 8,505,500	0.72%	\$ 802	\$ 200,000	\$ -	\$ 7,450,000	\$ 16,155,500	1.37%	\$ 802	
2006	\$ 8,950,000	0.73%	\$ 847	\$ -	\$ -	\$ 8,105,000	\$ 17,055,000	1.39%	\$ 847	
2005	\$ 9,385,000	0.60%	\$ 882	\$ 250,000	\$ -	\$ 8,155,000	\$ 17,790,000	1.13%	\$ 882	
2004	\$ 9,810,000	0.67%	\$ 947	\$ 500,000	\$ -	\$ 8,775,000	\$ 19,085,000	1.31%	\$ 947	
2003	\$ 2,340,000	0.17%	\$ 615	\$ 750,000	\$ -	\$ 9,365,000	\$ 12,455,000	0.88%	\$ 615	

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Obligation Bonds	\$ 12,455,000	\$ 19,085,000	\$ 17,790,000	\$ 17,055,000	\$ 16,155,500	\$ 16,101,000	\$ 15,330,000	\$ 17,127,000	\$ 16,702,000	\$ 15,597,000
Assessed value of taxable property ^(a)	\$ 442,272,291	\$ 453,740,892	\$ 454,122,536	\$ 428,275,580	\$ 395,352,640	\$ 376,375,950	\$ 379,705,390	\$ 379,491,650	\$ 356,004,730	\$ 355,354,130
General Obligation Bonds as percent of total assessed value of taxable property	2.82%	4.21%	3.92%	3.98%	4.09%	4.28%	4.04%	4.51%	4.69%	4.39%
Estimated actual value of taxable property ^(b)	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	1,017,156,371	1,015,297,514
General Obligation Bonds as percent of total estimated actual value of taxable property	0.88%	1.31%	1.13%	1.39%	1.37%	1.50%	1.41%	1.58%	1.64%	1.54%
Population ^(b)	20,249	20,147	20,171	20,139	20,139	20,019	19,944	21,229	21,178	21,178
General Obligation Bonds Per capita	\$ 615	\$ 947	\$ 882	\$ 847	\$ 802	\$ 804	\$ 769	\$ 807	\$ 789	\$ 736
Less debt not subject to limitations										
Self-supporting securities issued for water systems or facilities	\$ (750,000)	\$ (500,000)	\$ (250,000)	\$ -	\$ (200,000)	\$ (650,000)	\$ (670,000)	\$ (3,357,000)	\$ (3,342,000)	\$ (3,277,000)
Self-supporting securities issued for sanitary sewer systems or facilities	\$ (9,365,000)	\$ (8,775,000)	\$ (8,155,000)	\$ (8,105,000)	\$ (7,450,000)	\$ (6,485,000)	\$ (6,135,000)	\$ (6,605,000)	\$ (6,300,000)	\$ (5,795,000)
Less: Bond Retirement Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net debt subject to 10-1/2% limitation ^(c)	\$ 2,340,000	\$ 9,810,000	\$ 9,385,000	\$ 8,950,000	\$ 8,505,500	\$ 8,966,000	\$ 8,525,000	\$ 7,165,000	\$ 7,060,000	\$ 6,525,000
Voted and Unvoted Debt Limit -- 10-1/2% of assessed value	\$ 46,438,591	\$ 47,642,794	\$ 47,682,866	\$ 44,968,936	\$ 41,512,027	\$ 39,519,475	\$ 39,869,066	\$ 39,846,623	\$ 37,380,497	\$ 37,312,184
Legal Debt Margin within 10-1/2% Limitation	\$ 44,098,591	\$ 37,832,794	\$ 38,297,866	\$ 36,018,936	\$ 33,006,527	\$ 30,553,475	\$ 31,344,066	\$ 32,681,623	\$ 30,320,497	\$ 30,787,184
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	5.04%	20.59%	19.68%	19.90%	20.49%	22.69%	21.38%	17.98%	18.89%	17.49%
Net debt subject to 5-1/2% limitation ^(d)	\$ 2,340,000	\$ 9,810,000	\$ 9,385,000	\$ 8,950,000	\$ 8,505,500	\$ 8,966,000	\$ 8,525,000	\$ 7,165,000	\$ 7,060,000	\$ 6,525,000
Unvoted Debt Limit -- 5-1/2% of assessed value	\$ 24,324,976	\$ 24,955,749	\$ 24,976,739	\$ 23,555,157	\$ 21,744,395	\$ 20,700,677	\$ 20,883,796	\$ 20,872,041	\$ 19,580,260	\$ 19,544,477
Legal Debt Margin within 5-1/2% Limitation	\$ 21,984,976	\$ 15,145,749	\$ 15,591,739	\$ 14,605,157	\$ 13,238,895	\$ 11,734,677	\$ 12,358,796	\$ 13,707,041	\$ 12,520,260	\$ 13,019,477
Net debt within limitations for Unvoted debt as a percentage of debt limit	9.62%	39.31%	37.57%	38.00%	39.12%	43.31%	40.82%	34.33%	36.06%	33.39%

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

^(b) Source for population: For years 2002 - 2009 & 2011, U.S. Bureau of the Census-Population Estimates Program. For years 2010, U.S. Bureau of the Census-2010 Federal Census. No data is currently available for 2012.

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

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

**CITY OF SIDNEY, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION DEBT
 DECEMBER 31, 2012**

Schedule 9

	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable to City of Sidney*</u>	<u>Estimated Amount Applicable to City of Sidney</u>
Sidney City School District ⁽¹⁾	\$17,974,981	100%	\$17,974,981
Shelby County ⁽²⁾	\$188,947	43% ⁽³⁾	<u>\$81,247</u>
Subtotal, overlapping debt			\$18,056,228
City of Sidney direct debt			<u>\$7,380,000</u>
Total direct and overlapping debt			<u><u>\$25,436,228</u></u>

*The calculation of overlapping debt is based on the percentage of the population that is in Sidney.

⁽¹⁾ Source: Treasurer of Sidney City Schools

⁽²⁾ Source: Shelby County Auditor -

⁽³⁾ Source: Per the Sidney's 2011 estimated population (21,178) as a percent of Shelby County 2011 estimate population (49,291) is equal to 43%.

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

Schedule 10

Fiscal Year	Population (1)		Per Capita Personal Income (1)		Median Age (1)		School Enrollment (2)	Unemployment Rate (3)	Total Assessed Property Value (4)	Estimated Actual Property Value (4)
2003	20,249	(1)(a)	\$19,075	(1)(c)	33.9 yrs	(1)(c)	3,609	4.9%	\$442,272,291	\$1,409,770,730
2004	20,147	(1)(a)	\$19,075	(1)(c)	33.9 yrs	(1)(c)	3,941	4.4%	\$453,740,892	\$1,458,980,574
2005	20,171	(1)(a)	\$19,075	(1)(c)	33.9 yrs	(1)(c)	3,923	4.9%	\$454,122,536	\$1,569,576,558
2006	20,139	(1)(a)	\$19,075	(1)(c)	33.9 yrs	(1)(c)	3,934	4.5%	\$428,275,580	\$1,223,644,514
2007	20,139	(1)(a)	\$19,075	(1)(c)	33.9 yrs	(1)(c)	3,978	4.8%	\$395,352,640	\$1,180,703,463
2008	20,019	(1)(a)	\$19,075	(1)(c)	33.9 yrs	(1)(c)	3,995	6.1%	\$376,375,950	\$1,075,359,857
2009	19,944	(1)(a)	\$19,075	(1)(c)	33.9 yrs	(1)(c)	3,868	12.8%	\$379,705,390	\$1,084,872,543
2010	21,229	(1)(b)	\$18,628	(1)(b)	36.1 yrs	(1)(b)	3,757	10.4%	\$379,491,650	\$1,084,261,857
2011	21,178	(1)(a)	\$18,628	(1)(b)	36.1 yrs	(1)(b)	3,602	9.2%	\$356,004,730	\$1,017,156,371
2012	21,178	(1)(a)	\$18,628	(1)(b)	36.1 yrs	(1)(b)	3,585	6.9%	\$355,354,130	\$1,015,297,514

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

(b) U.S. Bureau of the Census - 2010 Federal Census

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

(2) Source: Sidney City Schools Board of Education

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

(4) Source: Shelby County Auditor

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

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

Schedule 11

2012			2003		
<u>Employer</u>	<u>Approximate Number of Employees</u>	<u>Percentage of Total Top 10 Employment</u>	<u>Employer</u>	<u>Approximate Number of Employees</u>	<u>Percentage of Total Top 10 Employment</u>
1 Emerson Climate (formerly Copeland Corp)	1,595	29.92%	1 Copeland Corporation	1,798	19.49%
2 Wilson Memorial Hospital	842	15.80%	2 NK Parts Industries	1,222	13.24%
3 NK Parts Industries	574	10.77%	3 CBS Temporary Services	1,120	12.14%
4 Cargill, Inc	426	7.99%	4 Kelly Services	855	9.27%
5 Sidney Board of Education	398	7.47%	5 Wal-Mart Super Center	821	8.90%
6 Freshway Foods	360	6.75%	6 Wilson Memorial Hospital	756	8.19%
7 Superior Metal Products/American Trim	335	6.29%	7 Sidney Board of Education	751	8.14%
8 Wal-Mart Super Center	283	5.31%	8 American Trim	746	8.09%
9 MaMa Rosa's Pizza	268	5.03%	9 Shelby County	654	7.09%
10 Ross Casting & Innovation	249	4.67%	10 ConAgra	503	5.45%
Total	5,330	100.00%	Total	9,226	100.00%

Source: West Ohio Development Council

Note: 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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	16.75	16.75	16.75	16.75	17.48	14.48	13.45	11.85	10.85	10.85
Police										
Officers	40.00	40.00	40.00	40.00	40.00	40.00	40.00	39.00	37.00	35.00
Civilians	14.84	14.84	15.84	15.84	15.84	15.84	15.84	13.92	13.35	13.35
Fire										
Firefighters and officers	37.00	37.00	37.00	37.00	37.00	38.00	38.00	35.00	35.00	35.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Judicial	17.89	17.95	17.88	17.95	17.95	17.95	17.95	16.66	16.66	17.66
Health - cemetery	3.38	3.38	3.32	3.32	3.08	3.08	2.76	2.00	2.00	2.00
Street repair & maintenance	11.79	11.79	12.29	12.04	11.67	11.67	8.88	6.88	6.98	6.98
Community development	1.26	1.23	1.23	1.23	1.23	1.23	1.00	1.00	1.00	1.00
Community environment	11.04	11.29	11.25	11.51	11.51	11.59	11.30	10.50	5.60	5.60
Parks and recreation	17.90	17.62	17.60	16.90	16.90	17.23	16.23	15.51	15.51	14.94
Transportation	8.37	9.35	12.55	12.38	12.28	13.89	13.60	13.60	13.60	12.57
Stormwater	2.96	2.96	3.06	4.06	4.06	4.06	4.06	3.60	3.60	3.60
Water	21.55	21.46	21.77	21.77	21.77	18.25	16.03	15.83	15.73	15.73
Sewer	14.13	14.00	15.33	15.33	15.33	15.33	15.55	15.33	15.23	14.23
Solid waste	2.87	2.76	0.10	0.10	-	-	-	-	-	-
Airport	-	0.25	0.25	0.25	-	-	-	-	-	-
Swimming pool	3.76	3.76	4.05	5.06	4.05	5.06	4.21	3.98	3.98	3.98
Revenue Collection	-	-	-	-	-	6.50	6.50	6.00	6.00	6.00
Service center including city garage	5.19	4.69	4.44	4.44	4.04	3.75	3.50	3.00	3.00	3.00
Information technology	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Total	234.68	235.08	238.71	239.93	238.19	242.91	233.86	218.66	210.09	206.49

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,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Accounts payable checks processed	6,138	5,644	5,590	5,181	5,543	5,633	5,230	4,276	4,725	4,764
Purchase orders issued	1,865	1,870	1,825	1,611	1,680	1,650	1,479	1,291	1,327	1,200
Police										
Calls for service processed	36,676	37,330	37,445	36,825	34,880	31,573	26,943	25,151	22,508	22,000
9-1-1 calls processed	3,905	4,230	3,734	3,810	4,067	3,958	7,247	7,542	11,661	10,676
Adult & juvenile arrests	2,493	2,811	2,888	2,615	1,739	2,399	1,998	1,321	1,193	1,281
Traffic citations	3,976	3,340	3,478	3,261	2,923	2,337	2,003	1,083	856	803
Fire										
Fire calls	602	632	735	610	632	701	592	502	524	641
EMS calls	2,452	2,603	2,585	2,540	2,702	2,664	2,638	2,552	2,772	2,742
Municipal Court										
New cases filed	12,435	9,070	10,419	11,284	11,816	10,059	8,478	7,224	7,372	8,000
Cases completed	13,116	9,696	10,913	11,663	11,918	9,269	9,230	9,287	8,471	9,000
Prisoners transported by bailiff	991	982	1,147	1,246	1,300	1,313	1,242	569	895	600
Cemetery										
Burials	80	103	73	68	71	94	69	66	74	70
Grave sales	47	79	49	58	37	68	34	29	35	30
Public Transportation										
Total ridership	41,427	49,877	48,218	47,429	43,277	45,400	43,448	38,636	37,912	39,940
Streets and highways										
Miles of street responsibility	96.2	97.0	98.0	97.5	97.5	97.5	97.5	97.5	97.5	97.5
Traffic signal intersections	52	51	50	50	50	52	52	50	50	48
Planning										
Sign permits issued	68	72	43	41	53	40	37	27	37	38
Zoning occupancy permits issued	24	26	20	23	18	20	17	22	32	34
Building inspection										
Building permits issued	586	292	259	251	265	246	330	491	319	624
Building inspections	1,898	1,103	1,103	1,618	833	822	612	734	472	834
Engineering										
Sanitary sewer inspections	104	101	94	67	51	32	25	25	13	11
Parks and recreation										
Free clinics organized and directed	17	20	20	37	37	38	24	-	14	12
Free clinics (attendance)	444	609	764	1,526	1,494	1,452	2,560	-	701	621
Park shelters maintained	33	33	33	33	33	35	37	37	43	43
Trees planted	250	274	150	100	100	76	1	1	16	6
Senior Center members	1,200	1,200	1,200	1,200	1,200	1,044	1,002	945	945	959
Water										
Gallons of water processed (in millions)	1,141	1,365	1,339	1,375	1,375	1,382	2,994	3,123	3,185	3,339
Lime sludge processed/removed (dry tons)	43,476	5,632	-	10,000	10,000	10,300	7,095	7,038	6,291	5,642
Water main breaks	18	18	23	17	34	20	16	16	24	20
Sewer										
Wastewater processed (million gallons per day)	5.50	5.10	6.00	5.80	6.00	6.03	4.76	5.07	6.40	5.00
Biosolids processed (dry tons)	593	725	855	723	1,002	642	618.55	650	590	648
Feet of sewer cleaned	90,000	90,000	137,969	112,663	105,901	102,997	90,089	93,327	93,327	95,000
Swimming Pool										
Daily admissions	13,548	12,032	20,181	16,912	16,354	14,612	12,957	14,703	15,103	13,176
Season passes	360	379	479	521	564	509	490	401	492	344
Information Technology										
Number of personal computers maintained	136	148	165	192	205	205	210	205	195	221
Service Center - Garage										
Units in fleet	251	235	236	239	235	276	263	262	248	250
Revenue Collections										
Tax returns processed	5,000	5,000	6,000	8,500	9,980	6,416	5,458	9,686	11,906	12,000
Monthly Utility Customers	n/a	n/a	n/a	n/a	n/a	n/a	2,356	2,889	2,985	3,301

Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 2002 - 2011. Estimated statistics for 2012.

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

Schedule 14

Function/Program	Year Ended December 31,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Street Repair & Maintenance ⁽¹⁾										
Miles of streets	96.35	98.61	99.73	100.14	100.75	100.43	100.46	100.46	110.16	110.16
Basic utility services - stormwater management ⁽¹⁾										
Miles of storm sewers	69.90	71.78	73.29	73.27	74.46	74.67	75.17	75.24	76.20	76.54
Parks and recreation ⁽²⁾										
Acres of parks maintained	380	380	380	430	430	430	430	450	450	450
Acres of public grounds maintained	250	250	250	250	250	250	250	250	250	250
Neighborhood parks	14	14	14	15	15	15	16	16	16	16
Sewer ⁽¹⁾										
Miles of sanitary sewers	114.36	116.19	117.86	118.81	119.86	120.50	120.57	122.07	122.11	125.05
Water ⁽¹⁾										
Miles of water mains	114.33	117.11	118.22	118.58	119.85	119.91	121.02	123.22	123.23	123.23

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

⁽²⁾ Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 2003 - 2011. Estimated statistics for 2012.