



Dave Yost • Auditor of State

CITY OF SIDNEY
SHELBY COUNTY

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CITY OF SIDNEY
SHELBY COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	\$29,174
Total Child Nutrition Cluster			<u>\$29,174</u>
Total U.S. Department of Agriculture			<u>29,174</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed through the Office of Ohio Development Services Agency</i>			
Home Investment Partnerships Program	14.239	A-C-15-2DR-25	303,491
Total Home Investment Partnerships Program			<u>303,491</u>
Community Development Block Grants/State's Program And Non-Entitlement Grants in Hawaii	14.228	A-C-15-2DR-1	223,059
Community Development Block Grants/State's Program And Non-Entitlement Grants in Hawaii	14.228	A-F-14-2DR-1	35,933
Community Development Block Grants/State's Program And Non-Entitlement Grants in Hawaii	14.228	A-F-15-2DR-1	41,439
Community Development Block Grants/State's Program And Non-Entitlement Grants in Hawaii	14.228	A-F-16-2DR-1	261
Total Community Development Block Grant/State's Program			<u>300,692</u>
Total U.S. Department of Housing and Urban Development			<u>604,183</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Direct Program</i>			
Equitable Sharing Program	16.922	N/A	3,698
<i>Passed Through the Office of Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grant Program-	16.738	2015-JG-LLE-5895	7,500
BulletProof Vest Partnership Program	16.607	2015-BUBX15076607	367
Total U.S. Department of Justice			<u>11,565</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Direct Program</i>			
Airport Improvement Program	20.106	3-39-0071-1511	51,758
Airport Improvement Program	20.106	3-39-0071-1612	53,979
Airport Improvement Program	20.106	3-39-0071-1713	328,628
Airport Improvement Program	20.106	3-39-0071-018-2014	5,783
Airport Improvement Program	20.106	3-39-0071-020-2015	46,792
Airport Improvement Program	20.106	3-39-0071-019-2016	7,139
Total Airport Improvement Program			<u>494,079</u>
<i>Passed Through the Ohio Department of Transportation</i>			
Formula Grants for Rural Areas	20.509	OH-18-X036	538,589
Total Formula Grants for Rural Areas			<u>538,589</u>
<i>Passed Through the Ohio Department of Transportation</i>			
Highway Planning and Construction	20.205	93853	822,655
Total Highway Planning and Construction			<u>822,655</u>
Total U.S. Department of Transportation			<u>1,855,323</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
<i>Passed Through the Area Agency on Aging, PSA 2</i>			
Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Centers	93.044	N/A	8,480
<i>Passed Through the Centers for Medicare and Medicaid Services</i>			
Medical Assistance Program	93.778	N/A	9,445
Total U.S. Department of Health & Human Services			<u>17,925</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
<i>Passed Through the Office of Ohio Emergency Management Agency (EMA)</i>			
Disaster Grants - Public Assistance	97.036	DR-4077-OH	32,145
Total Federal Emergency Management Agency			<u>32,145</u>
Total Expenditures of Federal Awards			<u><u>\$2,550,315</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF SIDNEY
SHELBY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of City of Sidney (the Government's) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Government, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Government

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Except as described in Note E below, such expenditures are recognized following, either the cost principles contained in either OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments (codified in 2 CFR, Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Government has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS WITHOUT CONTINUING COMPLIANCE REQUIREMENTS

The Government has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Department of Development. The City has two outstanding loans in the amount of \$11,886 as of December 31, 2016. In 2016 the City received in \$11,431 of principal repayment of these revolving loan funds. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by personal guarantees.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the Government to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Government has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds

NOTE E – PRIOR YEAR REIMBURSEMENT

In 2013 we received grant dollars from the Federal Emergency Management Agency but was not reported on the federal schedule of awards, therefore we have included it in our 2016 federal schedule of awards.

In 2016 we received reimbursement grant dollars from the Airport Improvement Program that were not reported as expenditures in prior years on the federal schedule of awards.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the 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, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 22, 2017



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of Sidney's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Sidney's major federal program for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Sidney complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Sidney (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 22, 2017. We conducted our audit to opine on the City's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule 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 schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

June 22, 2017

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**CITY OF SIDNEY
SHELBY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #20.205 – Highway Planning and Construction
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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City of Sidney Ohio



Comprehensive Annual Financial Report

For the Year Ended
December 31, 2016

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City of Sidney, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2016



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

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**CITY OF SIDNEY, OHIO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2016**

CITY COUNCIL MEMBERS

Michael Barhorst, Mayor

Martha Milligan, Vice-Mayor

Janet Born

Edward Hamaker

Joe Ratermann

Darryl Thurber

Steve Wagner

CITY MANAGER

Mark S. Cundiff

LAW DIRECTOR

Jeffrey Amick

CITY CLERK

Kari Egbert

SENIOR DIRECTORS

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



City of Sidney

Letter of Transmittal for 2016 Comprehensive Annual Financial Report

June 22, 2017

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, 2016, 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.

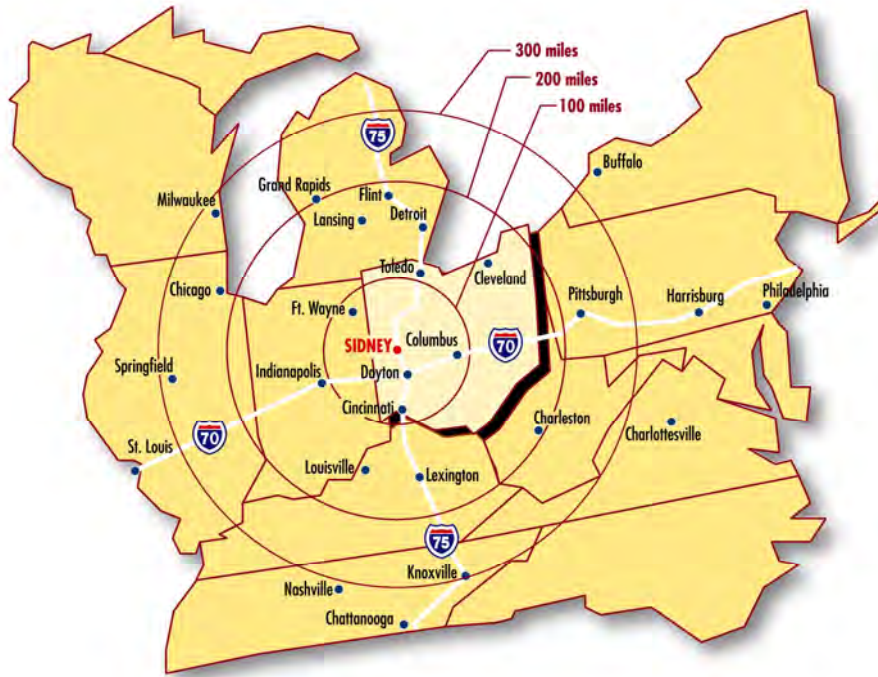
City of Sidney staff prepared all statements, schedules, and other presentations in this report. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control established for this purpose.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

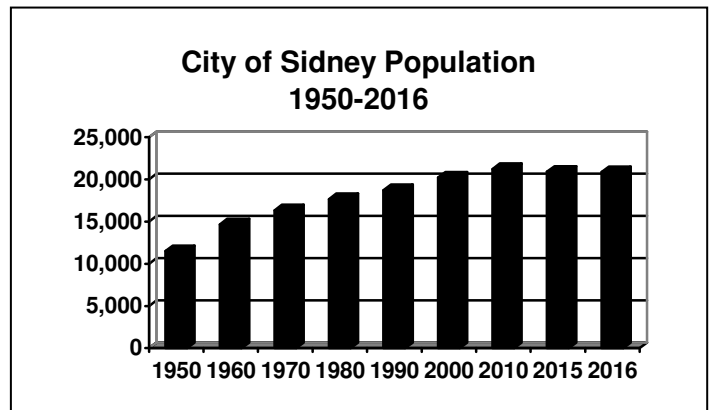
The Ohio Auditor of State audited the basic financial statements of the City of Sidney that are included in this report. The financial statements have received an unmodified ("clean") opinion. The independent auditor's report is located at the front of the financial section of this report. The audit was designed to meet the requirements of the Federal Single Audit Act and the related Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 14.1% per decade from 1950 to 2010. The 2010 Census reported a total population of 21,229, an increase of 5.0% over the 2000 census. The population estimate for 2016 is 20,858 which equates to a 1.7% decrease in population over the last 6 years.



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

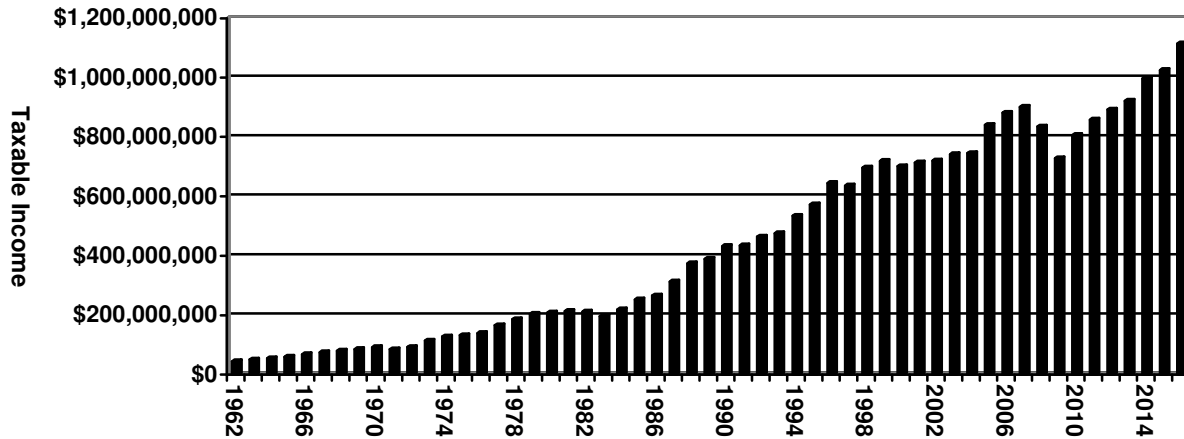
Economic Environment - Historically

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 1962-2016



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 annual growth for the decade ended December 31, 2009 was 0.35%.

With average annual growth of 6.31% since 2009, the City’s income tax base steadily returned to pre-recession levels by 2013. This recovery has been fueled in large part by growth in the taxable net profits of the City’s businesses, while the growth in taxes withheld from Sidney’s employees has been modest. Since 2009, the average annual increase in taxable net profits of Sidney’s businesses has been nearly 19.5%, with the average annual increase in taxes withheld from employees being almost 3.49%.

2016 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 2016 were:

<u>Employer</u>	<u>Primary Business</u>	Ave. no. of <u>employees</u>
Emerson Climate Technologies	Air compressor manufacturing	1724
Wilson Memorial Hospital	Acute care facility	696
NK Parts Industries	Test, assemble, and ship auto parts	609
Norcold	Refrigerators for the RV, marine & truck industries	457
Area Energy & Electric Inc.	Electrical, heating and plumbing services	425
Sidney Board of Education	Public education	410
Freshway Foods	Processor of fresh foods	410
Cargill, Inc.	Soybean refining, meal & oil	380
American Trim	Auto and appliance stampings	364
Advanced Composites	Plastic supplier to automotive industry	350

Source: SSEP

In addition, a Honda of America Mfg., Inc. auto engine plant with approximately 2,600 employees is located just eight miles outside of the City. It is Honda's largest engine plant in the world and significantly benefits the City's industrial, commercial, residential and income tax bases. In 2015, Honda invested \$340 million in this plant to produce a new line of engines. This expansion included adding a third assembly line.

Wilson Health expanded their facility in 2016 with the construction of a new 48,000-square foot medical office building on the hospital's main campus. The \$10.5 million project is the new home of Wilson Care practices, bringing together the hospital's group of 26 outpatient specialists who were formerly located around the county. During August 2016, the hospital purchased almost 25 acres in Sidney for \$1.47 million with plans to build a cancer center.

In 2016, Bensar Development Company constructed a new 480,000 square foot building to accommodate growth in the Sidney industrial market. The new building encompasses 11 acres under one roof and is one of the largest buildings in size compared to industrial buildings recently constructed in the Greater Dayton area.

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 2,279 workers on a daily basis. While Sidney and Shelby County import a significant portion of their workers, surrounding counties import fewer workers. Miami County sustains a net gain of 313 workers per day, Darke County gains 445 workers, and Auglaize County gains a net 703 workers each day.

In order to fund both multi-million dollar wastewater plant and sewer system capital and operating upgrades required by the Ohio Environmental Protection Agency (Ohio EPA) and the acquisition and construction of a new water source, significant utility rate increases were implemented in 2013 through 2015. Such increases contributed to Sidney's combined water and sewer charges dropping from 5th lowest in a City of Oakwood survey of 63 area communities in

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.

Looking at a more comprehensive cost comparison, the City of Sidney ranks as a low cost city. A 2013 City of Troy survey that rated certain Quality of Life Costs in Southwest Ohio communities, Sidney ranked the lowest cost out of 31 area cities. "Quality of Life Costs" ranked in this survey included such expenses as household property & income taxes; refuse, storm water and license plate fee; 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. Most recently, in 2015, the City of Piqua conducted a Municipal Cost Comparison, adding electric charges as one of the variables. Sidney ranked as the 29th lowest cost of the 31 cities Piqua surveyed. To achieve such a favorable outcome in light of the City's recent utility rate increases speaks favorably for the City of Sidney's economic environment.

Another factor that contributes to the growth and stability in Sidney is a spirit of cooperation between the public and private sectors. The Sidney-Shelby Economic Partnership (SSEP) (formerly West Ohio Development Council) is a non-profit corporation organized to create more employment opportunities and retain the existing employment base in the Sidney and Shelby County area. As a response to area employers seeking qualified employees to fill positions, SSEP introduced and continues to develop the Workforce Academy. The Academy works in the Sidney City School system to introduce students to the various careers available teaching them the skills necessary to enter those careers. The program has grown from 50 students to over 1,200 students.

One of the fastest growing trends in the site location business is the demand for project-ready industrial sites. The SSEP, in conjunction with Dayton Power & Light and site selection consultant McCallum Sweeney, recently certified two Sidney sites – the Sidney Ohio Industrial Park and the Amos Industrial Park. The sites are now "shovel ready" for industrial development. The certified site status insures a new company that the sites are free of any detriments that may slow or stop development. The sites will now be marketed internationally as "certified sites".

The City works to promote and encourage economic development. The City makes available a Municipal Job Creation Income Tax Credit program and is developing a Municipal Job Retention Grant 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 invested approximately \$4.8 million constructing a new 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:

- The year 2016 marks the second year collecting an additional 0.25% income tax dedicated to constructing, reconstructing, resurfacing and maintaining Sidney's streets, alleys, bridges, curbs and gutters. Collections totaled nearly \$2.2 million in 2015 and nearly \$2.9 million in 2016. Over the five-year levy, this tax should generate at least \$17.5 million. Over \$3.0 million was spent through 2016 with another \$3.5 million budgeted for 2017 road and bridge projects.
- Income tax collections in 2016 of the City's permanent 1.5% income tax surpassed prior year taxes by \$1.3 million. Of this increase \$660,000 is a one-time increase as a result of a state legislated change in the remittance of taxes withheld from employees. This increase helped fill the void created when State legislators reduced Local Government Fund distributions by 50%, eliminated estate taxes and withdrew tangible personal property reimbursement, cutting Sidney funding by \$1.3 million annually. In 2016, the total of all other sources of General Fund revenue was \$5.4 million, a decline of \$1.5 million when compared to pre-recession revenue.
- State-generated shared gasoline tax receipts declined from about \$833,000 in 2007 to about \$734,000 for 2016. Likewise, motor vehicle license tax receipts declined from \$496,000 in 2007 to almost \$218,000 collected for 2016 largely due to declining fees paid by over-the-road carriers. While not General Fund revenue sources, losses of Street Repair & Maintenance Fund revenue translates into higher income tax subsidies paid by the General Fund to support Street Repair & Maintenance Fund operations.
- Service levels should continue to improve with the return of seasonal staffing to pre-recession levels, reinstatement of two Firefighters to work during peak demand periods, and adding a Water Treatment Plant Operator in 2016. Plans for 2017 include the adding back of two Police Officers to work peak demand split shifts, an Equipment Operator to assist with Graceland Cemetery and parks projects, and targeted seasonal

positions to ease Municipal Court workload, paint water hydrants and provide for increased Shelby Public Transit ridership.

- Budget reductions made during the last national recession negatively affected service levels in the ability to be responsive to customers' needs, in the maintenance of assets and infrastructure, etc. Use of the additional 0.25% income tax to repair and reconstruct city streets will go a long way toward improving the City's infrastructure. Given the elimination of, or reduction in, state-shared local revenues and an uncertain economic outlook, many more previous staffing reductions remain. Staffing is at 216 full-time equivalents (FTEs) in 2016 down from 243 FTE's in 2008.
- To provide funding for water system capital improvements, water flow rates were increased 29% in 2014 and 15% in 2015. Water utility rates returned to moderate, inflationary 3% increase for 2016. Rate increases are anticipated to be 3% for 2017 and then remain at 4% annually from 2018 through 2021. The most extensive of the projects has been the acquisition and construction of a new water source. To finance this project, the City is receiving an Ohio Water Development Authority (OWDA) loan of up to \$22.1 million to be repaid at 3.3% interest over a 30-year period beginning in July, 2017. Loan proceeds will be used to pay for the construction of the water source project, while cash reserves will be used to purchase the remaining property.
- Phase I of the wastewater treatment plant and sewer collection system improvements begun in 2015, is being financed with loan proceeds from the Water Pollution Control Loan Fund (WPCLF). A loan of up to \$9 million is to be repaid over a 20-year period beginning in 2018 bearing an interest rate of 2.18%. Phase II of the construction project, slated for 2017, will be paid for with a combination of cash reserves and issuing long-term debt estimated at approximately \$5.2 million. City staff has applied for loan assistance from the WPCLF for this final phase of the project.
- Additional street resurfacing and reconstruction continues with approximately \$3.0 million spent in 2016 a total of approximately \$4.0 million budgeted for 2017. For 2017, paying for this comes from the following sources:
 - Capital Improvement Fund – about \$250,000 from permanent 1.5% income tax
 - Capital Improvement Fund – about \$100,000 from \$5 additional license fee
 - County Auto License Fund – about \$100,000 from City's share of county auto license fees
 - Municipal Earned Income Tax for Street Capital Fund -- \$3,500,000 from additional 0.25% earned income tax approved by voters in 2014
- The reconstruction of Port Jefferson Road from Russell Road to Wells Drive was completed in 2016 at a cost of about \$2.0 million. Grant funding reduced the City's Capital Improvement Fund share to approximately \$365,000. Replacement of water lines costed the City after grant funding about \$20,000 and sanitary sewer and laterals was completed at a cost of almost \$300,000 paid for from the Sewer Improvement Fund.
- The City's lime lagoon, constructed in 1978, has exceeded its designed life span of 16 years. Construction of the service lime lagoon was completed in 2016 at a cost of about \$548,000. Starting late 2016, the sludge in the primary lagoon was being removed and repairs began on lagoon at a projected cost of \$6.1 million. The City received approximately \$5.3 million of loan proceeds from OWDA for this project. This debt is

expected to be repaid over a 30-year period and bear an interest rate of 2.2%.

- 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 2010, 2011, 2013 and again in 2014. 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, 2015. 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 eighteen consecutive years. We believe that this comprehensive annual financial report for the year ended December 31, 2016 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 2016, the eighteenth 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.

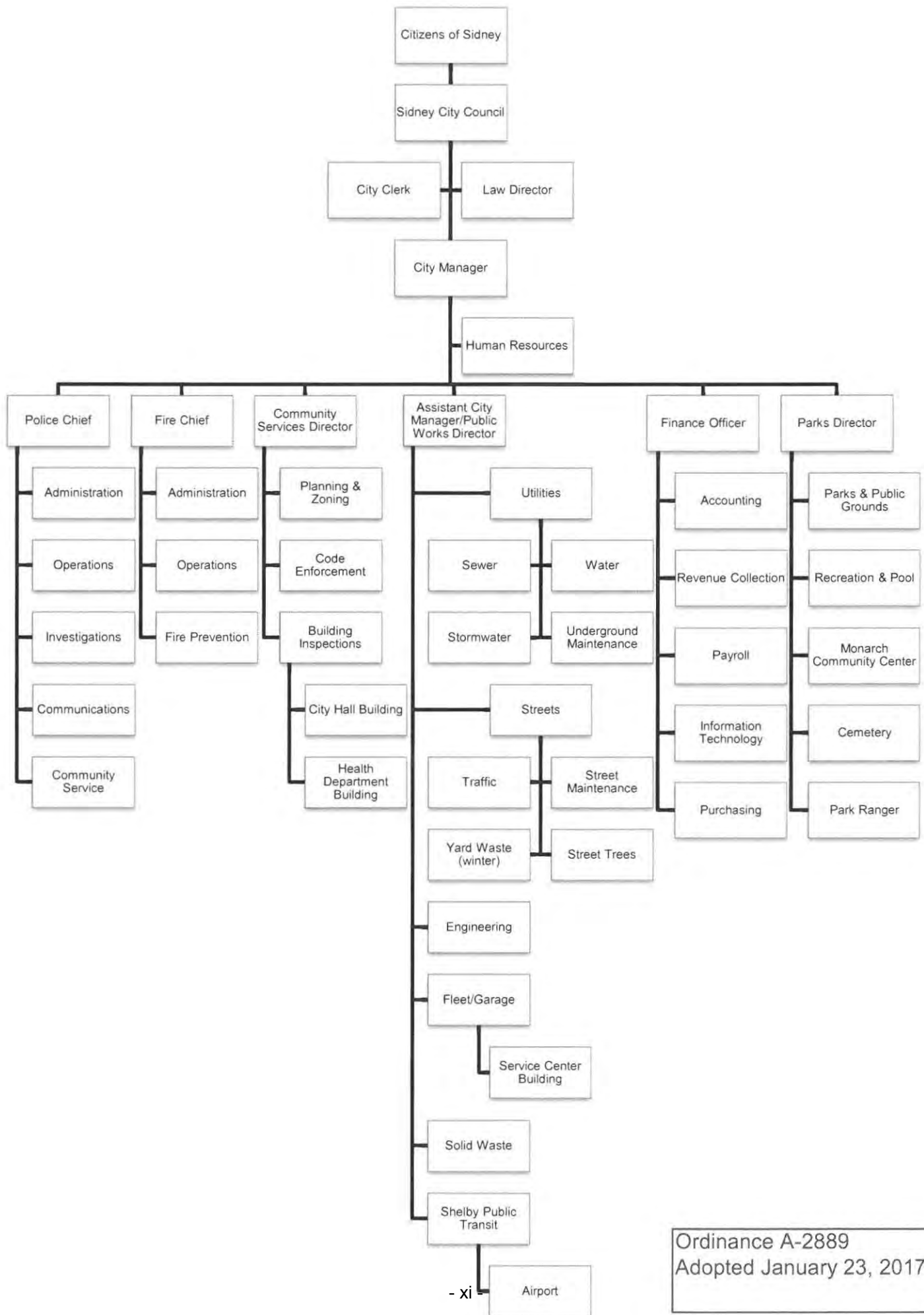
ACKNOWLEDGEMENTS

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-2889
 Adopted January 23, 2017



Government Finance Officers Association

**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, 2015

Executive Director/CEO



FINANCIAL SECTION



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, 2016, 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, 2016, 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.

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, required budgetary comparison schedules* and schedules of net pension liabilities and pension contributions 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 statements and schedules are management's responsibility, and derive 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 statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are 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 22, 2017, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 22, 2017

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CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2016
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, 2016. Readers should also review the basic financial statements on pages 16 – 26 to further enhance their understanding of the City's financial performance.

Using this Annual Financial Report

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

The Statement of Net 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 2016?" 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 16) reports all assets and liabilities of the City as of December 31, 2016. 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 17) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the City for the year ended December 31, 2016. 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, Municipal Earned Income Tax for Street Capital 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.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

- *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 19 and 21.

The City of Sidney maintains 35 separate governmental funds. The governmental fund financial statements on pages 18 and 20 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 22 through 24. The City has six 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., fleet maintenance, revenue collections, information technology) 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 five 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.

Of the City of Sidney’s eight fiduciary funds, five are agency funds and three are private-purpose trust funds. The agency funds are combined and shown as a single column as well as private-purpose trust funds are combined into a single column in the fiduciary statement of net position, on page 25 of this report. The statement of changes in fiduciary net position reported on page 26 includes the private-purpose trust funds reported in a single column. Detailed financial data for the agency funds can be found in the combining statements in the supplementary information section of this report.

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Other Information

Notes to the basic financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 27 – 58 of this report.

Required supplementary information.

In addition to the basic financial statements and notes, this report also contains required supplementary information (RSI). Included in the RSI is the proportionate share of net pension liability and schedule of pension payment amounts. RSI also contains the budgetary schedules for the General Fund and major special revenue funds. This data is on pages 59 to 64 of this report.

The City of Sidney as a Whole

The following table presents condensed information on net position as of December 31, 2016 and 2015.

	Net Position					
	December 31, 2016 and 2015					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015, as restated</u>	<u>2016</u>	<u>2015, as restated</u>	<u>2016</u>	<u>2015, as restated</u>
<u>Assets:</u>						
Current and other assets	\$ 26,632,087	\$ 24,202,363	\$ 19,847,088	\$ 17,039,494	\$ 46,479,175	\$ 41,241,857
Capital assets	<u>57,198,255</u>	<u>53,742,629</u>	<u>80,445,489</u>	<u>51,606,043</u>	<u>137,643,744</u>	<u>105,348,672</u>
Total assets	<u>83,830,342</u>	<u>77,944,992</u>	<u>100,292,577</u>	<u>68,645,537</u>	<u>184,122,919</u>	<u>146,590,529</u>
Deferred outflows	<u>6,156,428</u>	<u>2,538,393</u>	<u>1,303,827</u>	<u>442,798</u>	<u>7,460,255</u>	<u>2,981,191</u>
Total assets and deferred outflows	89,986,770	80,483,385	101,596,404	69,088,335	191,583,174	149,571,720
<u>Liabilities:</u>						
Current and other liabilities	1,973,168	1,790,701	2,630,559	1,330,008	4,603,727	3,120,709
Long-term liabilities	6,674,631	7,301,306	41,969,121	15,958,842	48,643,752	23,260,148
Net pension liability	<u>23,312,981</u>	<u>18,670,225</u>	<u>3,382,910</u>	<u>2,384,655</u>	<u>26,695,891</u>	<u>21,054,880</u>
Total liabilities	<u>31,960,780</u>	<u>27,762,232</u>	<u>47,982,590</u>	<u>19,673,505</u>	<u>79,943,370</u>	<u>47,435,737</u>
Deferred inflows	<u>2,576,909</u>	<u>2,276,124</u>	<u>71,621</u>	<u>45,572</u>	<u>2,648,530</u>	<u>2,321,696</u>
Total liabilities and deferred inflows	<u>34,537,689</u>	<u>30,038,356</u>	<u>48,054,211</u>	<u>19,719,077</u>	<u>82,591,900</u>	<u>49,757,433</u>
<u>Net Position:</u>						
Net investment in capital assets	52,535,603	48,421,398	40,496,079	39,086,912	93,031,682	87,508,310
Restricted	6,221,211	6,070,942	-	-	6,221,211	6,070,942
Unrestricted	<u>(3,307,733)</u>	<u>(4,047,311)</u>	<u>13,046,114</u>	<u>10,282,346</u>	<u>9,738,381</u>	<u>6,235,035</u>
Total net position	<u>\$ 55,449,081</u>	<u>\$ 50,445,029</u>	<u>\$ 53,542,193</u>	<u>\$ 49,369,258</u>	<u>\$ 108,991,274</u>	<u>\$ 99,814,287</u>

The City's assets and deferred outflows were greater than its liabilities and deferred inflows of resources by nearly \$109.0 million at the close of 2016, as compared to approximately \$99.8 million at close of 2015, an increase of about \$9.2 million. The City has restated the net position for employer pension contributions and changes received from Ohio Police and Fire pension at December 31, 2015. For governmental activities, this reduced total net position about \$15,000, from nearly \$50.46 million to nearly

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\$50.45 million. For business-type activities, this reduced total net position by approximately \$60,000 from nearly \$49.43 million to \$49.37 million.

The largest impact on the City's financial statement in 2016 had absolutely no impact on the City's financial condition; GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27". GASB 68 required the City to recognize a net pension liability of nearly \$27 million. For reasons discussed below, this liability serves only to distort the true financial position of the City. Users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension. The resulting net position would be \$128,469,617, which is about \$19.5 million more than the net position reported.

Governmental Accounting Standards Board (GASB) standards are national and apply to all governmental financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employee's past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange"—that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return of investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability of the statement of net position.

The component, "Net investment in capital assets" increased approximately \$5.5 million, or 6.3%, from approximately \$87.5 million at December 31, 2015 to about \$93.0 million at December 31, 2016. Increases in this category of net position generally means that the sum of capital asset additions and bond principal repayments were more than the sum of depreciation expense, disposed assets, and additional debt

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now associated with capital assets. During 2016 the City invested nearly \$38.0 million for capital additions. Nearly \$17.2 million was related to the new water source project and were purchased with an Ohio Water Development Authority loan. Another \$10.3 million was spent for sewer equipment for the sewer inflow and infiltration reduction program and waste water treatment plant design changes required by the Ohio EPA of which were purchased with approximately \$9.0 million of Water Pollution Control Loan Fund loans and about \$1.3 million of restricted cash (bond proceeds) was used. Bond principal repayments were about \$0.9 million and total depreciation expense for capital assets were nearly \$5.8 million.

Restricted net position is subject to external restrictions as to their use. This category increased approximately \$150,000, or 2.5%, from December 31, 2015 to December 31, 2016. This increase is attributable to proceeds from the street municipal income tax levy of one quarter of a percent restricted for street capital projects received not yet spent on street projects.

Unrestricted net position is available for future use as directed by City Council. Overall, this category increased nearly \$3.5 million from approximately \$6.2 million at December 31, 2015 to about \$9.7 million at December 31, 2016. It is important to note that although the total unrestricted net position is \$9.7 million, the unrestricted net position of the City's business-type activities, approximately \$13.0 million, may not be used to fund governmental activities. Unrestricted net position of the City's governmental activities improved nearly \$740,000, or 18.3%, from a negative \$4.0 million to a negative \$3.3 million. Most of this increase was due to the City's larger employers changing from monthly to semi-monthly remittance, as required by recent State Legislation. For the City's business-type activities, the unrestricted net position increased nearly \$2.7 million from nearly \$10.3 million to about \$13.0 million. Over the past few years utility rates have been increased to fund the anticipated future increases in both water debt service costs for the water source project and lime sludge lagoon and sewer debt service costs for programs mandated by the Ohio EPA. Generally, increases in unrestricted net position indicate an improvement in financial position.

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 calculated 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 charts graphically illustrate the components of net position.



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The following table presents condensed table of changes in net position.

Changes in Net Position For the Years Ended December 31, 2016 and 2015

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015, as restated</u>	<u>2016</u>	<u>2015, as restated</u>	<u>2016</u>	<u>2015, as restated</u>
Revenues:						
Program revenues:						
Charges for services	\$2,153,484	\$2,144,975	\$14,278,317	\$14,383,057	\$16,431,801	\$16,528,032
Operating grants and contributions	1,447,509	1,302,328	536,551	480,380	1,984,060	1,782,708
Capital grants and contributions	2,648,907	1,130,734	635,277	483,115	3,284,184	1,613,849
General revenues:						
Income taxes	18,724,943	17,882,075	-	-	18,724,943	17,882,075
Property taxes	1,014,356	1,026,383	-	-	1,014,356	1,026,383
Payments in lieu of taxes	151,322	151,114	-	-	151,322	151,114
Lodging taxes	383,691	377,602	-	-	383,691	377,602
Other taxes	4,260	1,534	-	-	4,260	1,534
Grants and other contributions not restricted to specific program:	553,759	580,241	-	-	553,759	580,241
Investment income	81,259	82,194	140,182	129,961	221,441	212,155
Gain (loss) on sale of capital assets	78,336	28,540	23,377	28,985	101,713	57,525
Miscellaneous	511,777	387,378	300,638	507,594	812,415	894,972
Total revenues	27,753,603	25,095,098	15,914,342	16,013,092	43,667,945	41,108,190
Expenses:						
General government	1,112,992	1,135,011	-	-	1,112,992	1,135,011
Police	6,381,987	6,194,921	-	-	6,381,987	6,194,921
Fire	5,711,785	5,543,595	-	-	5,711,785	5,543,595
Judicial	1,851,709	1,652,162	-	-	1,851,709	1,652,162
Health	229,048	246,323	-	-	229,048	246,323
Public transportation	41,509	-	-	-	41,509	-
Street repair & maintenance	3,565,336	3,236,098	-	-	3,565,336	3,236,098
Community development	1,005,925	533,433	-	-	1,005,925	533,433
Community environment	620,135	568,221	-	-	620,135	568,221
Parks and recreation	1,572,667	1,483,180	-	-	1,572,667	1,483,180
Basic utility services	249,527	384,464	-	-	249,527	384,464
Interest on long-term debt	134,274	147,997	-	-	134,274	147,997
Water	-	-	3,984,823	3,713,584	3,984,823	3,713,584
Sewer	-	-	4,211,321	4,163,735	4,211,321	4,163,735
Solid waste	-	-	1,549,248	1,421,630	1,549,248	1,421,630
Stormwater	-	-	588,053	574,465	588,053	574,465
Transportation	-	-	939,983	898,194	939,983	898,194
Airport	-	-	526,897	473,289	526,897	473,289
Swimming pool	-	-	181,601	154,905	181,601	154,905
Concession Stand	-	-	29,901	45,238	29,901	45,238
Yard waste	-	-	2,237	37,531	2,237	37,531
Total expenses	22,476,894	21,125,405	12,014,064	11,482,571	34,490,958	32,607,976
Excess (deficiency) before transfers	5,276,709	3,969,693	3,900,278	4,530,521	9,176,987	8,500,214
Transfers	(272,657)	(425,058)	272,657	425,058	-	-
Change in net position	5,004,052	3,544,635	4,172,935	4,955,579	9,176,987	8,500,214
Net position, beginning of year	50,445,029	46,900,394	49,369,258	44,413,679	99,814,287	91,314,073
Net position, end of year	<u>\$ 55,449,081</u>	<u>\$ 50,445,029</u>	<u>\$ 53,542,193</u>	<u>\$ 49,369,258</u>	<u>\$ 108,991,274</u>	<u>\$ 99,814,287</u>

The City's net position increased approximately \$9.2 million for the year ended December 31, 2016 as compared to an increase of about \$8.5 million for the prior year. A reclassification has been recorded in

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2015 to reflect pension changes for GASB 68. Expenses were restated for the effects of the employer contributions health insurance portion. The 2015 statements previously reported pension expense of \$2,734,343 and has been restated to \$2,808,394.

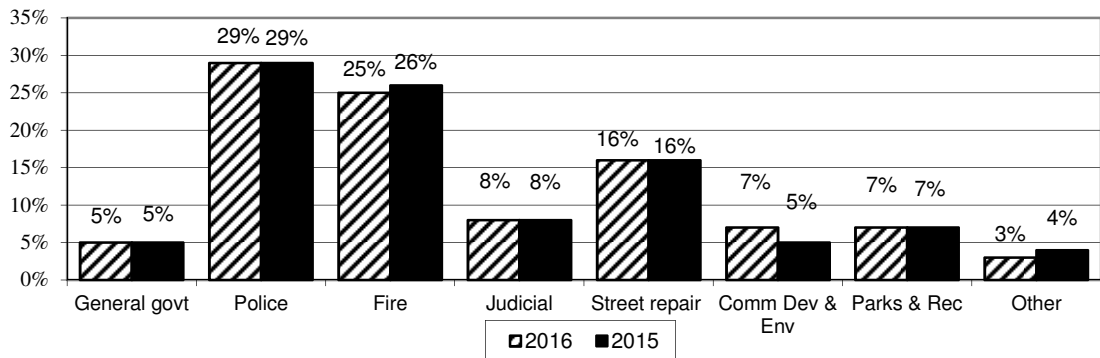
Total revenues increased nearly \$2.6 million, or 6.2%. Income tax revenue increased nearly \$840,000 primarily due to new semi-monthly withholding payments by large employers. Capital grants and contributions increased roughly \$1.7 million, from \$1.6 million in 2015 to nearly \$3.3 million in 2016. Of the 2016 capital grants financed, the largest were Ohio Department of Transportation (ODOT) grant for Port Jefferson Road reconstruction which was about \$830,000, various Community Development Block Grants (CDBG) of about \$520,000, ODOT street overlay grant of almost \$480,000, and \$240,000 in Airport projects from Federal Aviation Administration. In addition the City received donations of approximately \$70,000 for a fire training room, almost \$120,000 for various park projects, and a \$50,000 tree grant. Operating grants and contributions increased about \$201,000 or 11.3%, in 2016. ODOT federal and state transit grants increased approximately \$50,000 for operating funds to the Shelby Public Transit. The City received state funding from the Ohio EPA of nearly \$45,000 for mosquito control.

Total expenses increased approximately \$1.9 million, or 5.8%, from nearly \$32.6 million in 2015 to \$34.5 million in 2016. Community development expenses increased about \$470,000, or 88.6%, largely a result of increased CDBG grant dollars spent in 2016. Street repair & maintenance expense increased nearly \$330,000 of which the majority relates to additional depreciation on street capital expenditures. Water expenses increased nearly \$270,000, or 7.3%, from about \$3.7 million in 2015 to almost \$4.0 million in 2016 largely due to startup costs of the water source project. Solid Waste expenses increased nearly \$130,000, or 9.0%. This increase reflects the yard waste costs now paid 100% through the Solid Waste Fund.

Governmental activities

Governmental activities net position increased nearly \$5.0 million, or 9.9%, from about \$50.4 million at December 31, 2015 to approximately \$55.4 million at December 31, 2016. The category, net investment in capital assets, increased nearly \$4.1 million, or 8.5%, from nearly \$48.4 million to \$52.5 million representing the City's net increase of new capital additions of nearly \$6.9 million and bond principal payments related to debt of about \$0.6 million decreased by \$3.4 million of depreciation expense. Restricted net position increased approximately \$150,000. Primary increase in restricted resources for street capital projects through the new municipal income tax levy of one quarter of one percent. Unrestricted net position increased nearly \$740,000 or 18.2%, from a negative \$4.0 million to a negative \$3.3 million, a result of the net effect of increase in income taxes revenue offset by the additional cost associated with the pension reporting under GASB 68. The components of governmental activities' expenses are as follows:

Governmental Expenses by Program



The composition of expenses by program remained relatively stable from 2015 to 2016. The two largest components of governmental expenses are public safety -- police and fire. Police makes up 29% of the total, while fire contributes another 25% to 26%. Judicial - consisting mainly of municipal court

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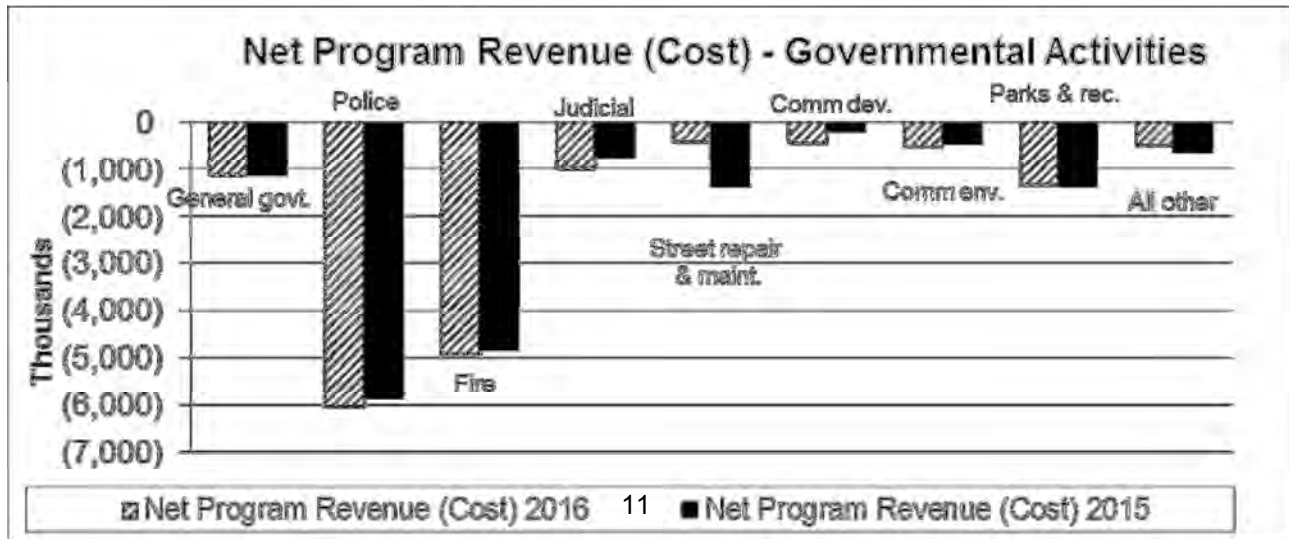
activities – comprises about 8% of governmental activities' expenses. Street repair and maintenance (which includes winter street clean-up) accounts for 16% of expenses. The community development and environment program expenditures, which includes such activities as community planning, engineering, building inspection, and code enforcement, make up 5% to 7% of total governmental expenses. 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, 2016</u>			<u>Year Ended December 31, 2015, as 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	\$ 1,112,992	\$ -	\$ (1,112,992)	\$ 1,135,011	\$ -
Police	6,381,987	356,665	(6,025,322)	6,194,921	352,453	(5,842,468)
Fire	5,711,785	767,796	(4,943,989)	5,543,595	702,442	(4,841,153)
Judicial	1,851,709	883,270	(968,439)	1,652,162	932,008	(720,154)
Street repair & maintenance	3,565,336	3,163,261	(402,075)	3,236,098	1,874,992	(1,361,106)
Community development	1,005,925	575,384	(430,541)	533,433	350,151	(183,282)
Community environment	620,135	114,174	(505,961)	568,221	96,715	(471,506)
Parks & recreation	1,572,667	233,008	(1,339,659)	1,483,180	123,973	(1,359,207)
All others	654,358	156,342	(498,016)	778,784	145,303	(633,481)
Total governmental activities	\$ 22,476,894	\$ 6,249,900	\$ (16,226,994)	\$ 21,125,405	\$ 4,578,037	\$ (16,547,368)

Overall, the net program cost of governmental activities decreased by approximately \$320,000, or 1.9%, from a net program cost of about \$16.5 million in 2015 to \$16.2 million in 2016. The most significant change was the street repair and maintenance program which changed from a net program cost of nearly \$1.4 million in 2015 to a net program cost of about \$0.4 million in 2016, primarily due to the increase of street capital projects grant dollars received from various sources. Judicial net program costs increased from additional depreciation and pension expense as well as court revenue declined \$100,000, creating a net change of almost \$250,000, or 34.5%. Community development net program costs increased nearly \$250,000, or 134.9%, this is a result of additional contributions to the Convention and Visitors Bureau of \$22,000, funding of an updated comprehensive plan of \$40,000, and timing of Community Development Block Grant projects.



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Business-type activities

Business-type activities' net position increased nearly \$4.1 million, or 8.5%, from nearly \$49.4 million at December 31, 2015 to \$53.5 million at December 31, 2016. Of this increase, nearly \$1.4 million was in the category net investment in capital assets, a result of capital purchases of \$31.2 million and principal debt repayments of \$0.9 million, reduced by depreciation expense of nearly \$2.4 million, issuance of \$27.1 million debt, and use of unspent bond proceeds of \$1.2 million. Unrestricted portion of net position increased almost \$2.8 million, or 26.9%. Over the past few years utility rates have been increased significantly in order to be in a position to pay the future debt service on major capital projects.

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 summarizes the expenses and program revenues for business-type activities:

Expenses and Program Revenues - Business-Type Activities

	<u>Year Ended December 31, 2016</u>			<u>Year Ended December 31, 2015, as 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>
Sewer	\$ 4,211,321	\$ 5,932,595	\$ 1,721,274	\$ 4,163,735	\$ 6,393,250	\$ 2,229,515
Stormwater	588,053	424,341	(163,712)	574,465	382,292	(192,173)
Water	3,984,823	6,003,745	2,018,922	3,713,584	5,615,833	1,902,249
Airport	526,897	501,433	(25,464)	473,289	574,375	101,086
Concession Stand	29,901	23,560	(6,341)	45,238	21,110	(24,128)
Solid Waste	1,549,248	1,556,991	7,743	1,421,630	1,457,325	35,695
Swimming Pool	181,601	63,639	(117,962)	154,905	57,121	(97,784)
Transportation	939,983	943,841	3,858	898,194	827,430	(70,764)
Yard Waste	2,237	-	(2,237)	37,531	17,816	(19,715)
Total business-type activities	<u>\$ 12,014,064</u>	<u>\$ 15,450,145</u>	<u>\$ 3,436,081</u>	<u>\$ 11,482,571</u>	<u>\$ 15,346,552</u>	<u>\$ 3,863,981</u>

Overall, the net program cost of the City's business-type activities changed from net program revenue of nearly \$3.9 million for the year ended December 31, 2015 to a net program revenue of \$3.4 million for the year ended December 31, 2016. Program revenue for business-type activities increased roughly \$100,000, or 0.7%, while program expenses increased approximately \$500,000, or 4.6%. Key components of the changes in net program cost for each significant program change are as follows:

- The City's sewer program changed from net program revenue of approximately \$2.2 million in 2015 to net program revenue of about \$1.7 million in 2016. Program revenues decreased about \$460,000 because of a 30% decrease in the sewer EPA fee effective January 1, 2016. This fee reduction was possible because of the Ohio EPA's approval of staff recommendations, construction bids within budget and lower cost of debt service.
- The City's water program changed from net program revenue of about \$1.9 million in 2015 to net program revenue of approximately \$2.0 million in 2016. This change is largely due to the 3% rate increase implemented in 2016.
- Airport program went from net program revenue of approximately \$100,000 to a net program cost of about \$25,000, due to timing of grant reimbursements for airport capital improvements.

Individual funds summary and analysis

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

The combined fund balance of the City's governmental funds at December 31, 2016 was nearly \$17.5 million. Approximately 42.3% of this total amount represents unassigned fund balances available for spending at the City's discretion. Roughly 28.7% of the combined fund balance is in a nonspendable, or restricted, form. The portion of fund balance committed by City Council, the highest level of decision

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

making authority, is 3.5% and those balances assigned are 25.5%. Nearly \$1.4 million of fund balance has already been assigned to liquidate purchase orders of the prior periods.

Total fund balances of the City's governmental funds increased \$2.6 million, or 17.4%, from \$14.9 million at December 31, 2015 to nearly \$17.5 million at December 31, 2016. (See the governmental funds' statement of revenue, expenditures & changes in fund balance on page 20.)

The General Fund is the primary operating fund of the City of Sidney, accounting for such activities as police and fire protection, emergency medical services, and parks and recreation. The General Fund balance increased almost \$1.6 million, or 18.9%, from nearly \$8.3 million at December 31, 2015 to \$9.8 million at December 31, 2016. Local tax revenue increased from approximately \$13.6 million for the year ended December 31, 2015 to nearly \$14.7 million for the year ended December 31, 2016, and is largely a result of state legislated timing of semi-annual withholding payments for large employers of approximately \$660,000. General Fund expenditures decreased about \$75,000, or 0.5%. General Fund transfers out to subsidize various funds, including the street repair & maintenance, transportation services, yard waste, airport, cemetery operations, and the swimming pool increased from nearly \$805,000 for the year ended December 31, 2015 to nearly \$1.3 million for the year ended December 31, 2016.

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 \$16,000 in 2016 as compared to 2015 these sources remain below budget expectations. Expenditures increased slightly by \$15,000 from 2015 to 2016. For 2016, the General Fund provided a \$250,000 operating subsidy to the Street Repair & Maintenance Fund. Its fund balance increased by nearly \$67,000 from nearly \$633,000 at December 31, 2015 to nearly \$700,000 at December 31, 2016.

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, 2016, this fund balance increased almost \$880,000 from nearly \$1.8 million at December 31, 2015 to nearly \$2.7 million at December 31, 2016. In 2016, income tax revenues allocated to this fund increased almost \$339,000, or 11.7%. Capital related expenditures for this fund increased nearly \$700,000 from almost \$4.6 million at December 31, 2015 to nearly \$5.3 million at December 31, 2016.

The Municipal Earned Income Tax for Street Capital Fund established in late 2014 is used to account for the income tax levy of an additional one-quarter of one percent annual tax on earned income. These funds are restricted for the construction, reconstruction, resurfacing and maintenance of streets, alleys, bridges, curbs, and gutters and cost incidental thereto. In 2016 nearly \$2.4 million was spent for this purpose. For 2016, the special levy generated revenues of nearly \$2.8 million, an increase of \$440,000 over 2015. The fund balance at December 31, 2016 increased about \$370,000 from \$1.4 million in 2015 to nearly \$1.8 million in 2016.

The City of Sidney's proprietary fund statements (found on pages 22-23) provide the same type of information found in the government-wide financial statements, but in more detail. Explanations of significant changes in these funds are found on page 12.

Budgetary Basis - Budget versus Actual

In 2016, amounts originally budgeted and the final budget for General Fund local tax revenue was under actual receipts as result of year-end receipts larger than anticipated. Actual revenues exceeded budget expectations by roughly \$2.9 million.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

Capital asset and debt administration

Capital asset activity

Significant capital activity for the year ended December 31, 2016 included:

- ✓ The City purchased land in the amount of \$340,000 for the potential location of a north end fire station.
- ✓ Nearly \$2.0 million of street resurfacing was completed with almost \$480,000 paid with Ohio Department of Transportation (ODOT) grants and the remainder with income tax dollars.
- ✓ Approximately \$930,000 was spent in 2016 on the completion of Port Jefferson Road reconstruction and water line replacement of this about \$830,000 was ODOT grant federal funding and about \$57,000 of Ohio Public Works Commission (OPWC) grant state funding.
- ✓ About \$700,000 was added to construction in progress for Fielding Road reconstruction of which the City received OPWC grant funding of \$200,000 and will receive an interest free loan fund of \$157,000 which had not been received as of December 31, 2016.
- ✓ Michigan Street Bridge over Starrett Run was replaced at a capitalized cost of \$247,000 of which the City received OPWC grant funding of approximately \$150,000.
- ✓ At the intersections of Vandemark Road and Industrial Drive and Fair Road and I-75 two traffic signals were installed at a total cost of about \$390,000, grant funding of approximately \$119,000 from ODOT and \$177,000 from Ohio Development Services Roadwork Development (629) Grant.
- ✓ About \$17.4 million was spent on the new water source project and approximately \$540,000 was spent on the lime sludge lagoon expansion. Both projects are in progress and are being financed with OWDA loans.
- ✓ Phase I Wastewater Treatment Plant improvements required by the Ohio EPA required payments of \$10.3 million, \$9.0 million of which was financed with Water Pollution Control Loan Fund (WPCLF) loans.
- ✓ Additional noteworthy projects include the Health Department Building roof replacement of \$181,000, replacement of enhanced 911 software at \$90,000, and the fire training room upgrades costing \$70,000.

Additional detail on the capital asset activity for the year ended December 31, 2016 is presented in the Notes to the Basic Financial Statements in Note 6 on pages 37 – 38.

Debt

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, 2016, that debt ceiling was about \$19.8 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 \$4.2 million of net indebtedness as of December 31, 2016, leaving a legal debt margin for unvoted debt of approximately \$15.6 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 nearly \$37.9 million, leaving a total debt margin of nearly \$33.7 million.

A summary of debt outstanding at December 31, 2016 and 2015 is as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Governmental activities	\$ 4,862,652	\$ 5,552,498
Business-type activities	<u>41,618,467</u>	<u>15,508,561</u>
Total	<u>\$ 46,481,119</u>	<u>\$ 21,061,059</u>

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2016
Unaudited

During 2016, the City incurred approximately \$27 million of debt for business-type activities. Approximately \$18 million was received from the Ohio Water Development Authority (OWDA) to fund both the new water source and lime sludge lagoon reconstruction projects. Another \$9 million was received from Water Pollution Control Loan Fund to pay for phase I of the wastewater treatment plant improvements required by the Ohio EPA.

See additional detailed data for all debt of the City of Sidney is presented in the Notes to the Basic Financial Statements in Note 7 on pages 39 - 42 and in Schedules 7-9 in the Statistical Section of this report.

Contacting the City's management

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

CITY OF SIDNEY, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash	\$ 4,815,090	\$ 2,648,758	\$ 7,463,848
Restricted cash	-	1,669,058	1,669,058
Cash	635,900	-	635,900
Cash held by outside agent	518,967	-	518,967
Deposit	20,000	-	20,000
Pooled investments	13,630,172	12,235,939	25,866,111
Receivables:			
Income taxes	3,366,120	-	3,366,120
Property taxes	1,123,581	-	1,123,581
Other taxes	23,900	-	23,900
Accounts	-	2,177,696	2,177,696
Interest	13,586	17,229	30,815
Loans	780,777	-	780,777
Special assessments	198,564	-	198,564
Other	217,250	273,781	491,031
Internal balances	(16,516)	16,516	-
Receivables from other governments	925,722	421,566	1,347,288
Inventory	219,284	362,980	582,264
Prepaid items	159,690	23,565	183,255
Capital assets:			
Capital assets not subject to depreciation:			
Land	8,398,386	3,109,365	11,507,751
Construction in progress	1,680,085	34,666,112	36,346,197
Capital assets net of accumulated depreciation	47,119,784	42,670,012	89,789,796
Total assets	<u>83,830,342</u>	<u>100,292,577</u>	<u>184,122,919</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	<u>6,156,428</u>	<u>1,303,827</u>	<u>7,460,255</u>
Total deferred outflows of resources	<u>6,156,428</u>	<u>1,303,827</u>	<u>7,460,255</u>
Total assets and deferred outflows	<u>\$ 89,986,770</u>	<u>\$ 101,596,404</u>	<u>\$ 191,583,174</u>
LIABILITIES			
Accounts payable	\$ 1,554,458	\$ 1,861,632	\$ 3,416,090
Salaries and benefits payable	408,205	83,588	491,793
Unearned revenue	-	447,553	447,553
Accrued interest payable	10,505	32,158	42,663
Refundable deposits	-	205,628	205,628
Noncurrent liabilities:			
Due within one year	747,796	1,313,903	2,061,699
Due in more than one year			
Net pension liability	23,312,981	3,382,910	26,695,891
Other amounts due in more than one year	5,926,835	40,655,218	46,582,053
Total liabilities	<u>31,960,780</u>	<u>47,982,590</u>	<u>79,943,370</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	2,405,823	-	2,405,823
Pension	171,086	71,621	242,707
Total deferred inflows of resources	<u>2,576,909</u>	<u>71,621</u>	<u>2,648,530</u>
NET POSITION			
Net investment in capital assets	52,535,603	40,496,079	93,031,682
Restricted for:			
Capital projects	12,748	-	12,748
Street capital projects	2,276,083	-	2,276,083
Street repair and maintenance	1,487,722	-	1,487,722
Community development projects	750,981	-	750,981
Judicial costs	512,072	-	512,072
Cemetery - Expendable	898,399	-	898,399
Cemetery - Nonexpendable	30,376	-	30,376
Police	162,349	-	162,349
Other purposes - externally imposed restrictions	90,481	-	90,481
Unrestricted	(3,307,733)	13,046,114	9,738,381
Total net position	<u>55,449,081</u>	<u>53,542,193</u>	<u>108,991,274</u>
Total liabilities, deferred inflows of resources and net position	<u>16 \$ 89,986,770</u>	<u>\$ 101,596,404</u>	<u>\$ 191,583,174</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

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
Governmental Activities:						
General government	\$ 1,112,992	\$ -	\$ -	\$ -	\$ (1,112,992)	\$ (1,112,992)
Police	6,381,987	253,027	43,292	60,346	(6,025,322)	(6,025,322)
Fire	5,711,785	693,207	1,572	73,017	(4,943,989)	(4,943,989)
Judicial	1,851,709	753,935	129,335	-	(968,439)	(968,439)
Health	229,048	111,442	44,900	-	(72,706)	(72,706)
Public transportation	41,509	-	-	-	(41,509)	(41,509)
Street repair and maintenance	3,565,336	169,753	1,165,500	1,828,008	(402,075)	(402,075)
Community development	1,005,925	29,898	24,850	520,636	(430,541)	(430,541)
Community environment	620,135	114,174	-	-	(505,961)	(505,961)
Parks and recreation	1,572,667	28,048	38,060	166,900	(1,339,659)	(1,339,659)
Basic utility services	249,527	-	-	-	(249,527)	(249,527)
Interest on long-term debt	134,274	-	-	-	(134,274)	(134,274)
Total governmental activities	<u>22,476,894</u>	<u>2,153,484</u>	<u>1,447,509</u>	<u>2,648,907</u>	<u>(16,226,994)</u>	<u>(16,226,994)</u>
Business-type activities:						
Sewer	4,211,321	5,932,595	-	-	\$ 1,721,274	1,721,274
Stormwater	588,053	410,651	-	13,690	(163,712)	(163,712)
Water	3,984,823	5,805,611	-	198,134	2,018,922	2,018,922
Airport	526,897	258,076	-	243,357	(25,464)	(25,464)
Concession Stand	29,901	23,560	-	-	(6,341)	(6,341)
Solid Waste	1,549,248	1,556,991	-	-	7,743	7,743
Swimming Pool	181,601	60,639	3,000	-	(117,962)	(117,962)
Transportation	939,983	230,194	533,551	180,096	3,858	3,858
Yard Waste	2,237	-	-	-	(2,237)	(2,237)
Total business-type activities	<u>12,014,064</u>	<u>14,278,317</u>	<u>536,551</u>	<u>635,277</u>	<u>3,436,081</u>	<u>3,436,081</u>
Total	<u>\$ 34,490,958</u>	<u>\$ 16,431,801</u>	<u>\$ 1,984,060</u>	<u>\$ 3,284,184</u>	<u>(16,226,994)</u>	<u>(12,790,913)</u>
General revenues:						
Taxes:						
Income taxes				15,961,903	-	15,961,903
Street levy income taxes				2,763,040	-	2,763,040
Property taxes				1,014,356	-	1,014,356
Payments in lieu of taxes				151,322	-	151,322
Lodging taxes				383,691	-	383,691
Other taxes				4,260	-	4,260
Grants and contributions not restricted to specific programs				553,759	-	553,759
Investment earnings				81,259	140,182	221,441
Gain on sale of capital assets				78,336	23,377	101,713
Miscellaneous				511,777	300,638	812,415
Transfers				(272,657)	272,657	-
Total general revenues and transfers				<u>21,231,046</u>	<u>736,854</u>	<u>21,967,900</u>
Change in net position				5,004,052	4,172,935	9,176,987
Net position - beginning, as restated				<u>50,445,029</u>	<u>49,369,258</u>	<u>99,814,287</u>
Net position - ending				<u>\$ 55,449,081</u>	<u>\$ 53,542,193</u>	<u>\$ 108,991,274</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	General Fund	Street Repair & Maintenance Fund	Capital Improvement Fund	Municipal Earned Income Tax for Street Capital Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
Pooled cash	\$ 2,609,876	\$ 155,695	\$ 696,853	\$ 516,850	\$ 674,158	\$ 4,653,432
Cash held by outside agent	502,936	-	-	-	16,031	518,967
Pooled investments	7,362,717	441,112	1,983,161	1,469,565	1,913,972	13,170,527
Deposit	-	-	20,000	-	-	20,000
Receivables:						
Income taxes	2,893,729	-	-	472,391	-	3,366,120
Property taxes	971,720	-	-	-	151,861	1,123,581
Other taxes	18,350	-	-	-	5,550	23,900
Interest	11,674	665	-	-	1,247	13,586
Loans	-	-	-	-	780,777	780,777
Special assessments	146,414	-	52,150	-	-	198,564
Other	164,709	142	-	-	52,128	216,979
Receivables from other governments	266,110	572,053	-	-	87,559	925,722
Inventory	128,116	76,823	-	-	-	204,939
Prepaid items	39,008	583	-	-	10,012	49,603
Total assets	<u>\$ 15,115,359</u>	<u>\$ 1,247,073</u>	<u>\$ 2,752,164</u>	<u>\$ 2,458,806</u>	<u>\$ 3,693,295</u>	<u>\$ 25,266,697</u>
LIABILITIES						
Accounts payable	\$ 794,565	\$ 34,480	\$ 67,221	\$ 335,833	\$ 113,302	\$ 1,345,401
Salaries and benefits payable	364,010	12,829	-	-	6,066	382,905
Total liabilities	<u>1,158,575</u>	<u>47,309</u>	<u>67,221</u>	<u>335,833</u>	<u>119,368</u>	<u>1,728,306</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	4,109,020	500,310	12,748	350,791	1,066,471	6,039,340
Total deferred inflows of resources	<u>4,109,020</u>	<u>500,310</u>	<u>12,748</u>	<u>350,791</u>	<u>1,066,471</u>	<u>6,039,340</u>
FUND BALANCES:						
Nonspendable	167,124	77,406	-	-	10,012	254,542
Restricted	-	622,048	-	1,772,182	2,367,337	4,761,567
Committed	487,015	-	-	-	130,107	617,122
Assigned	1,781,863	-	2,672,195	-	-	4,454,058
Unassigned	<u>7,411,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,411,762</u>
Total fund balances	<u>9,847,764</u>	<u>699,454</u>	<u>2,672,195</u>	<u>1,772,182</u>	<u>2,507,456</u>	<u>17,499,051</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 15,115,359</u>	<u>\$ 1,247,073</u>	<u>\$ 2,752,164</u>	<u>\$ 2,458,806</u>	<u>\$ 3,693,295</u>	<u>\$ 25,266,697</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, 2016**

Total governmental fund balances	\$ 17,499,051
 <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	56,634,685
 Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Income taxes receivable	2,509,548
Other taxes and intergovernmental receivables	825,432
Other receivables	298,537
 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	1,024,658
Internal service fund activity allocated to enterprise funds	(16,790)
 The net pension liability is not due and payable in the current period; therefore the liability and related deferred inflows/outflows are not reported in the governmental funds:	
Deferred Outflows - Pension	5,799,546
Deferred Inflows - Pension	(151,557)
Net Pension Liability	(22,390,552)
 Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds:	
Bonds payable	(4,845,000)
Premium on bond	(17,652)
Compensated absences	(1,710,320)
Accrued interest on long-term debt	(10,505)
Net position of governmental activities	<u>\$ 55,449,081</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, 2016

	General Fund	Street Repair & Maintenance Fund	Capital Improvement Fund	Municipal Earned Income Tax for Street Capital Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES:						
Local taxes	\$ 14,705,984	\$ -	\$ 3,222,078	\$ 2,763,040	\$ 247,245	\$ 20,938,347
Intergovernmental revenues	695,657	979,890	1,730,906	-	1,045,066	4,451,519
Special assessments	246,863	-	165,058	-	-	411,921
Charges for services	1,130,022	-	-	-	288,744	1,418,766
Fines, licenses and permits	376,165	-	-	-	48,938	425,103
Investment income	71,518	4,195	-	-	26,129	101,842
Miscellaneous receipts and reimbursements	508,387	73,739	233,091	-	142,422	957,639
Total revenues	17,734,596	1,057,824	5,351,133	2,763,040	1,798,544	28,705,137
EXPENDITURES:						
Current:						
General government	1,023,670	-	-	-	-	1,023,670
Police	5,577,584	-	-	-	66,728	5,644,312
Fire	4,762,339	-	-	-	91,286	4,853,625
Judicial	1,315,203	-	-	-	343,854	1,659,057
Health	-	-	-	-	153,071	153,071
Public transportation	41,509	-	-	-	-	41,509
Street repair and maintenance	-	1,241,103	-	-	73,000	1,314,103
Community development	172,629	-	-	-	323,289	495,918
Community environment	586,208	-	-	-	17,863	604,071
Parks and recreation	1,287,955	-	-	-	-	1,287,955
Basic utility services	74,027	-	-	-	-	74,027
Capital outlay	7,728	-	4,569,158	2,391,547	989,067	7,957,500
Debt service:						
Principal	30,000	-	600,000	-	55,000	685,000
Interest	4,994	-	108,238	-	27,075	140,307
Total expenditures	14,883,846	1,241,103	5,277,396	2,391,547	2,140,233	25,934,125
Excess (deficiency) of revenues over (under) expenditures	2,850,750	(183,279)	73,737	371,493	(341,689)	2,771,012
OTHER FINANCING SOURCES (USES):						
Transfers in	-	250,000	710,000	-	55,000	1,015,000
Sale of capital assets	-	-	95,866	-	-	95,866
Capital Contributions	-	-	-	-	-	-
Transfers out	(1,287,657)	-	-	-	-	(1,287,657)
Total other financing sources (uses)	(1,287,657)	250,000	805,866	-	55,000	(176,791)
Net change in fund balances	1,563,093	66,721	879,603	371,493	(286,689)	2,594,221
Fund balances, beginning of year	8,284,671	632,733	1,792,592	1,400,689	2,794,145	14,904,830
Fund balances, end of year	<u>\$ 9,847,764</u>	<u>\$ 699,454</u>	<u>\$ 2,672,195</u>	<u>\$ 1,772,182</u>	<u>\$ 2,507,456</u>	<u>\$ 17,499,051</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, 2016

Net change in fund balances - total governmental funds \$ 2,594,221

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	6,635,327
Current year depreciation	(3,338,952)
Donated Capital Assets	161,503

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

Income taxes	(661,348)
Intergovernmental revenue	(139,280)
Investment income	(3,413)
Other revenue	(10,414)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 685,000

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	(95,866)
Gain on sale of assets	78,336

Interfund payable to enterprise funds that do not appear in governmental funds because they are not financial resources. (1,363)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 1,635,165

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (2,707,422)

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	(55,880)
Interest payable	1,187
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	296,441
Add: Enterprise allocation	(74,036)

Change in net position of governmental activities \$ 5,004,052

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Business-type Activities					Governmental Activities - Internal Service Funds
	Sewer	Stormwater	Water	Non-major Enterprise Funds	Totals	
ASSETS						
Current assets:						
Pooled cash	\$ 668,086	\$ 118,339	\$ 1,699,703	\$ 162,630	\$ 2,648,758	\$ 161,658
Cash	-	-	-	-	-	635,900
Pooled investments	6,621,519	336,474	4,815,541	462,405	12,235,939	459,645
Restricted cash	1,669,058	-	-	-	1,669,058	-
Receivables:						
Accounts	877,338	10,446	1,146,533	143,379	2,177,696	-
Interest	9,976	-	7,253	-	17,229	-
Other	65,731	62	205,810	2,178	273,781	271
Receivables from other governments	-	-	-	421,566	421,566	-
Inventory	81,677	21,205	226,301	33,797	362,980	14,345
Due from other funds	-	-	13,045	38,369	51,414	8,770
Prepaid items	16,302	-	1,736	5,527	23,565	110,087
Total current assets	<u>10,009,687</u>	<u>486,526</u>	<u>8,115,922</u>	<u>1,269,851</u>	<u>19,881,986</u>	<u>1,390,676</u>
Noncurrent assets:						
Capital assets not subject to depreciation:						
Land	126,320	14,126	1,909,568	1,059,351	3,109,365	-
Construction in progress	13,160,433	-	21,451,686	53,993	34,666,112	-
Capital assets net of accumulated depreciation	<u>18,149,308</u>	<u>4,789,856</u>	<u>12,892,976</u>	<u>6,837,872</u>	<u>42,670,012</u>	<u>563,570</u>
Total noncurrent assets	<u>31,436,061</u>	<u>4,803,982</u>	<u>36,254,230</u>	<u>7,951,216</u>	<u>80,445,489</u>	<u>563,570</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension	498,104	93,758	448,199	263,766	1,303,827	355,519
Total deferred outflows of resources	<u>498,104</u>	<u>93,758</u>	<u>448,199</u>	<u>263,766</u>	<u>1,303,827</u>	<u>355,519</u>
Total assets & deferred outflows	<u>\$ 41,943,852</u>	<u>\$ 5,384,266</u>	<u>\$ 44,818,351</u>	<u>\$ 9,484,833</u>	<u>\$ 101,631,302</u>	<u>\$ 2,309,765</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 1,055,219	\$ 1,502	\$ 527,404	\$ 277,507	\$ 1,861,632	\$ 209,057
Salaries and benefits payable	33,999	6,141	30,475	12,973	83,588	25,300
Due to other funds	50,849	734	-	105	51,688	7,133
Current portion of long term debt	625,000	-	666,478	-	1,291,478	-
Compensated absences	10,152	1,321	9,338	1,614	22,425	5,017
Unearned revenue	201,335	34,179	-	212,039	447,553	-
Refundable deposits	-	-	205,338	290	205,628	-
Accrued interest payable	18,813	-	13,345	-	32,158	-
Total current liabilities	<u>1,995,367</u>	<u>43,877</u>	<u>1,452,378</u>	<u>504,528</u>	<u>3,996,150</u>	<u>246,507</u>
Noncurrent liabilities:						
Noncurrent portion of long term debt	15,909,449	-	24,417,541	-	40,326,990	-
Net pension liability	1,292,380	243,264	1,162,898	684,368	3,382,910	922,429
Compensated absences	157,737	14,986	115,186	40,319	328,228	96,642
Total noncurrent liabilities	<u>17,359,566</u>	<u>258,250</u>	<u>25,695,625</u>	<u>724,687</u>	<u>44,038,128</u>	<u>1,019,071</u>
Total liabilities	<u>19,354,933</u>	<u>302,127</u>	<u>27,148,003</u>	<u>1,229,215</u>	<u>48,034,278</u>	<u>1,265,578</u>
DEFERRED INFLOWS OF RESOURCES						
Pension	27,362	5,150	24,620	14,489	71,621	19,529
Total deferred inflows of resources	<u>27,362</u>	<u>5,150</u>	<u>24,620</u>	<u>14,489</u>	<u>71,621</u>	<u>19,529</u>
NET POSITION						
Net investment in capital assets	16,570,670	4,803,982	11,170,211	7,951,216	40,496,079	563,570
Unrestricted	5,990,887	273,007	6,475,517	289,913	13,029,324	461,088
Total net position	<u>22,561,557</u>	<u>5,076,989</u>	<u>17,645,728</u>	<u>8,241,129</u>	<u>53,525,403</u>	<u>1,024,658</u>
Total liabilities, deferred inflows and net position	<u>\$ 41,943,852</u>	<u>\$ 5,384,266</u>	<u>\$ 44,818,351</u>	<u>\$ 9,484,833</u>	<u>\$ 101,631,302</u>	<u>\$ 2,309,765</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					16,790	
Total position from above					<u>53,525,403</u>	
Net position of business-type activities					<u>\$ 53,542,193</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, 2016

	Business-type Activities					Governmental Activities - Internal Service Funds
	Sewer	Stormwater	Water	Non-major Enterprise Funds	Totals	
OPERATING REVENUES:						
Charges for services	\$ 5,932,595	\$ 394,598	\$ 5,805,611	\$ 2,129,420	\$ 14,262,224	\$ 2,197,317
Other revenue	<u>982</u>	<u>191,553</u>	<u>50,996</u>	<u>76,200</u>	<u>319,731</u>	<u>2,110,424</u>
Total operating revenues	<u>5,933,577</u>	<u>586,151</u>	<u>5,856,607</u>	<u>2,205,620</u>	<u>14,581,955</u>	<u>4,307,741</u>
OPERATING EXPENSES:						
Personal services	1,459,853	274,107	1,270,604	641,551	3,646,115	1,023,896
Operations and maintenance	1,607,686	118,959	1,849,821	2,276,421	5,852,887	2,878,150
Depreciation & amortization	<u>1,107,168</u>	<u>199,986</u>	<u>726,365</u>	<u>318,400</u>	<u>2,351,919</u>	<u>108,400</u>
Total operating expenses	<u>4,174,707</u>	<u>593,052</u>	<u>3,846,790</u>	<u>3,236,372</u>	<u>11,850,921</u>	<u>4,010,446</u>
Operating income (loss)	<u>1,758,870</u>	<u>(6,901)</u>	<u>2,009,817</u>	<u>(1,030,752)</u>	<u>2,731,034</u>	<u>297,295</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income	41,767	-	98,415	-	140,182	(854)
Intergovernmental	-	-	198,134	957,004	1,155,138	-
Gain (loss) on disposal of assets	726	-	3,741	18,910	23,377	-
Interest expense	<u>(74,522)</u>	<u>-</u>	<u>(162,657)</u>	<u>-</u>	<u>(237,179)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(32,029)</u>	<u>-</u>	<u>137,633</u>	<u>975,914</u>	<u>1,081,518</u>	<u>(854)</u>
(Loss) before contributions and transfers	1,726,841	(6,901)	2,147,450	(54,838)	3,812,552	296,441
Capital contributions	-	13,690	-	-	13,690	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,657</u>	<u>272,657</u>	<u>-</u>
Change in net position	1,726,841	6,789	2,147,450	217,819	4,098,899	296,441
Total net position - beginning restated	<u>20,834,716</u>	<u>5,070,200</u>	<u>15,498,278</u>	<u>8,023,310</u>		<u>728,217</u>
Total net position - ending	<u>\$ 22,561,557</u>	<u>\$ 5,076,989</u>	<u>\$ 17,645,728</u>	<u>\$ 8,241,129</u>		<u>\$ 1,024,658</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>74,036</u>	
Change in net position of business-type activities					<u>\$ 4,172,935</u>	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities					Governmental Activities - Internal Service Funds
	Sewer	Stormwater	Water	Non-major Enterprise Funds	Totals	
Cash flows from operating activities:						
Receipts from customers and users	\$ 5,937,352	\$ 312,763	\$ 5,764,583	\$ 1,958,371	\$ 13,973,069	\$ 99,123
Receipts from interfund services	10,212	275,311	17,625	222,845	525,993	4,199,577
Payments to suppliers	(811,582)	(39,006)	(885,532)	(1,910,692)	(3,646,812)	(2,689,264)
Payments to employees	(1,476,672)	(266,687)	(1,241,427)	(620,565)	(3,605,351)	(976,405)
Payments for interfund services used	(726,870)	(86,074)	(795,861)	(612,336)	(2,221,141)	(118,297)
Net cash provided by (used for) operating activities	<u>2,932,440</u>	<u>196,307</u>	<u>2,859,388</u>	<u>(962,377)</u>	<u>5,025,758</u>	<u>514,734</u>
Cash flows from noncapital financing activities:						
Transfers in	-	-	-	272,657	272,657	-
Intergovernmental	-	-	-	456,450	456,450	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>729,107</u>	<u>729,107</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(709,474)	(331,473)	(1,256,502)	(364,148)	(2,661,597)	(111,777)
Proceeds from sale of capital assets	726	-	3,741	18,910	23,377	-
Principal paid on capital debt	(625,000)	-	(279,036)	-	(904,036)	-
Interest paid on capital debt	(238,261)	-	(106,089)	-	(344,350)	-
Capital contributions	-	-	-	561,281	561,281	-
Net cash provided by (used for) capital and related financing activities	<u>(1,572,009)</u>	<u>(331,473)</u>	<u>(1,637,886)</u>	<u>216,043</u>	<u>(3,325,325)</u>	<u>(111,777)</u>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	7,173,999	588,872	4,973,698	623,379	13,359,948	497,412
Purchase of investments	(9,464,777)	(584,397)	(6,770,544)	(717,025)	(17,536,743)	(656,129)
Interest on investments	84,285	-	57,704	-	141,989	(854)
Net cash & cash equivalent used for investing activities	<u>(2,206,493)</u>	<u>4,475</u>	<u>(1,739,142)</u>	<u>(93,646)</u>	<u>(4,034,806)</u>	<u>(159,571)</u>
Net increase in cash & cash equivalents	(846,062)	(130,691)	(517,640)	(110,873)	(1,605,266)	243,386
Pooled cash & cash equivalents, beginning of year	3,183,206	249,030	2,217,343	273,503	5,923,082	554,172
Pooled cash & cash equivalents, end of year	<u>\$ 2,337,144</u>	<u>\$ 118,339</u>	<u>\$ 1,699,703</u>	<u>\$ 162,630</u>	<u>\$ 4,317,816</u>	<u>\$ 797,558</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,758,870	\$ (6,901)	\$ 2,009,817	\$ (1,030,752)	\$ 2,731,034	\$ 297,295
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation & amortization	1,107,168	199,986	726,365	318,400	2,351,919	108,400
Change in assets:						
Accounts receivable	25,527	1,458	(74,932)	(1,544)	(49,491)	(271)
Other receivables	20,387	(62)	3,386	(417)	23,294	-
Due from other funds	-	(7,120)	(13,045)	(38,369)	(58,534)	(8,770)
Prepaid items	(883)	27	17,349	(2,292)	14,201	(13,383)
Inventory	(7,143)	-	16,822	(1,278)	8,401	(5,342)
Change in deferred outflows of resources - pension	(319,415)	(62,173)	(298,295)	(181,146)	(861,029)	(234,964)
Change in liabilities:						
Accounts payable	26,411	238	134,257	22,058	182,964	82,181
Salaries and benefits payable and compensated absences	(37,006)	(3,336)	(38,030)	(44,139)	(122,511)	1,412
Advances from other funds	-	-	-	(265,200)	(265,200)	-
Due to other funds	50,849	734	-	105	51,688	7,133
Refundable deposits	-	-	10,192	-	10,192	-
Unearned revenue	(31,927)	527	-	15,926	(15,474)	-
Net pension liability	330,620	71,070	356,297	240,268	998,255	273,909
Change in deferred inflows of resources - pension	8,982	1,859	9,205	6,003	26,049	7,134
Net cash provided by (used for) operating activities	<u>\$ 2,932,440</u>	<u>\$ 196,307</u>	<u>\$ 2,859,388</u>	<u>\$ (962,377)</u>	<u>\$ 5,025,758</u>	<u>\$ 514,734</u>
Noncash investing, capital and financing activities:						
Purchase of equipment on account	\$ 984,107	\$ 826	\$ 311,658	\$ 10,750	\$ 1,307,341	\$ 12,482
Prior year purchase of equipment on account	\$ 36,932	\$ 53,424	\$ 67,246	\$ 4,464	\$ 162,066	\$ -
Contributions of capital assets	\$ -	\$ 13,690	\$ 198,134	\$ -	\$ 211,824	\$ -
Debt principal paid by third party	\$ -	\$ -	\$ 15,708	\$ -	\$ 15,708	\$ -
Debt proceeds paid by third party	\$ 9,035,790	\$ -	\$ 17,997,111	\$ -	\$ 27,032,901	\$ -
Debt interest paid by federal subsidy	\$ -	\$ -	\$ 56,951	\$ -	\$ 56,951	\$ -

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	Agency Funds	Private-Purpose Trust Funds
ASSETS		
Pooled cash	\$ 14,591	\$ 2,539
Pooled investments	41,492	7,193
Cash held by outside agent	214,690	-
Receivable		
Accounts	9,569	-
Interest	-	11
Prepaid expenses	<u>57</u>	<u>-</u>
 Total assets	 <u>\$ 280,399</u>	 <u>\$ 9,743</u>
LIABILITIES		
Accounts payable	\$ 7,051	-
Due to other governments	108,144	-
Undistributed monies	<u>165,204</u>	<u>-</u>
 Total liabilities	 <u>\$ 280,399</u>	 <u>\$ -</u>
NET POSITION		
Net position held in trust		
for other purposes		<u>\$ 9,743</u>

See Notes to the Basic Financial Statements

CITY OF SIDNEY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Private-Purpose Trust Funds</u>
ADDITIONS	
Investment income	<u>\$ 75</u>
	<u>75</u>
DEDUCTIONS	
Purchase of flowers	<u>960</u>
	<u>960</u>
Change in net position	(885)
Net position, beginning of year	<u>10,628</u>
Net position, end of year	<u>\$ 9,743</u>

See Notes to the Basic Financial Statements

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

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, 2016.

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. During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in the business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers are eliminated as well and are included in the internal balances on the government-wide statement of net position. The government-wide financial statements do not include 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 "Net investment in capital assets" 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 restricted resources first, and then non-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 based on 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 and deferred outflows, liabilities and deferred inflows, fund equity, revenues and expenditures (expenses). Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions.

Governmental Funds

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

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. In addition, 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.

Municipal Earned Income Tax for Street Capital Fund – To account for the one-quarter percent (0.25%) levy and shall be used entirely for the construction, reconstruction, resurfacing, or maintenance of streets, alley, bridges, curbs and gutters in the City and the cost incidental thereto.

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, health care self-insurance 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 five agency funds for other entities: (1) Municipal Court, (2) City employees' medical reimbursement plan, (3) Village of Port Jefferson's sewer bills, (4) the Great Miami River Watershed Protection Project, and (5) Unclaimed Funds Trust Fund. The City also has three private-purpose trust funds: (1) B. Bennett Flower Trust Fund, (2) C. Truster Flower Trust Fund, and (3) Ike Mausoleum Family Trust Fund.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

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 or deferred outflows and current liabilities or deferred inflows 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, intergovernmental revenues, 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 deferred outflows and all liabilities and deferred inflows 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.

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. Private purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds, being custodial in nature, have no

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measurement focus but utilize the accrual basis of accounting for reporting merely assets and liabilities.

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:

- (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).

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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.
- Miami Valley Risk Management Association, a joint insurance pool, is holding a cash reserve for the City's insurance purposes included in the General Fund.
- Insurance premiums collected and paid for on behalf of the City employees' health insurance are held in a separate checking account reported in the Self Insurance 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. Pooled Investments

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

G. 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, 2016 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

H. Capital Assets

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

The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost, if actual cost is not available. Donated capital assets are valued at their acquisition 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

I. Compensated Absences

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

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

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

J. 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 previously to 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.

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

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balance resulting from incurred expenses for specific purposes exceeding amounts that had been restricted, committed or assigned for said purposes.

The City applies restricted resources first when an expense is incurred for purposes that both restricted and unrestricted net position is 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.

K. 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.

L. Restricted Assets

The City has certain resources from bond issuances classified as restricted cash on the Statement of Net Position because their use is limited by bond covenants. Of the restricted cash and investment amount, \$1,669,058 remains to fund wastewater system and plant improvements.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

N. 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.

O. 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.

P. Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the

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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.
- Miami Valley Risk Management Association, a joint insurance pool, is holding a cash reserve for the City's insurance purposes included in the General Fund.
- Insurance premiums collected and paid for on behalf of the City employees' health insurance are held in a separate checking account reported in the Self Insurance Fund.
- Imprest cash held on hand and was \$3,100 at December 31, 2016.

At December 31, 2016, the carrying amount of the City's deposits was \$10,304,903 and the bank balance was \$10,881,588. Of the bank balance:

1. \$766,030 was covered by federal depository insurance;
2. \$10,115,558 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 "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. All investments are reported at fair value, which is based on quoted market prices.

The City's pooled investments consisted of U.S. Government-Sponsored corporations totaling \$25,914,796 at December 31, 2016. These pooled investments have weighted average maturity of approximately five months. The weighted average maturity was calculated using estimated maturity dates at December 31, 2016 based on the City's Investment Advisor's estimate of when an investment will be called.

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, 2016, 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 (STAR Ohio), certificates of deposit, repurchase

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agreements, United States treasury bills and notes, notes issued by United States agencies and government-sponsored corporations, bankers' acceptances and commercial paper of the highest rating. The above legislative investment policy applies to all funds and fund types. All deposits are made to authorized public depositories and contracts with such institutions that are in accordance with the ORC and the City's charter.

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

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

Investments in any issuer that represents 5% or more of the total investments (excluding cash and cash equivalents) at December 31, 2016 include:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
U.S. Government-Sponsored Corporations:		
Federal Home Loan Mortgage Company	\$10,934,820	42%
Federal Home Loan Bank	\$ 3,998,188	16%
Federal National Mortgage Association	\$ 5,964,440	23%
Star Ohio	\$ 5,017,348	19%

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The table above identifies the City's recurring fair value measurements as of December 31, 2016. All of the City's investments are valued using quoted market prices (Level 1 inputs).

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.

During election that was held on November 2014, voters approved an income tax levy of an additional annual tax on income at the rate of one-quarter of one percent (.25%) commencing on and after January 1, 2015 and sunseting December 31, 2019 to provide funds for the construction, reconstruction, resurfacing and maintenance of streets, alleys, bridges, curbs and gutters and cost incidental thereto.

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

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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 2016 were levied on December 31, 2015 on assessed values listed as of January 1, 2015, the lien date. One-half of these taxes were due on February 14, 2016 with the remaining balance due on July 20, 2016.

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 2014. 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 2015 upon which the 2016 levy was based was approximately \$356,048,730. The assessed value for 2016 upon which the 2017 levy will be based is approximately \$360,708,070.

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

6. Capital Assets:

Capital asset activity for the year ended December 31, 2016 was as follows:

Governmental activities:

	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 7,944,415	\$ 453,971	\$ -	\$ -	\$ 8,398,386
Construction in progress	1,530,275	1,789,269	-	(1,639,459)	1,680,085
Subtotal	<u>9,474,690</u>	<u>2,243,240</u>	<u>-</u>	<u>(1,639,459)</u>	<u>10,078,471</u>
<i>Capital assets being depreciated:</i>					
Buildings and land improvements	18,432,127	303,111	(12,301)	-	18,722,937
Machinery and equipment	11,995,419	873,442	(561,751)	197,162	12,504,272
General infrastructure	56,594,171	3,500,715	-	1,471,995	61,566,881
Subtotal	<u>87,021,717</u>	<u>4,677,268</u>	<u>(574,052)</u>	<u>1,669,157</u>	<u>92,794,090</u>
Totals at historical cost	<u>96,496,407</u>	<u>6,920,508</u>	<u>(574,052)</u>	<u>29,698</u>	<u>102,872,561</u>
<i>Less accumulated depreciation for:</i>					
Buildings and land improvements	7,225,889	467,819	(2,337)	-	7,691,371
Machinery and equipment	8,815,889	769,942	(554,185)	29,698	9,061,344
General infrastructure	26,712,000	2,209,591	-	-	28,921,591
Total accumulated depreciation	<u>42,753,778</u>	<u>3,447,352</u>	<u>(556,522)</u>	<u>29,698</u>	<u>45,674,306</u>
Net capital assets	<u>\$ 53,742,629</u>	<u>\$ 3,473,156</u>	<u>\$ (17,530)</u>	<u>\$ -</u>	<u>\$ 57,198,255</u>

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Depreciation was charged to governmental activities as follows:

General government	\$ 42,632
Police	320,973
Fire	333,921
Judicial	127,603
Health	58,108
Street repairs and maintenance	2,259,810
Community environment	846
Parks and recreation	<u>195,059</u>
Total governmental funds depreciation expense	<u>\$3,338,952</u>

Portion of internal service funds' depreciation allocable to governmental activities 108,400

Total additions to accumulated depreciation of governmental activities \$3,447,352

Business-type activities:

	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 3,095,240	\$ 14,125	\$ -	\$ -	\$ 3,109,365
Construction in progress	<u>9,824,285</u>	<u>28,707,959</u>	<u>-</u>	<u>(3,866,132)</u>	<u>34,666,112</u>
Subtotal	<u>12,919,525</u>	<u>28,722,084</u>	<u>-</u>	<u>(3,866,132)</u>	<u>37,775,477</u>
<i>Capital assets being depreciated:</i>					
Buildings, improvements and Infrastructure	63,043,811	1,856,065	-	3,866,132	68,766,008
Machinery and equipment	<u>13,976,386</u>	<u>613,216</u>	<u>(163,795)</u>	<u>(29,699)</u>	<u>14,396,108</u>
Subtotal	<u>77,020,197</u>	<u>2,469,281</u>	<u>(163,795)</u>	<u>3,836,433</u>	<u>83,162,116</u>
Totals at historical cost	<u>89,939,722</u>	<u>31,191,365</u>	<u>(163,795)</u>	<u>(29,699)</u>	<u>120,937,593</u>
<i>Less accumulated depreciation for:</i>					
Buildings, improvements and Infrastructure	28,772,415	1,542,897	-	-	30,315,312
Machinery and equipment	<u>9,561,264</u>	<u>809,022</u>	<u>(163,795)</u>	<u>(29,699)</u>	<u>10,176,792</u>
Total accumulated depreciation	<u>38,333,679</u>	<u>2,351,919</u>	<u>(163,795)</u>	<u>(29,699)</u>	<u>40,492,104</u>
Net capital assets	<u>\$51,606,043</u>	<u>\$ 28,839,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$80,445,489</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 726,365
Sewer	1,107,168
Stormwater	199,986
Transportation	123,141
Airport	163,252
Swimming Pool	31,840
Concession Stand	<u>167</u>
Total additions to accumulated depreciation of business-type activities	<u>\$2,351,919</u>

Capitalized interest was recorded in the amounts of \$266,616 and \$210,461 for the Water and Sewer Funds, respectively for fiscal year 2016.

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7. Noncurrent Liabilities:

The following is a summary of changes for noncurrent liabilities of the City for the year ended December 31, 2016:

Governmental activities:	Balance January 1, 2016 as restated	Additions	Reductions	Balance December 31, 2016	Due Within One Year
Capital Improvement fund:					
<i>G.O. bonds, 2011-2018, 2.0%, Monumental Bldg renovation</i>	\$ 550,000	\$ -	\$ 185,000	\$365,000	\$ 180,000
<i>Current Refunding G.O. bonds, 2013-2024, 2.52% avg. Police Facility Construction</i>	4,050,000	-	415,000	3,635,000	420,000
General fund:					
<i>G.O. bonds, 2011-2022, 2.0% to 2.5%, Fire & Police Pension</i>	230,000	-	30,000	200,000	30,000
Kuther Road TIF fund:					
<i>G.O. bonds 2010-2030, 2.0% to 4.25%, , Kuther Road TIF, Water & Sewer Infrastructure</i>	195,000	-	10,000	185,000	10,000
Menards TIF fund:					
<i>G.O. bonds, 2010-2025, 2.0% to 4.0%, Menards TIF, Sewer Infrastructure</i>	505,000	-	45,000	460,000	45,000
Premium on Bonds	22,498	-	4,846	17,652	-
Net Pension Liability					
Ohio Public Employees Retirement System (OPERS)	4,053,814	1,698,043	-	5,751,857	-
Ohio Police & Fire Pension Fund (OPF) (restated)	14,616,411	2,944,713	-	17,561,124	-
Accrued vacation and sick leave	<u>1,748,808</u>	<u>900,186</u>	<u>837,015</u>	<u>1,811,979</u>	<u>62,796</u>
Total	<u>\$ 25,971,531</u>	<u>\$ 5,542,942</u>	<u>\$ 1,526,861</u>	<u>\$ 29,987,612</u>	<u>\$ 747,796</u>

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Business-type activities:	Balance January 1, 2016	Additions	Reductions	Balance December 31, 2016	Due Within One Year
Water fund:					
<i>O.W.D.A. loans, 2009-2029, 0% ARRA –Distribution system upgrades, Automated water meter reads system</i>	\$ 3,066,491	-	\$219,035	\$2,847,456	\$219,035
<i>O.W.D.A. loans, 2009-2029, 0% ARRA – NMHP distribution system</i>	219,912	-	15,708	204,204	15,708
<i>G.O. bonds, 2010-2040, 2.0% to 4.5% Water Source testing</i>	640,000	-	15,000	625,000	15,000
<i>O.W.D.A. Construction loan, 3.3% Water transmission lines</i>	1,094,997	17,494,637	-	18,589,634	366,735
<i>O.W.D.A. Construction loan, 2.2% Lime Sludge Lagoon Reconstruction</i>	-	502,474	-	502,474	-
<i>Recovery Zone Economic Development Bonds –Taxable G.O. bonds, 2010-2040, coupon interest rate of 5.45% to 6.0% (45% Original Federal interest subsidy *sequester of approximately 6.8% to reduce interest cost) Water source property acquisition and other water source projects</i>	2,357,000	-	45,000	2,312,000	50,000
Premium on Bonds	3,392	-	141	3,251	-
Sewer fund:					
<i>G.O. bonds, 2011-2022, 2.0% to 2.5% - Wastewater system improvements</i>	3,615,000	-	480,000	3,135,000	480,000
<i>G.O. bonds, 2013-2037, 1.0% to 4.5% - Wastewater system and plant improvements</i>	4,490,000	-	145,000	4,345,000	145,000
<i>W.P.C.L.F. Construction loan, 2.18% Wastewater Phase I Improvements</i>	-	9,035,790	-	9,035,790	-
Premium on Bonds	21,767	-	3,109	18,658	-
Proprietary funds:					
Net pension liability - OPERS	2,384,655	998,255	-	3,382,910	
Accrued vacation and sick leave	<u>450,281</u>	<u>211,672</u>	<u>311,299</u>	<u>350,654</u>	<u>22,425</u>
Total	<u>\$ 18,343,495</u>	<u>\$ 28,242,828</u>	<u>\$ 1,234,292</u>	<u>\$ 45,352,031</u>	<u>\$ 1,313,903</u>

The full faith and credit of the City are pledged as collateral for all general obligation bonds.

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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 for the purpose of making improvements to the water meter read and distribution system. Water revenue, net of operating and maintenance expenses, is pledged as repayment for this loan.

The second loan was issued 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. A receivable in the amount of \$204,204 at December 31, 2016 is recorded in the basic financial statements.

A 30-year construction loan from OWDA in the amount of \$22,148,558 was entered into during November 2015. The interest rate is 3.30% and the City has drawn down \$18,320,744 on this loan as of December 31, 2016. Accrued interest of \$268,890 has been added to the principal balance. This loan is for the construction of wells at the new water source and transmission lines back to the Water Treatment Plant.

During fiscal year 2016 the City entered into a 30-year construction loan from OWDA in the amount of \$5,328,869. The interest rate is 2.20% and City has drawn down \$502,346 on this loan as of December 31, 2016. Accrued interest of \$128 has been added to the principal balance. This loan is for the Water Treatment Plant Lime Sludge Lagoon Reconstruction.

To repay these water loans issued by OWDA 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 2048. Annual payments on the loans are expected to require 21% of net revenues. The total principal payments to be paid on the loans as of December 31, 2016 are \$22,143,768. Principal paid and total customer net revenues for 2016 were \$234,743 and \$5,805,611, 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 a portion of the interest payments listed below. Bond proceeds were used to pay for water related capital projects.

A 20-year loan from Water Pollution Control Loan Fund (WPCLF) in the amount up to \$9 million, which is administered jointly by the Ohio Environmental & Finance Assistance (OEFA) and OWDA was entered into in October 2015. This loan is to provide funding for various sewer projects designed to achieve compliance with Ohio Environmental Agency mandates. The interest rate is 2.18%, and the City has drawn down \$8,965,097 as of December 31, 2016. Accrued interest of \$70,693 has been added to the principal balance.

To repay this sewer loan issued by WPLCF the City has pledged future sewer revenues, net of specified operating expenses. The loans are payable solely from sewer customer net revenues and are payable through 2037. Annual payments on the loans are expected to require 9% of net revenues. The total principal payments to be paid on the loans as of December 31, 2016 are \$9,035,790. Principal paid and total customer net revenues for 2016 were \$0 and \$5,932,595, respectively.

During 2016 the City entered into a grant/loan agreement with the Ohio Public Works Commission for the reconstruction of Fielding Road. The amount of the loan agreement was up to \$157,000 with a zero percent

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interest rate. As of December 31, 2016 no loan dollars had been spent.

Annual requirements to pay principal and interest on long-term debt at December 31, 2016 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>
2017	\$ 685,000	\$ 126,056	\$ 1,316,861	\$ 999,357	\$ (55,713)
2018	705,000	111,806	1,709,405	1,167,982	(54,575)
2019	535,000	96,606	1,767,102	1,141,764	(53,437)
2020	540,000	84,706	1,798,607	1,102,961	(52,185)
2021	550,000	72,396	1,850,728	1,061,950	(50,934)
2022-2026	1,760,000	134,635	7,563,307	4,698,460	(233,047)
2027-2031	70,000	7,863	7,480,372	3,729,086	(189,235)
2032-2036	-	-	7,963,167	2,556,525	(127,284)
2037-2041	-	-	5,524,214	1,286,630	(41,042)
2042-2046	-	-	4,578,071	465,322	-
2047-2048	-	-	44,724	1,481	-
Total	\$ 4,845,000	\$ 634,068	\$41,596,558	\$18,221,518	\$ (857,452)

8. 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 of Sidney is a plaintiff in pending litigation with defendant Spring Creek Corporation. The City of Sidney is seeking a judicial determination entitling it to acquire by eminent domain appropriation of property currently owned by Spring Creek Corporation. A trial date has not been set for this case as of the date of these financial statements. No accrued liability has been recorded on these financial statements because it cannot be reasonably estimated.

During November 2016, the City entered into an 18-month land contract for an option to purchase. A deposit in the amount of \$20,000 was paid on this contract. If the City opts to purchase the land the deposit would go toward the \$495,000 cost of the land. If the City lets the option expire, no deposit refund will be received. No accrued liability has been recorded on these 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.

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9. Significant Commitments:

The encumbrances (amounts committed to liquidate purchase orders of the prior periods) at December 31, 2016 for governmental activities are as follows:

<u>Fund</u>	<u>Total Encumbrances</u>
General	\$ 197,448
Street	105,885
Capital Improvement	1,739,630
Municipal Income Tax for Street Capital Projects	213,926
Non-major	285,140
Total	\$ 2,542,029

Contractual Commitment:

Significant contractual commitments outstanding as of December 31, 2016 are:

<u>Project/Product/Service</u>	<u>Contracted Amounts</u>	<u>Amount Expended</u>	<u>Amount Remaining</u>
Water Source Project	\$ 22,112,261	\$ 18,246,192	\$ 3,866,069
Phase I Wastewater Plant Improvements	\$ 12,890,159	\$ 10,268,715	\$ 2,621,444
Lime Sludge Lagoon Reconstruction	\$ 4,974,988	\$ 483,760	\$ 4,491,228
Fielding Road Reconstruction	\$ 1,268,958	\$ 889,389	\$ 379,569
Police/Fire Digital Radio System	\$ 457,642	\$ -	\$ 457,642
Graceland Cemetery	\$ 182,337	\$ -	\$ 182,337
Upgrade CAD and Mobile Equipment	\$ 175,475	\$ -	\$ 175,475
CDBG Tenant Based Rehabilitation	\$ 200,000	\$ 81,716	\$ 118,284
Road Salt Contract	\$ 100,000	\$ -	\$ 100,000

10. Joint Venture:

The City has entered into a joint venture with Logan/Shelby County N911 in order to provide proper management for the combined 911 system and the shared services for all affected members. The property used with the 911 system will be equally owned by all of the initial departments regardless of physical location. As of December 31, 2016 the City spent \$96,702 for their vested interest in the acquisition of the 911 system.

11. Interfund Receivables and Payables:

Interfund balances in the basic financial statements at December 31, 2016 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Water	\$ 13,045	\$ -
Sewer	-	50,849
Stormwater	-	734
Non-Major Enterprise Funds	38,369	105
Internal Service Funds	8,770	7,133
	\$ 60,184	\$ 58,821
Changes in net pension liability for governmental activities		\$ 1,363
		\$ 60,184

Interfund balances at December 31, 2016 resulted from the allocation of net pension liability between funds on a full accrual basis only.

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Cash advances outstanding at December 31, 2015 of \$265,200 were all repaid during the year ending December 31, 2016.

12. Interfund Transfers:

Interfund transfers in the basic financial statements for the year ended December 31, 2016 were:

	<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General		\$ -	\$ 1,287,657
Street Repair & Maintenance		250,000	-
Capital Improvement		710,000	-
Non-major governmental funds		55,000	-
Non-major enterprise funds		272,657	-
		<u>\$ 1,287,657</u>	<u>\$ 1,287,657</u>

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

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 2016, 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.

General Liability (including law enforcement)	\$12,000,000 per occurrence
Automobile Liability	\$12,000,000 per occurrence
Public Officials Liability	\$12,000,000 per occurrence
Boiler and Machinery	\$100,000,000 per occurrence
Property	\$1,000,000,000 per occurrence
Earthquake	\$25,000,000 per occurrence
Flood	\$25,000,000 per occurrence
Cyber Liability	\$2,000,000 per occurrence
Pollution Liability	\$1,000,000 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. Self-Insurance:

During 2015, the City chose to establish a risk financing fund for risks associated with the employees' health insurance plan. The City is now a member of a Medical Purchasing Cooperative through Ohio Benefits Cooperative where Jefferson Health Plan is the administrative party through which to purchase insurance, stop loss insurance, and other benefit services including the use of Anthem as the third party administrator processing claims. The risk financing fund is accounted for as an internal service fund where assets are set aside for claim settlements. A premium is charged to each fund that accounts for part-time or full-time employees. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

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Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. Changes in the balances of claims liabilities during the past fiscal year are as follows:

	2016	2015
Unpaid claims, beginning of the year	\$ 67,009	\$ -
Incurred claims (including IBNR's)	1,487,879	406,230
Claim payments	(1,399,197)	(339,221)
Unpaid claims, end of year	\$ 155,691	\$ 67,009

15. Fund Deficits at December 31, 2016:

The Revenue Collections Fund has a deficit fund balance of \$270,073. This fund has a deficit balance primarily due to the accrual of compensated absences, which is long term in nature. The Solid Waste Fund has a deficit fund balance of \$76,618. Solid Waste charges are billed and collected in advance; therefore, the recording of receivables and unearned income using the accrual basis of accounting generates the fund's deficit balance. The Garage/Fleet Fund has a deficit fund balance of \$62,118, due to the accrual of pension under GASB 68, which is long term in nature. On a budgetary (Non-GAAP) basis, the following funds had deficit fund balances as a result of encumbrances recorded from reimbursable grants: CDBG Fund with a deficit of \$116,657 and Citizen Police Academy Grant Fund with a deficit of \$555.

16. 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	Municipal Earned Income Tax for Street Capital Fund	Other Non-major Governmental Funds	Total
Fund balances:						
Nonspendable						
Inventory	\$ 128,116	\$ 76,823	\$ -	\$ -	\$ -	\$ 204,939
Prepaid Expenses	39,008	583	-	-	10,012	49,603
Restricted for:						
Streets & Highways	-	622,048	-	1,772,182	105,682	2,499,912
Law Enforcement	-	-	-	-	162,230	162,230
Municipal Court	-	-	-	-	504,857	504,857
Cemetery	-	-	-	-	875,520	875,520
Community development	-	-	-	-	229,167	229,167
Tax incremental financing	-	-	-	-	430,980	430,980
Other purposes	-	-	-	-	58,901	58,901

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	General Fund	Street Repair & Maintenance Fund	Capital Improvement Fund	Municipal Earned Income Tax for Street Capital Fund	Other Non-major Governmental Funds	Total
Committed to:						
Separation pay	407,226	-	-	-	-	407,226
27 th pay	66,231	-	-	-	-	66,231
Health	-	-	-	-	36,540	36,540
Other purposes	13,558	-	-	-	93,567	107,125
Assigned to:						
Capital projects Future commitments	147,218	-	2,672,195	-	-	2,819,413
Other purposes	1,437,197	-	-	-	-	1,437,197
Other purposes	197,448	-	-	-	-	197,448
Unassigned:	7,411,762	-	-	-	-	7,411,762
	<u>\$ 9,847,764</u>	<u>\$ 699,454</u>	<u>\$ 2,672,195</u>	<u>\$ 1,772,182</u>	<u>\$ 2,507,456</u>	<u>\$ 17,499,051</u>

17. Tax Abatement Disclosures

The City of Sidney currently provides tax incentives under two different programs: the Community Reinvestment Area (CRA) and an Enterprise Zone.

Real Estate Tax Abatements

Pursuant to Ohio Revised Code Chapter 5709, the City establishes a Community Reinvestment Area. The City authorizes incentives through a passage of public ordinances, based upon each businesses investment criteria, and through a contractual application process with each business, including proof that the improvement has been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of these Community Reinvestment Areas gave the City the ability to maintain and expand business's located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate and includes major housing improvements. The City of Sidney also contracts with Sidney City School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

The City also has several Enterprise Zone abatements made through a contractual application process based upon certain criteria, in which the enterprise agrees to expand, renovates, or occupies a facility. The abatement equals an agreed upon percentage up to seventy five percent of assessed valuation of real property constituting the project site subsequent to formal approval of City Council. The City of Sidney also contracts with Sidney City School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

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Below is the information relevant to the disclosure of those programs for the year ended December 31, 2016.

	Total Amount of Taxes Abated (Incentives Abated) For the Year 2016 (In Actual Dollars)
Community Reinvestment Area (CRA)	
-Manufacturing	\$37,010
-Lodging	\$41,000
Enterprise Zone Abatement	
-Manufacturing	\$6,365

Pursuant to Section 5709.82 of the Ohio Revised Code, the City of Sidney and the Sidney City School District entered into Compensation Agreements, whereas the City of Sidney agreed to annually pay to the Sidney City Schools the lesser of 75% of income tax attributable to new employees or the school's portion of the property tax abated. Compensation paid to the Sidney City School for the year ended December 31, 2016 included the following:

-Manufacturing	\$ 17,029
-Lodging	\$ 3,990

18. Subsequent Event:

During April 2017, the City was approved for a WPCLF planning loan for the design of the wastewater treatment plant phase II improvements in the amount of \$280,000. This loan is to be paid back over a five-year period with repayment to begin July 2018 at an interest rate of 2.33%.

19. Change in Accounting Principle and Restatement of Net Position:

GASB Statement No. 72 addresses accounting and financial reporting issues related to the fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and which reduces the reporting government's tax revenues. These changes were incorporated in the City's 2016 financial statements; however, there was no effect on beginning net position/fund balance.

For 2016, the City has restated beginning net position in accordance to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." The City has restated the employer contributions made subsequent to the measurement date and the deferred outflows for the Ohio Police and Fire Pension. Also the Ohio Police and Fire Pension provided a restatement to their beginning Net Pension Liability and Deferred Outflows. These restatements had the following effect on net position as reported December 31, 2015:

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	Governmental Activities	Business -Type Activities
Net position December 31, 2015, as originally reported	\$50,460,872	\$49,427,466
Adjustments:		
Net Pension Liability	(351,625)	-
Deferred Outflow - Payments Subsequent to Measurement Date	335,782	(58,208)
Restated Net Position December 31, 2015	\$50,445,029	\$49,369,258

	Sewer Fund	Stormwater Fund	Water Fund	Non-major Enterprise Funds	Total Enterprise	Total Internal Service
Net position December 31, 2015, as originally reported	\$20,855,865	\$5,073,919	\$15,516,022	\$8,033,095	\$49,478,901	\$742,488
Adjustments:						
Deferred Outflow - Payments Subsequent to Measurement Date	(21,149)	(3,719)	(17,744)	(9,785)	(52,397)	(14,271)
Restated Net Position December 31, 2015	\$20,834,716	\$5,070,200	\$15,498,278	\$8,023,310	\$49,426,504	\$728,217

20. Defined Benefit Pension Plans:

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees).

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State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *salaries and benefits payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS’ fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements:	Age and Service Requirements:	Age and Service Requirements:
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	Formula:	Formula:
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

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When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.8 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
 Total Employer	 14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required pension contribution was \$855,004 for 2016. Of this pension amount, \$71,283 is reported as salaries and benefits payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OPF may retire and receive a lifetime monthly pension. OPF offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

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The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2016 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:	12.25 %	12.25 %
 2016 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
 Total Employer	 19.50 %	 24.00 %
 Employee:	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF pension was \$1,183,136 for 2016. Of this pension amount \$113,036 is reported as salaries and benefits payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.052887%	0.272982%	
Prior Measurement Date	0.053553%	0.027536%	
Proportionate Share of the Net			
Pension Liability	\$9,134,767	\$17,561,124	\$26,695,891
Pension Expense	\$1,286,300	\$1,869,711	\$3,156,011

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,711,536	\$2,862,259	\$5,573,795
Changes in proportion and differences between City contributions and proportionate share of contributions	(45,855)	(105,825)	(\$151,680)
City contributions subsequent to the measurement date	<u>855,004</u>	<u>1,183,136</u>	<u>2,038,140</u>
Total Deferred Outflows of Resources	<u>\$3,520,685</u>	<u>\$3,939,570</u>	<u>\$7,460,255</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$193,396</u>	<u>\$49,311</u>	<u>\$242,707</u>
Total Deferred Inflows of Resources	<u>\$193,396</u>	<u>\$49,311</u>	<u>\$242,707</u>

An amount of \$2,038,140 is reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2017	\$591,206	\$744,489	\$1,335,695
2018	634,872	744,489	1,379,361
2019	688,480	744,489	1,432,969
2020	610,715	590,789	1,201,504
2021	(1,863)	(9,501)	(11,364)
Thereafter	<u>(5,270)</u>	<u>(1,803)</u>	<u>(7,073)</u>
Total	<u>\$2,518,140</u>	<u>\$2,812,952</u>	<u>\$5,331,092</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future

CITY OF SIDNEY, OHIO
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December 31, 2016

employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below.

Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 10.05 percent including wage inflation
Pre-January 7, 2013	3 percent, simple
Post-January 7, 2013	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

Discount Rate

The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one- percentage-point lower (7 percent) or one- percentage-point higher (9 percent) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability			
Traditional Plan	\$14,601,297	\$9,164,506	\$4,578,745
Combined Plan	(\$609)	(\$29,611)	(\$52,940)
Member-Directed Plan	331	(\$128)	(\$331)

Changes between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City's net pension liability is expected to be significant.

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent, simple

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2015 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return**	30 Year Expected Real Rate of Return
Cash and Cash Equivalents	- %	- %	- %
Domestic Equity	16.00	6.50	7.80
Non-US Equity	16.00	6.70	8.00
Core Fixed Income *	20.00	3.50	5.35
Global Inflation Protected *	20.00	3.50	4.73
High Yield	15.00	6.35	7.21
Real Estate	12.00	5.80	7.43
Private Markets	8.00	9.50	10.73
Timber	5.00	6.55	7.35
Master Limited Partnerships	8.00	9.65	10.75
Total	120.00 %		

Note: Assumptions are geometric * levered 2x

** Numbers are net of expected inflation

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease █ (7.25%)	Current Discount Rate (8.25%)	1% Increase █ (9.25%)
City's proportionate share of the net pension liability	\$23,160,770	\$17,561,124	\$12,817,672

21. Post-Employment Benefits:

A. Ohio Public Employees Retirement System

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care trust, which fund multiple health care plans including a medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the member-directed plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 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. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The ORC permits, but does not mandate, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0% of earnable salary. These are the maximum employer contribution rates permitted by Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contribution allocated to the health care for members in the Traditional Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by the OPERS' actuary, the portion of employer contribution allocated to the health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2016 was 4.0%.

The portion of the City's contributions that was used to fund post-employment benefits for the years ending December 31, 2016, 2015 and 2014, was \$142,550, \$141,359 and \$140,235 respectively; 92% has been contributed for 2016 and 100% for 2015 and 2014.

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.

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 statutory survivor benefit 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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2016

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 within the defined benefit pension plan, under the 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. The portion of employer contributions allocated to health care was .5% of covered payroll from January 1, 2016 thru December 31, 2016. 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 2016, 2015, and 2014 that were used to fund post-employment benefits for police and firefighters were \$27,776, \$28,079, and \$27,334, respectively; 90% has been contributed for 2016, 100% for 2015, and 100% for 2014.

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY OF SIDNEY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
City of Sidney's Proportion of the Net Pension Liability	0.052887%	0.053553%	0.053553%
City of Sidney's Proportionate Share of the Net Pension Liability			
Traditional Pension Plan	\$9,164,506	\$6,469,254	\$6,323,103
Combined Plan	(\$29,611)	(\$30,785)	(\$8,390)
Member-Directed Plan	(\$128)	(\$209)	\$0
City of Sidney's Covered-Employee Payroll	\$ 7,070,086	\$ 7,014,545	\$ 6,958,595
City of Sidney's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	129.20%	91.79%	90.75%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability -			
Traditional Pension Plan	81.08%	86.45%	86.36%
Combined Plan	116.90%	114.83%	104.56%
Member-Directed Plan	103.91%	N/A	N/A

(1) Pension information disclosed above is intended to show information for the last ten years. Information prior to 2013 is not available.

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY OF SIDNEY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO POLICE AND FIRE PENSION FUND
LAST THREE FISCAL YEARS (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
City of Sidney's Proportion of the Net Pension Liability	0.272982%	0.275360%	0.275360%
City of Sidney's Proportionate Share of the Net Pension Liability	\$17,561,124	\$14,264,786	\$13,410,886
City of Sidney's Covered-Employee Payroll	\$ 5,479,757	\$ 5,407,719	\$ 5,297,966
City of Sidney's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	320.47%	263.79%	253.13%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.77%	72.20%	73.00%

(1) Pension information disclosed above is intended to show information for the last ten years. Information prior to 2013 is not available.

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PAYMENTS
LAST TEN YEARS

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Required Pension Contributions	\$ 594,677	\$ 521,672	\$ 621,185	\$ 661,268	\$ 745,658	\$ 684,856	\$ 904,645	\$ 841,801	\$ 848,368	\$ 855,004
Contributions in Relation to the Contractually Required Contributions	<u>\$ 594,677</u>	<u>\$ 521,672</u>	<u>\$ 621,185</u>	<u>\$ 661,268</u>	<u>\$ 745,658</u>	<u>\$ 684,856</u>	<u>\$ 904,645</u>	<u>\$ 841,801</u>	<u>\$ 848,368</u>	<u>\$ 855,004</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 7,345,603	\$ 7,547,541	\$ 7,665,960	\$ 7,403,596	\$ 7,419,588	\$ 6,847,645	\$ 6,958,595	\$ 7,014,545	\$ 7,070,086	\$ 7,125,385
Pension Contributions as a Percentage of Covered-Employee Payroll	8.10%	6.91%	8.10%	8.93%	10.05%	10.00%	13.00%	12.00%	12.00%	12.00%

**CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OHIO POLICE & FIRE PENSION FUND PAYMENTS
LAST TEN YEARS**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 754,552	\$ 762,418	\$ 790,145	\$ 779,475	\$ 847,084	\$ 773,932	\$ 969,374	\$ 1,152,447	\$ 1,171,020	\$ 1,183,136
Contributions in Relation to the Contractually Required Contribution	<u>\$ 1,095,109</u>	<u>\$ 762,418</u>	<u>\$ 790,145</u>	<u>\$ 779,475</u>	<u>\$ 847,084</u>	<u>\$ 773,932</u>	<u>\$ 969,374</u>	<u>\$ 1,152,447</u>	<u>\$ 1,171,020</u>	<u>\$ 1,183,136</u>
Contribution Deficiency (Excess)	<u>\$ (340,557)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered-Employee Payroll	\$ 5,054,697	\$ 5,156,307	\$ 5,282,483	\$ 5,230,233	\$ 5,608,040	\$ 5,171,001	\$ 5,297,966	\$ 5,407,719	\$ 5,479,757	\$5,554,909
Contributions as a Percentage of Covered-Employee Payroll	14.93%	14.79%	14.96%	14.90%	15.10%	14.97%	18.30%	21.31%	21.37%	21.30%

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, 2016

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 12,969,592	\$ 11,669,592	\$ 14,567,000	\$ 2,897,408
Intergovernmental revenues	659,423	704,323	695,106	(9,217)
Special assessments	240,500	240,500	246,809	6,309
Charges for services	1,111,889	1,111,889	1,131,453	19,564
Fines, licenses and permits	355,432	355,432	378,716	23,284
Investment income	70,000	70,000	106,625	36,625
Miscellaneous receipts and reimbursements	<u>1,766,843</u>	<u>1,763,285</u>	<u>1,751,207</u>	<u>(12,078)</u>
Total revenues	<u>17,173,679</u>	<u>15,915,021</u>	<u>18,876,916</u>	<u>2,961,895</u>
EXPENDITURES:				
Current:				
General government	2,832,078	2,934,993	2,760,960	174,033
Police	5,888,386	5,997,329	5,710,814	286,515
Fire	5,021,684	4,981,561	4,794,191	187,370
Judicial	1,257,294	1,244,648	1,223,172	21,476
Community development	183,431	187,431	173,755	13,676
Community environment	595,863	649,856	631,902	17,954
Parks and recreation	1,343,750	1,406,766	1,311,975	94,791
Capital outlay	<u>11,100</u>	<u>13,350</u>	<u>7,535</u>	<u>5,815</u>
Total expenditures	<u>17,133,586</u>	<u>17,415,934</u>	<u>16,614,304</u>	<u>801,630</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,093</u>	<u>(1,500,913)</u>	<u>2,262,612</u>	<u>3,763,525</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(528,099)</u>	<u>(1,287,657)</u>	<u>(1,287,657)</u>	<u>-</u>
Total other financing sources	<u>(528,099)</u>	<u>(1,287,657)</u>	<u>(1,287,657)</u>	<u>-</u>
Net change in fund balance	(488,006)	(2,788,570)	974,955	3,763,525
Fund Balances, beginning of year	8,480,055	8,480,055	8,480,055	-
Prior Year Encumbrances	<u>269,472</u>	<u>269,472</u>	<u>269,472</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 8,261,521</u>	<u>\$ 5,960,957</u>	<u>\$ 9,724,482</u>	<u>\$ 3,763,525</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, 2016

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Intergovernmental revenues	\$ 985,730	985,730	\$ 984,950	\$ (780)
Investment Income	1,000	1,000	5,309	4,309
Miscellaneous receipts and reimbursements	<u>73,530</u>	<u>73,530</u>	<u>73,738</u>	<u>208</u>
Total revenues	<u>1,060,260</u>	<u>1,060,260</u>	<u>1,063,997</u>	<u>3,737</u>
EXPENDITURES:				
Current:				
Street repair & maintenance	<u>1,370,471</u>	<u>1,474,433</u>	<u>1,291,075</u>	<u>183,358</u>
Total expenditures	<u>1,370,471</u>	<u>1,474,433</u>	<u>1,291,075</u>	<u>183,358</u>
Deficiency of revenues under expenditures	<u>(310,211)</u>	<u>(414,173)</u>	<u>(227,078)</u>	<u>187,095</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total other financing sources	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	(60,211)	(164,173)	22,922	187,095
Fund Balances, beginning of year	341,339	341,339	341,339	-
Prior Year Encumbrances	<u>127,698</u>	<u>127,698</u>	<u>127,698</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 408,826</u>	<u>\$ 304,864</u>	<u>\$ 491,959</u>	<u>\$ 187,095</u>

See Notes to the Required Supplementary Information.

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2016

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;
 - 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.

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2016

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, 2016, 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>	\$ 1,563,093	\$ 66,721	
Increase / (decrease):			
Due to revenues	1,142,320	6,173	
Due to expenditures	(1,730,458)	(49,972)	
Net change in fund balance - Budget Basis	\$ 974,955	\$ 22,922	



SUPPLEMENTAL
SECTION

CITY OF SIDNEY, OHIO

Fund Descriptions - Non-major Governmental Funds

Non-major Special Revenue Funds

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

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

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.

Citizens Police Academy Grant Fund. To account for grant funds received from the Ohio Criminal Justice Department for the development of programs designed to improve public relations.

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.

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

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.

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

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.

E-Share Federal Forfeitures Fund. To account for the proceeds from the E-share federal forfeiture funds to be used for law enforcement activities.

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.

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

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.

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

CITY OF SIDNEY, OHIO

Non-major Special Revenue Funds (continued)

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.

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

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.

Indigent Driver Interlock and Alcohol Monitoring - 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.

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

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.

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 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.

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.

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.

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.

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.

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

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.

**CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2016**

	Non-major Special Revenue Funds	Total Non-major Governmental Funds
ASSETS		
Pooled cash	\$ 674,158	\$ 674,158
Cash held by outside agent	16,031	16,031
Pooled investments	1,913,972	1,913,972
Receivables:		
Property taxes	151,861	151,861
Other taxes	5,550	5,550
Interest	1,247	1,247
Loans	780,777	780,777
Other	52,128	52,128
Receivables from other governments	87,559	87,559
Prepaid items	<u>10,012</u>	<u>10,012</u>
 Total assets	 <u>\$ 3,693,295</u>	 <u>\$ 3,693,295</u>
LIABILITIES		
Liabilities:		
Accounts payable	\$ 113,302	\$ 113,302
Salaries and benefits payable	<u>6,066</u>	<u>6,066</u>
 Total liabilities	 <u>119,368</u>	 <u>119,368</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	<u>1,066,471</u>	<u>1,066,471</u>
Total deferred inflows of resources	1,066,471	1,066,471
FUND BALANCES		
Nonspendable	10,012	10,012
Restricted	2,367,337	2,367,337
Committed	<u>130,107</u>	<u>130,107</u>
 Total fund balances	 <u>2,507,456</u>	 <u>2,507,456</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,693,295</u>	<u>\$ 3,693,295</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, 2016

	Non-major Special Revenue Funds	Total Non-major Governmental Funds
	<u> </u>	<u> </u>
REVENUES:		
Local taxes	\$ 247,245	\$ 247,245
Intergovernmental revenues	1,045,066	1,045,066
Charges for services	288,744	288,744
Fines, licenses and permits	48,938	48,938
Investment income	26,129	26,129
Miscellaneous receipts and reimbursements	<u>142,422</u>	<u>142,422</u>
 Total revenues	 <u>1,798,544</u>	 <u>1,798,544</u>
EXPENDITURES:		
Current:		
Police	66,728	66,728
Fire	91,286	91,286
Judicial	343,854	343,854
Health	153,071	153,071
Street repairs and maintenance	73,000	73,000
Community development	323,289	323,289
Community environment	17,863	17,863
Capital outlay	989,067	989,067
Debt service:		
Principal	55,000	55,000
Interest	<u>27,075</u>	<u>27,075</u>
 Total expenditures	 <u>2,140,233</u>	 <u>2,140,233</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(341,689)</u>	 <u>(341,689)</u>
OTHER FINANCING SOURCES:		
Transfers in	<u>55,000</u>	<u>55,000</u>
 Total other financing sources	 <u>55,000</u>	 <u>55,000</u>
 Net change in fund balance	 (286,689)	 (286,689)
 Fund balances, beginning of year	 <u>2,794,145</u>	 <u>2,794,145</u>
 Fund balances, end of year	 <u>\$ 2,507,456</u>	 <u>\$ 2,507,456</u>

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016**

	C.D.B.G.	C.D.B.G. Program Income	C.D.B.G. Revolving Loan	Cemetery	Cemetery Maintenance	Citizens Police Academy Grant	Convention and Visitors' Bureau	County Auto License
ASSETS								
Pooled cash	\$ 43,013	\$ 3	\$ 11,233	\$ 21,442	\$ 197,863	\$ 428	\$ 4,329	\$ 25,791
Cash held by outside agent	-	-	-	-	-	-	-	16,031
Pooled investments	121,856	9	31,826	60,964	560,579	1,217	12,307	73,332
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	5,550	-
Interest	183	-	89	-	844	-	-	-
Loans	768,891	-	11,886	-	-	-	-	-
Other	-	-	-	36,689	-	-	-	-
Receivables from other governments	43,213	-	-	-	-	2,940	-	-
Prepaid items	-	-	-	331	-	-	-	-
Total assets	\$ 977,156	\$ 12	\$ 55,034	\$ 119,426	\$ 759,286	\$ 4,585	\$ 22,186	\$ 115,154
LIABILITIES								
Accounts payable	\$ 30,996	\$ -	\$ -	\$ 1,855	\$ 128	\$ 2,200	\$ 16,636	\$ -
Salaries and benefits payable	-	-	-	2,692	-	38	-	-
Total liabilities	30,996	-	-	4,547	128	2,238	16,636	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	812,237	-	10,944	36,160	611	-	-	16,031
Total deferred inflows of resources	812,237	-	10,944	36,160	611	-	-	16,031
FUND BALANCES								
Nonspendable	-	-	-	331	-	-	-	-
Restricted	133,923	12	44,090	78,388	758,547	2,347	5,550	99,123
Committed	-	-	-	-	-	-	-	-
Total fund balances	133,923	12	44,090	78,719	758,547	2,347	5,550	99,123
Total liabilities, deferred inflows of resources and fund balances	\$ 977,156	\$ 12	\$ 55,034	\$ 119,426	\$ 759,286	\$ 4,585	\$ 22,186	\$ 115,154

(continued)

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016

	CRA	Drug Law Enforcement	E-911 Wireless	E-Share Federal Forfeitures	Enforcement & Education	F.E.M.A. Grant	Fire Loss Security	Health Department Building Lease
ASSETS								
Pooled cash	\$ 1,099	\$ 5,038	\$ 22,404	\$ -	\$ 1,318	\$ 2	\$ 12,780	\$ 9,507
Cash held by outside agent	-	-	-	-	-	-	-	-
Pooled investments	3,125	14,326	63,701	-	3,751	7	36,338	27,033
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	105	-	-	-
Receivables from other governments	-	-	-	-	-	-	-	-
Prepaid items	-	-	2,466	-	-	-	-	-
Total assets	\$ 4,224	\$ 19,364	\$ 88,571	\$ -	\$ 5,174	\$ 9	\$ 49,118	\$ 36,540
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-	417	-	-	-
Total liabilities	-	-	-	-	417	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	2,466	-	-	-	-	-
Restricted	4,224	19,364	86,105	-	4,757	9	49,118	-
Committed	-	-	-	-	-	-	-	36,540
Total fund balances	4,224	19,364	88,571	-	4,757	9	49,118	36,540
Total liabilities, deferred inflows of resources and fund balances	\$ 4,224	\$ 19,364	\$ 88,571	\$ -	\$ 5,174	\$ 9	\$ 49,118	\$ 36,540

(continued)

**CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2016**

	H.O.M.E. Program Income	Indigent Driver Alcohol Treatment	Indigent Driver Interlock & Alcohol Monitoring	Indigent Driver Interlock & Alcohol Monitoring - Surplus	Law Enforcement	Mausoleum Maintenance	Municipal Court Computer	Municipal Court Special Projects
ASSETS								
Pooled cash	\$ 20,309	\$ 7,084	\$ 803	\$ -	\$ 12,920	\$ 10,063	\$ 8,404	\$ 117,984
Cash held by outside agent	-	-	-	-	-	-	-	-
Pooled investments	57,540	20,142	2,284	-	36,737	28,510	23,894	335,468
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Interest	87	-	-	-	-	43	-	-
Loans	-	-	-	-	-	-	-	-
Other	-	824	708	-	-	1,740	2,615	8,648
Receivables from other governments	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	7,215
Total assets	\$ 77,936	\$ 28,050	\$ 3,795	\$ -	\$ 49,657	\$ 40,356	\$ 34,913	\$ 469,315
LIABILITIES								
Accounts payable	\$ 26,947	\$ 4,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,252
Salaries and benefits payable	-	-	-	-	-	-	-	456
Total liabilities	26,947	4,028	-	-	-	-	-	25,708
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	63	-	-	-	-	1,771	-	-
Total deferred inflows of resources	63	-	-	-	-	1,771	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	7,215
Restricted	50,926	24,022	3,795	-	49,657	38,585	34,913	436,392
Committed	-	-	-	-	-	-	-	-
Total fund balances	50,926	24,022	3,795	-	49,657	38,585	34,913	443,607
Total liabilities, deferred inflows of resources and fund balances	\$ 77,936	\$ 28,050	\$ 3,795	\$ -	\$ 49,657	\$ 40,356	\$ 34,913	\$ 469,315

(continued)

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2016**

	Neighborhood Stabilization Program Grant	Parking Enforcement	Probation Grant	State Highway	TIF - Echo	TIF - Kuther Rd	TIF - Menards	Non-major Special Revenue Funds Totals
ASSETS								
Pooled cash	\$ 56	\$ 24,301	\$ 3,495	\$ 351	\$ 5,772	\$ 18,051	\$ 88,315	\$ 674,158
Cash held by outside agent	-	-	-	-	-	-	-	16,031
Pooled investments	160	69,096	9,934	994	16,411	51,324	251,107	1,913,972
Receivables:								
Property taxes	-	-	-	-	5,215	22,162	124,484	151,861
Other taxes	-	-	-	-	-	-	-	5,550
Interest	-	-	-	1	-	-	-	1,247
Loans	-	-	-	-	-	-	-	780,777
Other	-	780	19	-	-	-	-	52,128
Receivables from other governments	-	-	-	41,406	-	-	-	87,559
Prepaid items	-	-	-	-	-	-	-	10,012
Total assets	\$ 216	\$ 94,177	\$ 13,448	\$ 42,752	\$ 27,398	\$ 91,537	\$ 463,906	\$ 3,693,295
LIABILITIES								
Accounts payable	\$ -	\$ 10	\$ 5,250	\$ -	\$ -	\$ -	\$ -	\$ 113,302
Salaries and benefits payable	-	-	2,463	-	-	-	-	6,066
Total liabilities	-	10	7,713	-	-	-	-	119,368
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	600	-	36,193	5,215	22,162	124,484	1,066,471
Total deferred inflows of resources	-	600	-	36,193	5,215	22,162	124,484	1,066,471
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	10,012
Restricted	216	-	5,735	6,559	22,183	69,375	339,422	2,367,337
Committed	-	93,567	-	-	-	-	-	130,107
Total fund balances	216	93,567	5,735	6,559	22,183	69,375	339,422	2,507,456
Total liabilities, deferred inflows of resources and fund balances	\$ 216	\$ 94,177	\$ 13,448	\$ 42,752	\$ 27,398	\$ 91,537	\$ 463,906	\$ 3,693,295

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, 2016

	C.D.B.G.	C.D.B.G. Program Income	C.D.B.G. Revolving Loan	Cemetery	Cemetery Maintenance	Citizens Police Academy Grant	Convention and Visitors' Bureau	County Auto License
REVENUES:								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,923	\$ -
Intergovernmental revenues	527,080	-	-	-	-	23,756	-	245,191
Charges for services	-	-	-	100,594	-	-	-	-
Fines, licenses and permits	-	-	-	-	-	-	-	-
Investment income	1,937	-	12,507	-	6,243	-	-	-
Miscellaneous receipts and reimbursements	-	-	-	-	-	11,560	-	-
Total revenues	529,017	-	12,507	100,594	6,243	35,316	95,923	245,191
EXPENDITURES:								
Current:								
Police	-	-	-	-	-	7,144	-	-
Fire	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Health	-	-	-	151,701	41	-	-	-
Street repairs and maintenance	-	-	-	-	-	-	-	-
Community development	178,589	-	6	-	-	-	119,636	-
Community environment	-	-	-	-	-	-	-	-
Capital outlay	416,510	-	-	10,865	-	25,825	-	150,000
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	595,099	-	6	162,566	41	32,969	119,636	150,000
Excess (deficiency) of revenues over (under) expenditures	(66,082)	-	12,501	(61,972)	6,202	2,347	(23,713)	95,191
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	55,000	-	-	-	-
Total other financing sources	-	-	-	55,000	-	-	-	-
Net change in fund balance	(66,082)	-	12,501	(6,972)	6,202	2,347	(23,713)	95,191
Fund balances, beginning of year	200,005	12	31,589	85,691	752,345	-	29,263	3,932
Fund balances, end of year	\$ 133,923	\$ 12	\$ 44,090	\$ 78,719	\$ 758,547	\$ 2,347	\$ 5,550	\$ 99,123

(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, 2016

	CRA	Drug Law Enforcement	E-911 Wireless	E-Share Federal Forfeitures	Enforcement & Education	F.E.M.A. Grant	Fire Loss Security	Health Department Building Lease
REVENUES:								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	49,596	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines, licenses and permits	-	9,125	-	-	2,959	-	-	-
Investment income	-	-	-	12	-	-	-	-
Miscellaneous receipts and reimbursements	-	-	-	-	-	-	109,552	21,310
Total revenues	-	9,125	49,596	12	2,959	-	109,552	21,310
EXPENDITURES:								
Current:								
Police	-	6,000	33,503	1,037	6,353	-	-	-
Fire	-	-	-	-	-	-	91,286	-
Judicial	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	1,329
Street repairs and maintenance	-	-	-	-	-	-	-	-
Community development	440	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-	-
Capital outlay	-	-	96,702	-	-	-	-	181,991
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	440	6,000	130,205	1,037	6,353	-	91,286	183,320
Excess (deficiency) of revenues over (under) expenditures	(440)	3,125	(80,609)	(1,025)	(3,394)	-	18,266	(162,010)
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	(440)	3,125	(80,609)	(1,025)	(3,394)	-	18,266	(162,010)
Fund balances, beginning of year	4,664	16,239	169,180	1,025	8,151	9	30,852	198,550
Fund balances, end of year	\$ 4,224	\$ 19,364	\$ 88,571	\$ -	\$ 4,757	\$ 9	\$ 49,118	\$ 36,540

(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, 2016

	H.O.M.E. Program Income	Indigent Driver Alcohol Treatment	Indigent Driver Interlock & Alcohol Monitoring	Indigent Driver Interlock & Alcohol Monitoring - Surplus	Law Enforcement	Mausoleum Maintenance	Municipal Court Computer	Municipal Court Special Projects
REVENUES:								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	16,514	-	-	3,150	38,916	129,570
Fines, licenses and permits	-	11,324	-	-	1,717	-	-	-
Investment income	4,712	-	-	-	-	301	-	-
Miscellaneous receipts and reimbursements	-	-	-	-	-	-	-	-
Total revenues	4,712	11,324	16,514	-	1,717	3,451	38,916	129,570
EXPENDITURES:								
Current:								
Police	-	-	-	-	12,691	-	-	-
Fire	-	-	-	-	-	-	-	-
Judicial	-	46,091	12,719	3,470	-	-	32,531	122,935
Health	-	-	-	-	-	-	-	-
Street repairs and maintenance	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-	-
Capital outlay	26,947	-	-	-	-	-	-	51,877
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	26,947	46,091	12,719	3,470	12,691	-	32,531	174,812
Excess (deficiency) of revenues over (under) expenditures	(22,235)	(34,767)	3,795	(3,470)	(10,974)	3,451	6,385	(45,242)
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	(22,235)	(34,767)	3,795	(3,470)	(10,974)	3,451	6,385	(45,242)
Fund balances, beginning of year	73,161	58,789	-	3,470	60,631	35,134	28,528	488,849
Fund balances, end of year	\$ 50,926	\$ 24,022	\$ 3,795	\$ -	\$ 49,657	\$ 38,585	\$ 34,913	\$ 443,607

(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, 2016

	Neighborhood Stabilization Program Grant	Parking Enforcement	Probation Grant	State Highway	TIF - Echo	TIF - Kuther Rd	TIF - Menards	Non-major Special Revenue Funds Totals
REVENUES:								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,196	\$ 22,083	\$ 124,043	\$ 247,245
Intergovernmental revenues	-	-	129,335	70,108	-	-	-	1,045,066
Charges for services	-	-	-	-	-	-	-	288,744
Fines, licenses and permits	-	23,813	-	-	-	-	-	48,938
Investment income	-	-	-	417	-	-	-	26,129
Miscellaneous receipts and reimbursements	-	-	-	-	-	-	-	142,422
Total revenues	-	23,813	129,335	70,525	5,196	22,083	124,043	1,798,544
EXPENDITURES:								
Current:								
Police	-	-	-	-	-	-	-	66,728
Fire	-	-	-	-	-	-	-	91,286
Judicial	-	-	126,108	-	-	-	-	343,854
Health	-	-	-	-	-	-	-	153,071
Street repairs and maintenance	-	-	-	73,000	-	-	-	73,000
Community development	-	-	-	-	951	2,000	21,667	323,289
Community environment	-	17,863	-	-	-	-	-	17,863
Capital outlay	-	-	28,350	-	-	-	-	989,067
Debt service:								
Principal	-	-	-	-	-	10,000	45,000	55,000
Interest	-	-	-	-	-	7,775	19,300	27,075
Total expenditures	-	17,863	154,458	73,000	951	19,775	85,967	2,140,233
Excess (deficiency) of revenues over (under) expenditures	-	5,950	(25,123)	(2,475)	4,245	2,308	38,076	(341,689)
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	55,000
Total other financing sources	-	-	-	-	-	-	-	55,000
Net change in fund balance	-	5,950	(25,123)	(2,475)	4,245	2,308	38,076	(286,689)
Fund balances, beginning of year	216	87,617	30,858	9,034	17,938	67,067	301,346	2,794,145
Fund balances, end of year	\$ 216	\$ 93,567	\$ 5,735	\$ 6,559	\$ 22,183	\$ 69,375	\$ 339,422	\$ 2,507,456

CITY OF SIDNEY, OHIO

Fund Descriptions – Non-major 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.

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.

Concession Stand Fund. Accounts for the operations of the concession stand and related expenses, including capital improvements.

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.

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.

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.

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2016

	Airport	Concession Stand	Solid Waste	Swimming Pool	Transportation	Yard Waste	Enterprise Funds Totals
ASSETS							
Current assets:							
Pooled cash	\$ 38,449	\$ 3,071	\$ 71,584	\$ 19,037	\$ 30,489	\$ -	162,630
Pooled investments	109,322	8,732	203,537	54,128	86,686	-	462,405
Receivables:							
Accounts	11,868		116,618	-	14,893	-	143,379
Other	1	2	2	26	2,147	-	2,178
Receivables from other governments	183,030	-	-	-	238,536	-	421,566
Inventory	33,797	-	-	-	-	-	33,797
Due from Other Funds	208	3,445	-	8,822	25,894	-	38,369
Prepaid items	2,119	75	-	68	3,265	-	5,527
Total current assets	<u>378,794</u>	<u>15,325</u>	<u>391,741</u>	<u>82,081</u>	<u>401,910</u>	<u>-</u>	<u>1,269,851</u>
Noncurrent assets:							
Capital assets:							
Capital assets not subject to depreciation:							
Land	1,004,351	-	-	-	55,000	-	1,059,351
Construction in progress	53,993	-	-	-	-	-	53,993
Capital assets net of accumulated depreciation							
	<u>4,581,776</u>	<u>3,416</u>	<u>-</u>	<u>836,608</u>	<u>1,416,072</u>	<u>-</u>	<u>6,837,872</u>
Total noncurrent assets	<u>5,640,120</u>	<u>3,416</u>	<u>-</u>	<u>836,608</u>	<u>1,471,072</u>	<u>-</u>	<u>7,951,216</u>
Total assets	<u>\$ 6,018,914</u>	<u>\$ 18,741</u>	<u>\$ 391,741</u>	<u>\$ 918,689</u>	<u>\$ 1,872,982</u>	<u>\$ -</u>	<u>\$ 9,221,067</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pension	1,754	5,727	2,570	38,086	215,629	-	263,766
Total deferred outflows of resources	<u>1,754</u>	<u>5,727</u>	<u>2,570</u>	<u>38,086</u>	<u>215,629</u>	<u>-</u>	<u>263,766</u>
Total assets & deferred outflows of resources and net position	<u>\$ 6,020,668</u>	<u>\$ 24,468</u>	<u>\$ 394,311</u>	<u>\$ 956,775</u>	<u>\$ 2,088,611</u>	<u>\$ -</u>	<u>\$ 9,484,833</u>
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 17,498	\$ 13	\$ 253,192	\$ 574	\$ 6,230	\$ -	277,507
Salaries and benefits payable	91	-	158	-	12,724	-	12,973
Compensated absences	18	-	-	-	1,596	-	1,614
Due to Other Funds	-	-	105	-	-	-	105
Refundable deposits	290	-	-	-	-	-	290
Unearned revenue	1,920	-	210,119	-	-	-	212,039
Total current liabilities	<u>19,817</u>	<u>13</u>	<u>463,574</u>	<u>574</u>	<u>20,550</u>	<u>-</u>	<u>504,528</u>
Noncurrent liabilities:							
Net pension liability	4,552	14,859	6,667	98,818	559,472	-	684,368
Compensated absences	8	-	547	-	39,764	-	40,319
Total noncurrent liabilities	<u>4,560</u>	<u>14,859</u>	<u>7,214</u>	<u>98,818</u>	<u>599,236</u>	<u>-</u>	<u>724,687</u>
Total liabilities	<u>24,377</u>	<u>14,872</u>	<u>470,788</u>	<u>99,392</u>	<u>619,786</u>	<u>-</u>	<u>1,229,215</u>
DEFERRED INFLOWS OF RESOURCES							
Pension	96	315	141	2,092	11,845	-	14,489
Total deferred inflows of resources	<u>96</u>	<u>315</u>	<u>141</u>	<u>2,092</u>	<u>11,845</u>	<u>-</u>	<u>14,489</u>
NET POSITION							
Net investment in capital assets	5,640,120	3,416	-	836,608	1,471,072	-	7,951,216
Unrestricted	356,075	5,865	(76,618)	18,683	(14,092)	-	289,913
Total net position	<u>5,996,195</u>	<u>9,281</u>	<u>(76,618)</u>	<u>855,291</u>	<u>1,456,980</u>	<u>-</u>	<u>8,241,129</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 6,020,668</u>	<u>\$ 24,468</u>	<u>\$ 394,311</u>	<u>\$ 956,775</u>	<u>\$ 2,088,611</u>	<u>\$ -</u>	<u>\$ 9,484,833</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, 2016

	Airport	Concession Stand	Solid Waste	Swimming Pool	Transportation	Yard Waste	Non-major Enterprise Funds Totals
OPERATING REVENUES:							
Charges for services	\$ 258,076	\$ 23,560	\$ 1,556,991	\$ 60,599	\$ 230,194	\$ -	\$ 2,129,420
Other revenue	<u>65,002</u>	<u>-</u>	<u>-</u>	<u>10,861</u>	<u>337</u>	<u>-</u>	<u>76,200</u>
Total operating revenues	<u>323,078</u>	<u>23,560</u>	<u>1,556,991</u>	<u>71,460</u>	<u>230,531</u>	<u>-</u>	<u>2,205,620</u>
OPERATING EXPENSES:							
Personal services	2,569	13,423	6,185	94,108	525,266	-	641,551
Operations and maintenance	361,017	16,311	1,543,883	55,653	297,320	2,237	2,276,421
Depreciation	<u>163,252</u>	<u>167</u>	<u>-</u>	<u>31,840</u>	<u>123,141</u>	<u>-</u>	<u>318,400</u>
Total operating expenses	<u>526,838</u>	<u>29,901</u>	<u>1,550,068</u>	<u>181,601</u>	<u>945,727</u>	<u>2,237</u>	<u>3,236,372</u>
Operating loss	<u>(203,760)</u>	<u>(6,341)</u>	<u>6,923</u>	<u>(110,141)</u>	<u>(715,196)</u>	<u>(2,237)</u>	<u>(1,030,752)</u>
NONOPERATING REVENUE:							
Intergovernmental	243,357	-	-	-	713,647	-	957,004
Gain on disposal of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,910</u>	<u>-</u>	<u>18,910</u>
Total nonoperating revenue	<u>243,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>732,557</u>	<u>-</u>	<u>975,914</u>
Loss before transfers	<u>39,597</u>	<u>(6,341)</u>	<u>6,923</u>	<u>(110,141)</u>	<u>17,361</u>	<u>(2,237)</u>	<u>(54,838)</u>
Transfers in	60,000	36,000	-	85,000	91,657	-	272,657
Change in net position	99,597	29,659	6,923	(25,141)	109,018	(2,237)	217,819
Net position - beginning restated	<u>5,896,598</u>	<u>(20,378)</u>	<u>(83,541)</u>	<u>880,432</u>	<u>1,347,962</u>	<u>2,237</u>	<u>8,023,310</u>
Net position - ending	<u>\$ 5,996,195</u>	<u>\$ 9,281</u>	<u>\$ (76,618)</u>	<u>\$ 855,291</u>	<u>\$ 1,456,980</u>	<u>\$ -</u>	<u>\$ 8,241,129</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Airport	Concession Stand	Solid Waste	Swimming Pool	Transportation	Yard Waste	Non-major Enterprise Funds Totals
Cash flows from operating activities:							
Receipts from customers and users	\$ 268,719	\$ 23,560	\$ 1,562,629	\$ 69,773	\$ 33,690	\$ -	\$ 1,958,371
Receipts from interfund services	49,292	(3,447)	-	(6,606)	183,606	-	222,845
Payments to suppliers	(349,329)	(48,270)	(1,367,122)	(46,635)	(95,140)	(4,196)	(1,910,692)
Payments to employees	(4,202)	(9,925)	(6,810)	(82,899)	(516,729)	-	(620,565)
Payments for interfund services provided (used)	(250,841)	(4,055)	(144,470)	(10,607)	(202,363)	-	(612,336)
Net cash provided by (used for) operating activities	(286,361)	(42,137)	44,227	(76,974)	(596,936)	(4,196)	(962,377)
Cash flows from noncapital financing activities:							
Transfers in	60,000	36,000	-	85,000	91,657	-	272,657
Intergovernmental	-	-	-	-	456,450	-	456,450
Net cash provided by noncapital financing activities	60,000	36,000	-	85,000	548,107	-	729,107
Cash flows from capital and related financing activities:							
Proceeds from sale of capital assets	-	-	-	-	18,910	-	18,910
Acquisition of capital assets	(239,256)	-	-	-	(124,892)	-	(364,148)
Capital contributions	494,079	-	-	-	67,202	-	561,281
Net cash provided by (used for) capital and related financing activities	254,823	-	-	-	(38,780)	-	216,043
Cash flows from investing activities:							
Proceeds from sales and maturities of investments	112,474	18,113	220,593	62,685	204,997	4,517	623,379
Purchase of investments	(153,353)	(16,478)	(290,696)	(79,169)	(175,237)	(2,092)	(717,025)
Net cash provided by investing activities	(40,879)	1,635	(70,103)	(16,484)	29,760	2,425	(93,646)
Net decrease in pooled cash	(12,417)	(4,502)	(25,876)	(8,458)	(57,849)	(1,771)	(110,873)
Pooled cash, beginning of year	50,866	7,573	97,460	27,495	88,338	1,771	273,503
Pooled cash, end of year	\$ 38,449	\$ 3,071	\$ 71,584	\$ 19,037	\$ 30,489	\$ -	\$ 162,630
Reconciliation of operating loss to net cash used by operating activities:							
Operating income (loss)	\$ (203,760)	\$ (6,341)	\$ 6,923	\$ (110,141)	\$ (715,196)	\$ (2,237)	\$ (1,030,752)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:							
Depreciation	163,252	167	-	31,840	123,141	-	318,400
Change in assets and liabilities:							
Accounts receivable	(5,728)	-	(9,416)	555	13,045	-	(1,544)
Other receivables	(1)	(2)	(2)	(26)	(386)	-	(417)
Due from other funds	(208)	(3,445)	-	(8,822)	(25,894)	-	(38,369)
Prepaid items	(304)	-	-	(8)	(1,980)	-	(2,292)
Inventory	(1,278)	-	-	-	-	-	(1,278)
Change in deferred outflows of resources - pension	(1,151)	(4,445)	(1,684)	(26,987)	(146,879)	-	(181,146)
Change in assets and liabilities:							
Accounts payable	(8,371)	(14)	32,186	(1,581)	1,797	(1,959)	22,058
Advances from other funds	(229,200)	(36,000)	-	-	-	-	(265,200)
Salaries and benefits payable and compensated absences	(2,072)	(69)	(852)	(724)	(40,422)	-	(44,139)
Due to other funds	-	-	105	-	-	-	105
Unearned revenue	870	-	15,056	-	-	-	15,926
Net pension liability	1,551	7,831	1,862	37,990	191,034	-	240,268
Change in deferred inflows of resources - pension	39	181	49	930	4,804	-	6,003
Net cash provided by (used for) operating activities	\$ (286,361)	\$ (42,137)	\$ 44,227	\$ (76,974)	\$ (596,936)	\$ (4,196)	\$ (962,377)
Noncash investing, capital and related financing activities:							
Purchase of equipment on account	\$ 12,511	\$ -	\$ -	\$ -	\$ (1,761)	\$ -	\$ 10,750
Prior year purchase of equipment on account	\$ 2,670	\$ -	\$ -	\$ -	\$ 1,794	\$ -	\$ 4,464

CITY OF SIDNEY, OHIO

Fund Descriptions – 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.

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.

Information 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.

Self-Insurance Fund. To account for the employees' health insurance plan, including the payment of insurance premiums and claims. The fund is exclusively financed by premiums paid by City employees and from various operating funds of the City.

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.

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2016

	Garage/Fleet Operations	Information Technology	Revenue Collections	Self Insurance	Service Center Building	Internal Service Totals
ASSETS						
Current assets:						
Pooled cash	\$ 18,618	\$ 103,556	\$ 14,263	\$ -	\$ 25,221	\$ 161,658
Cash	-	-	-	635,900	-	635,900
Pooled investments	52,937	294,443	40,553	-	71,712	459,645
Receivables (net):						
Other	67	86	118	-	-	271
Inventory	12,858	1,487	-	-	-	14,345
Due from other funds	-	8,770	-	-	-	8,770
Prepaid items	2,135	106,613	584	-	755	110,087
Total current assets	<u>86,615</u>	<u>514,955</u>	<u>55,518</u>	<u>635,900</u>	<u>97,688</u>	<u>1,390,676</u>
Noncurrent assets:						
Capital assets, net of						
accumulated depreciation	41,487	146,305	2,772	-	373,006	563,570
Total noncurrent assets	<u>41,487</u>	<u>146,305</u>	<u>2,772</u>	<u>-</u>	<u>373,006</u>	<u>563,570</u>
Total assets	<u>\$ 128,102</u>	<u>\$ 661,260</u>	<u>\$ 58,290</u>	<u>\$ 635,900</u>	<u>\$ 470,694</u>	<u>\$ 1,954,246</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension	91,316	114,919	149,284	-	-	355,519
Total deferred outflows of resources	<u>\$ 91,316</u>	<u>\$ 114,919</u>	<u>\$ 149,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 355,519</u>
Total assets & deferred outflows of resources and net position	<u>\$ 219,418</u>	<u>\$ 776,179</u>	<u>\$ 207,574</u>	<u>\$ 635,900</u>	<u>\$ 470,694</u>	<u>\$ 2,309,765</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 5,731	\$ 33,721	\$ 6,284	\$ 155,691	\$ 7,630	\$ 209,057
Salaries and benefits payable	6,045	9,213	10,042	-	-	25,300
Due to other funds	2,989	-	4,144	-	-	7,133
Compensated absences	2,046	1,083	1,888	-	-	5,017
Total current liabilities	<u>16,811</u>	<u>44,017</u>	<u>22,358</u>	<u>155,691</u>	<u>7,630</u>	<u>246,507</u>
Noncurrent liabilities:						
Net pension liability	236,929	298,169	387,331	-	-	922,429
Compensated absences	22,780	14,104	59,758	-	-	96,642
Total noncurrent liabilities	<u>259,709</u>	<u>312,273</u>	<u>447,089</u>	<u>-</u>	<u>-</u>	<u>1,019,071</u>
Total liabilities	<u>276,520</u>	<u>356,290</u>	<u>469,447</u>	<u>155,691</u>	<u>7,630</u>	<u>1,265,578</u>
DEFERRED INFLOWS OF RESOURCES						
Pension	5,016	6,313	8,200	-	-	19,529
Total deferred inflows of resource	<u>5,016</u>	<u>6,313</u>	<u>8,200</u>	<u>-</u>	<u>-</u>	<u>19,529</u>
NET POSITION						
Net investment in capital assets	41,487	146,305	2,772	-	373,006	563,570
Unrestricted	(103,605)	267,271	(272,845)	480,209	90,058	461,088
Total net position	<u>(62,118)</u>	<u>413,576</u>	<u>(270,073)</u>	<u>480,209</u>	<u>463,064</u>	<u>1,024,658</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 219,418</u>	<u>\$ 776,179</u>	<u>\$ 207,574</u>	<u>\$ 635,900</u>	<u>\$ 470,694</u>	<u>\$ 2,309,765</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Garage/Fleet Operations	Information Technology	Revenue Collections	Self Insurance	Service Center Building	Internal Service Totals
OPERATING REVENUES:						
Charges for services	\$ 635,949	\$ 838,659	\$ 606,508	\$ -	\$ 116,201	\$ 2,197,317
Other revenue	347	-	94	2,109,983	-	2,110,424
Total operating revenues	<u>636,296</u>	<u>838,659</u>	<u>606,602</u>	<u>2,109,983</u>	<u>116,201</u>	<u>4,307,741</u>
OPERATING EXPENSES:						
Personal services	274,400	318,719	430,777	-	-	1,023,896
Operations and maintenance	365,292	366,949	170,283	1,894,925	80,701	2,878,150
Depreciation	8,692	55,396	1,147	-	43,165	108,400
Total operating expenses	<u>648,384</u>	<u>741,064</u>	<u>602,207</u>	<u>1,894,925</u>	<u>123,866</u>	<u>4,010,446</u>
Operating income (loss)	<u>(12,088)</u>	<u>97,595</u>	<u>4,395</u>	<u>215,058</u>	<u>(7,665)</u>	<u>297,295</u>
NONOPERATING REVENUES:						
Investment income	-	-	-	(854)	-	(854)
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>(854)</u>	<u>-</u>	<u>(854)</u>
Income (loss) before capital contributions and transfers	(12,088)	97,595	4,395	214,204	(7,665)	296,441
Change in net position	(12,088)	97,595	4,395	214,204	(7,665)	296,441
Net position - beginning as restated	<u>(50,030)</u>	<u>315,981</u>	<u>(274,468)</u>	<u>266,005</u>	<u>470,729</u>	<u>728,217</u>
Net position - ending	<u>\$ (62,118)</u>	<u>\$ 413,576</u>	<u>\$ (270,073)</u>	<u>\$ 480,209</u>	<u>\$ 463,064</u>	<u>\$ 1,024,658</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Garage/Fleet Operations	Information Technology	Revenue Collections	Self Insurance	Service Center Building	Internal Service Totals
Cash flows from operating activities:						
Receipts from customers and users	\$ 14,676	\$ 84,353	\$ 94	\$ -	\$ -	\$ 99,123
Receipts from interfund services	621,553	745,450	606,390	2,109,983	116,201	4,199,577
Payments to suppliers	(335,797)	(374,349)	(104,463)	(1,806,243)	(68,412)	(2,689,264)
Payments to employees	(266,617)	(296,461)	(413,327)	-	-	(976,405)
Payments for interfund services used	(34,798)	(1,356)	(74,447)	-	(7,696)	(118,297)
Net cash provided by operating activities	<u>(983)</u>	<u>157,637</u>	<u>14,247</u>	<u>303,740</u>	<u>40,093</u>	<u>514,734</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	(62,581)	-	-	(49,196)	(111,777)
Net cash used for capital and related financing activities	<u>-</u>	<u>(62,581)</u>	<u>-</u>	<u>-</u>	<u>(49,196)</u>	<u>(111,777)</u>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	69,350	285,666	38,102	-	104,294	497,412
Purchase of investments	(81,153)	(405,038)	(55,210)	-	(114,728)	(656,129)
Interest on investments	-	-	-	(854)	-	(854)
Net cash provided by investing activities	<u>(11,803)</u>	<u>(119,372)</u>	<u>(17,108)</u>	<u>(854)</u>	<u>(10,434)</u>	<u>(159,571)</u>
Net decrease in pooled cash	(12,786)	(24,316)	(2,861)	302,886	(19,537)	243,386
Pooled cash, beginning of year	31,404	127,872	17,124	333,014	44,758	554,172
Pooled cash, end of year	<u>\$ 18,618</u>	<u>\$ 103,556</u>	<u>\$ 14,263</u>	<u>\$ 635,900</u>	<u>\$ 25,221</u>	<u>\$ 797,558</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (12,088)	\$ 97,595	\$ 4,395	\$ 215,058	\$ (7,665)	\$ 297,295
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	8,692	55,396	1,147	-	43,165	108,400
Change in assets:						
Other receivables	(67)	(86)	(118)	-	-	(271)
Due from other funds	-	(8,770)	-	-	-	(8,770)
Prepaid items	68	(13,167)	(277)	-	(7)	(13,383)
Inventory	(5,073)	(439)	-	-	170	(5,342)
Change in deferred outflows of resources - pension	(59,958)	(77,070)	(97,936)	-	-	(234,964)
Change in liabilities:						
Accounts payable	(3,287)	4,850	(12,494)	88,682	4,430	82,181
Salaries and benefits payable and compensated absences	(971)	84	2,299	-	-	1,412
Due to other funds	2,989	-	4,144	-	-	7,133
Net pension liability	66,945	96,780	110,184	-	-	273,909
Change in deferred inflows of resources - pension	1,767	2,464	2,903	-	-	7,134
Net cash provided by operating activities	<u>\$ (983)</u>	<u>\$ 157,637</u>	<u>\$ 14,247</u>	<u>\$ 303,740</u>	<u>\$ 40,093</u>	<u>\$ 514,734</u>
Noncash investing, capital and related financing activities:						
Purchase of equipment on account	\$ -	\$ 11,900	\$ -	\$ -	\$ 582	\$ 12,482

CITY OF SIDNEY, OHIO

Fund Descriptions – Fiduciary Funds

Agency Funds

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

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

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.

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.

Unclaimed Funds Trust Fund. To account for outstanding checks not cashed within a specified time.

Private-Purpose Trust Funds

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

B. Bennett Flower Trust Fund. To account for the purchase and placement of flowers upon the monument of stated Grantor's for specific holidays at the Graceland Cemetery until distribution amount is exhausted.

C. Truster 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.

Ike Family Mausoleum Fund. To account for the disbursement to the Ike family for maintenance and repairs to their private mausoleum.

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF NET POSITION
AGENCY FUNDS
DECEMBER 31, 2016

	Medical Reimbursement	Municipal Court	Port Jefferson	River Clean-Up	Unclaimed Funds	Agency Funds Totals
ASSETS						
Pooled cash	\$ -	\$ -	\$ 2,475	\$ 10,156	\$ 1,960	\$ 14,591
Pooled investments	-	-	7,039	28,879	5,574	41,492
Cash held by outside agent	-	214,690	-	-	-	214,690
Accounts Receivable	-	-	9,569	-	-	9,569
Prepaid Expenses	-	-	-	57	-	57
	<u>-</u>	<u>214,690</u>	<u>19,083</u>	<u>39,092</u>	<u>7,534</u>	<u>280,399</u>
Total assets	<u>\$ -</u>	<u>\$ 214,690</u>	<u>\$ 19,083</u>	<u>\$ 39,092</u>	<u>\$ 7,534</u>	<u>\$ 280,399</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 7,051	\$ -	\$ -	\$ 7,051
Due to other governments	-	96,112	12,032	-	-	108,144
Undistributed monies	-	118,578	-	39,092	7,534	165,204
	<u>-</u>	<u>118,578</u>	<u>-</u>	<u>39,092</u>	<u>7,534</u>	<u>165,204</u>
Total liabilities	<u>\$ -</u>	<u>\$ 214,690</u>	<u>\$ 19,083</u>	<u>\$ 39,092</u>	<u>\$ 7,534</u>	<u>\$ 280,399</u>

CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance at January 1, 2016	Additions	Deductions	Balance at December 31, 2016
<u>Medical Reimbursement Fund</u>				
ASSETS				
Pooled cash	\$ 8,335	\$ -	\$ 8,335	\$ -
Pooled investments	11,411	-	11,411	-
Total assets	<u>\$ 19,746</u>	<u>\$ -</u>	<u>\$ 19,746</u>	<u>\$ -</u>
LIABILITIES				
Undistributed monies	\$ 19,746	-	19,746	-
Total liabilities	<u>\$ 19,746</u>	<u>\$ -</u>	<u>\$ 19,746</u>	<u>\$ -</u>
<u>Municipal Court Fund</u>				
ASSETS				
Cash held by outside agent	\$ 232,712	\$ 2,255,282	\$ 2,273,304	\$ 214,690
Total assets	<u>\$ 232,712</u>	<u>\$ 2,255,282</u>	<u>\$ 2,273,304</u>	<u>\$ 214,690</u>
LIABILITIES				
Due to other governments	\$ 100,222	\$ 1,085,234	\$ 1,089,344	\$ 96,112
Undistributed monies	132,490	1,170,049	1,183,961	118,578
Total liabilities	<u>\$ 232,712</u>	<u>\$ 2,255,283</u>	<u>\$ 2,273,305</u>	<u>\$ 214,690</u>
<u>Port Jefferson Fund</u>				
ASSETS				
Pooled cash	\$ 4,048	\$ 73,072	\$ 74,645	\$ 2,475
Pooled investments	5,541	1,498	-	7,039
Accounts receivable	10,020	-	451	9,569
Total assets	<u>\$ 19,609</u>	<u>\$ 74,570</u>	<u>\$ 75,096</u>	<u>\$ 19,083</u>
LIABILITIES				
Accounts payable	6,957	94	-	7,051
Due to other governments	12,652	74,476	75,096	12,032
Total liabilities	<u>\$ 19,609</u>	<u>\$ 74,570</u>	<u>\$ 75,096</u>	<u>\$ 19,083</u>
<u>River Clean-Up Fund</u>				
ASSETS				
Pooled cash	\$ 18,742	\$ 14,234	\$ 22,820	\$ 10,156
Pooled investments	25,659	3,220	-	28,879
Prepaid items	803	-	746	57
Total assets	<u>\$ 45,204</u>	<u>\$ 17,454</u>	<u>\$ 23,566</u>	<u>\$ 39,092</u>
LIABILITIES				
Undistributed monies	45,204	17,454	23,566	39,092
Total liabilities	<u>\$ 45,204</u>	<u>\$ 17,454</u>	<u>\$ 23,566</u>	<u>\$ 39,092</u>
<u>Unclaimed Funds Fund</u>				
ASSETS				
Pooled cash	\$ -	\$ 2,331	\$ 371	\$ 1,960
Pooled investments	-	5,574	-	5,574
Total assets	<u>\$ -</u>	<u>\$ 7,905</u>	<u>\$ 371</u>	<u>\$ 7,534</u>
LIABILITIES				
Undistributed monies	\$ -	\$ 7,905	\$ 371	7,534
Total liabilities	<u>\$ -</u>	<u>\$ 7,905</u>	<u>\$ 371</u>	<u>\$ 7,534</u>
<u>Total Agency Funds</u>				
ASSETS				
Pooled cash	\$ 31,125	\$ 89,637	\$ 106,171	\$ 14,591
Pooled investments	42,611	10,292	11,411	41,492
Cash held by outside agent	232,712	2,255,282	2,273,304	214,690
Accounts receivable	10,020	-	451	9,569
Prepaid items	803	-	746	57
Total assets	<u>\$ 317,271</u>	<u>\$ 2,355,211</u>	<u>\$ 2,392,083</u>	<u>\$ 280,399</u>
LIABILITIES				
Accounts payable	\$ 6,957	\$ 94	\$ -	\$ 7,051
Due to other governments	112,874	1,159,710	1,164,440	108,144
Undistributed monies	197,440	1,195,408	1,227,644	165,204
Total liabilities	<u>\$ 317,271</u>	<u>\$ 2,355,212</u>	<u>\$ 2,392,084</u>	<u>\$ 280,399</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2016

	<u>B. Bennett Flower Trust</u>	<u>C.Truster Flower Trust</u>	<u>Ike Family Mausoleum Trust</u>	<u>Private-Purpose Trust Funds</u>
ASSETS				
Pooled cash	\$ 714	\$ 711	\$ 1,114	\$ 2,539
Pooled investments	2,021	2,015	3,157	7,193
Receivable				-
Interest	<u>3</u>	<u>3</u>	<u>5</u>	<u>11</u>
Total assets	<u>\$ 2,738</u>	<u>\$ 2,729</u>	<u>\$ 4,276</u>	<u>\$ 9,743</u>
LIABILITIES				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Net position held in trust for other purposes	<u>\$ 2,738</u>	<u>\$ 2,729</u>	<u>\$ 4,276</u>	<u>\$ 9,743</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>B. Bennett Flower Trust</u>	<u>C. Truster Flower Trust</u>	<u>Ike Family Mausoleum Trust</u>	<u>Private-Purpose Trust Funds</u>
ADDITIONS				
Investment income	\$ 24	\$ 20	\$ 31	\$ 75
Total Additions	<u>24</u>	<u>20</u>	<u>31</u>	<u>75</u>
DEDUCTIONS				
Purchase of flowers	<u>920</u>	<u>40</u>	<u>-</u>	<u>960</u>
Total Deductions	<u>920</u>	<u>40</u>	<u>-</u>	<u>960</u>
Change in net position	(896)	(20)	31	(885)
Net position, beginning of year	<u>3,634</u>	<u>2,749</u>	<u>4,245</u>	<u>10,628</u>
Net position, end of year	<u>\$ 2,738</u>	<u>\$ 2,729</u>	<u>\$ 4,276</u>	<u>\$ 9,743</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 11,669,592	\$ 14,567,000	\$ 2,897,408
Intergovernmental revenues	704,323	695,106	(9,217)
Special assessments	240,500	246,809	6,309
Charges for services	1,111,889	1,131,453	19,564
Fines, licenses and permits	355,432	378,716	23,284
Investment income	70,000	106,625	36,625
Miscellaneous receipts and reimbursements	1,763,285	1,751,207	(12,078)
Total revenues	<u>15,915,021</u>	<u>18,876,916</u>	<u>2,961,895</u>
EXPENDITURES:			
Current:			
General government			
City Council			
Personal services	68,030	67,549	481
Contractual, materials and other	41,531	37,358	4,173
City Administration			
Personal services	211,250	209,890	1,360
Contractual, materials and other	26,010	25,216	794
Finance			
Personal services	379,240	377,702	1,538
Contractual, materials and other	151,456	149,383	2,073
Law Director			
Personal services	207,680	207,225	455
Contractual, materials and other	15,167	13,436	1,731
Personnel			
Personal services	187,130	186,192	938
Contractual, materials and other	221,891	205,910	15,981
County Auditor Deductions			
Contractual, materials and other	114,639	109,081	5,558
Purchasing			
Personal services	20,045	19,999	46
Contractual, materials and other	16,729	12,209	4,520
City Hall			
Personal services	61,480	61,264	216
Contractual, materials and other	157,307	144,592	12,715
Miscellaneous			
Personal services	250,000	188,933	61,067
Contractual, materials and other	811,408	745,532	65,876
Total general government	<u>2,940,993</u>	<u>2,761,471</u>	<u>179,522</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
Police			
Police Services			
Personal services	4,769,345	4,657,847	111,498
Contractual, materials and other	1,004,584	832,745	171,839
Street Lighting Department			
Contractual, materials and other	228,500	224,996	3,504
Total police	<u>6,002,429</u>	<u>5,715,588</u>	<u>286,841</u>
Fire			
Fire Services			
Personal services	4,244,795	4,113,585	131,210
Contractual, materials and other	736,766	680,606	56,160
Total fire	<u>4,981,561</u>	<u>4,794,191</u>	<u>187,370</u>
Judicial			
Municipal Court			
Personal services	929,060	915,573	13,487
Contractual, materials and other	315,588	307,599	7,989
Total judicial	<u>1,244,648</u>	<u>1,223,172</u>	<u>21,476</u>
Community environment			
Building Inspection			
Personal services	93,660	93,360	300
Contractual, materials and other	16,167	14,788	1,379
Engineering			
Personal services	287,663	282,698	4,965
Contractual, materials and other	137,597	127,861	9,736
Code Enforcement			
Personal services	85,090	83,909	1,181
Contractual, materials and other	29,679	29,286	393
Total community environment	<u>649,856</u>	<u>631,902</u>	<u>17,954</u>
Community development			
Community Planning & Development			
Personal services	154,380	141,860	12,520
Contractual, materials and other	33,051	31,895	1,156
Total community development	<u>187,431</u>	<u>173,755</u>	<u>13,676</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
Parks and recreation			
Parks & Recreation - Administration			
Personal services	117,590	116,666	924
Contractual, materials and other	32,272	30,739	1,533
Parks & Recreation - Programs			
Personal services	94,490	91,235	3,255
Contractual, materials and other	107,390	59,104	48,286
Parks & Public Grounds			
Personal services	610,290	586,565	23,725
Contractual, materials and other	283,709	269,194	14,515
Urban Forest			
Contractual, materials and other	114,426	114,426	-
Senior Center			
Contractual, materials and other	48,849	46,296	2,553
	<u>1,409,016</u>	<u>1,314,225</u>	<u>94,791</u>
Total parks and recreation			
	<u>17,415,934</u>	<u>16,614,304</u>	<u>801,630</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,500,913)</u>	<u>2,262,612</u>	<u>3,763,525</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(1,287,657)</u>	<u>(1,287,657)</u>	<u>-</u>
Total other financing uses	<u>(1,287,657)</u>	<u>(1,287,657)</u>	<u>-</u>
Net change in fund balance	<u>(2,788,570)</u>	<u>974,955</u>	<u>3,763,525</u>
Fund Balances, beginning of year	8,480,055	8,480,055	-
Prior Year Encumbrances	269,472	269,472	-
Fund Balances, end of year	<u>\$ 5,960,957</u>	<u>\$ 9,724,482</u>	<u>\$ 3,763,525</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
STREET REPAIR AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 985,730	\$ 984,950	\$ (780)
Investment Income	1,000	5,309	4,309
Miscellaneous receipts and reimbursements	<u>73,530</u>	<u>73,738</u>	<u>208</u>
Total revenues	<u>1,060,260</u>	<u>1,063,997</u>	<u>3,737</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Personal services	575,115	483,258	91,857
Contractual, materials and other	<u>899,318</u>	<u>807,817</u>	<u>91,501</u>
Total expenditures	<u>1,474,433</u>	<u>1,291,075</u>	<u>183,358</u>
Deficiency of revenues under expenditures	<u>(414,173)</u>	<u>(227,078)</u>	<u>187,095</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total other financing sources	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net change in fund balance	(164,173)	22,922	187,095
Fund Balances, beginning of year	341,339	341,339	-
Prior Year Encumbrances	<u>127,698</u>	<u>127,698</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 304,864</u>	<u>\$ 491,959</u>	<u>\$ 187,095</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 861,660	\$ 532,334	\$ (329,326)
Investment income	1,000	2,179	1,179
Total revenues	<u>862,660</u>	<u>534,513</u>	<u>(328,147)</u>
EXPENDITURES:			
Current:			
Community development			
Personal services	7,305	6,499	806
Contractual, materials and other	884,353	881,895	2,458
Total expenditures	<u>891,658</u>	<u>888,394</u>	<u>3,264</u>
Deficiency of revenues under expenditures	(28,998)	(353,881)	(324,883)
Fund Balances, beginning of year	135,651	135,651	-
Prior Year Encumbrances	101,573	101,573	-
Fund Balances, end of year	<u>\$ 208,226</u>	<u>\$ (116,657)</u>	<u>\$ (324,883)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
C.D.B.G. REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Investment income	\$ 12,415	\$ 12,588	\$ 173
Total revenues	<u>12,415</u>	<u>12,588</u>	<u>173</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>40,000</u>	<u>6</u>	<u>39,994</u>
Total expenditures	<u>40,000</u>	<u>6</u>	<u>39,994</u>
Excess (deficiency) of revenues over (under) expenditures	(27,585)	12,582	40,167
Fund Balances, beginning of year	30,591	30,591	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 3,006</u>	<u>\$ 43,173</u>	<u>\$ 40,167</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, 2016

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES:	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund Balances, beginning of year	12	12	-
Fund Balances, end of year	<u>\$ 12</u>	<u>\$ 12</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
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 98,511	\$ 100,700	\$ 2,189
Miscellaneous receipts and reimbursements	<u>1,900</u>	<u>-</u>	<u>(1,900)</u>
Total revenues	<u>100,411</u>	<u>100,700</u>	<u>289</u>
EXPENDITURES:			
Current:			
Health			
Personal services	117,510	106,024	11,486
Contractual, materials and other	<u>70,779</u>	<u>60,614</u>	<u>10,165</u>
Total expenditures	<u>188,289</u>	<u>166,638</u>	<u>21,651</u>
Deficiency of revenues under expenditures	<u>(87,878)</u>	<u>(65,938)</u>	<u>21,940</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Total other financing sources	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Net change in fund balance	(32,878)	(10,938)	21,940
Fund Balances, beginning of year	88,749	88,749	-
Prior Year Encumbrances	3,912	3,912	-
Fund Balances, end of year	<u>\$ 59,783</u>	<u>\$ 81,723</u>	<u>\$ 21,940</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	6,000	7,564	1,564
Total revenues	<u>6,000</u>	<u>7,564</u>	<u>1,564</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	500	337	163
Total expenditures	<u>500</u>	<u>337</u>	<u>163</u>
Excess of revenues over expenditures	5,500	7,227	1,727
Fund Balances, beginning of year	753,223	753,223	-
Fund Balances, end of year	<u>\$ 758,723</u>	<u>\$ 760,450</u>	<u>\$ 1,727</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
CITIZEN POLICE ACADEMY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 29,332	\$ 20,816	\$ (8,516)
Miscellaneous receipts and reimbursements	<u>11,560</u>	<u>11,560</u>	<u>-</u>
Total revenues	<u>40,892</u>	<u>32,376</u>	<u>(8,516)</u>
EXPENDITURES:			
Current:			
Police			
Personal services	11,643	4,389	7,254
Contractual, materials and other	<u>29,249</u>	<u>28,542</u>	<u>707</u>
Total expenditures	<u>40,892</u>	<u>32,931</u>	<u>7,961</u>
Deficiency of revenues under expenditures	-	(555)	(555)
Fund Balances, beginning of year	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ (555)</u>	<u>\$ (555)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CONVENTION AND VISITORS' BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 90,555	\$ 96,663	\$ 6,108
Total revenues	<u>90,555</u>	<u>96,663</u>	<u>6,108</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>103,000</u>	<u>103,000</u>	<u>-</u>
Total expenditures	<u>103,000</u>	<u>103,000</u>	<u>-</u>
Deficiency of revenues under expenditures	(12,445)	(6,337)	6,108
Fund Balances, beginning of year	<u>22,973</u>	<u>22,973</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 10,528</u>	<u>\$ 16,636</u>	<u>\$ 6,108</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 184,800	\$ 245,191	\$ 60,391
Total revenues	<u>184,800</u>	<u>245,191</u>	<u>60,391</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Contractual, materials and other	<u>195,690</u>	<u>160,889</u>	<u>34,801</u>
Total expenditures	<u>195,690</u>	<u>160,889</u>	<u>34,801</u>
Excess (deficiency) of revenues over (under) expenditures	(10,890)	84,302	95,192
Fund Balances, beginning of year	3,931	3,931	-
Prior Year Encumbrances	<u>10,890</u>	<u>10,890</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 3,931</u>	<u>\$ 99,123</u>	<u>\$ 95,192</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, 2016

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Special assessments	\$ 1,175	\$ -	\$ (1,175)
Total Revenues	<u>1,175</u>	<u>-</u>	<u>(1,175)</u>
EXPENDITURES:			
Current:			
Community development			
Personal services	460	439	21
Contractual, materials and other	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>460</u>	<u>439</u>	<u>21</u>
Excess of revenues over expenditures	715	(439)	(1,154)
Fund Balances, beginning of year	4,664	4,664	-
Fund Balances, end of year	<u>\$ 5,379</u>	<u>\$ 4,225</u>	<u>\$ (1,154)</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, 2016

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Fines, licenses and permits	\$ 8,800	\$ 9,125	\$ 325
Total revenues	<u>8,800</u>	<u>9,125</u>	<u>325</u>
EXPENDITURES:			
Current:			
Police			
Personal services	3,645	-	3,645
Contractual, materials and other	<u>11,000</u>	<u>6,000</u>	<u>5,000</u>
Total expenditures	<u>14,645</u>	<u>6,000</u>	<u>8,645</u>
Deficiency of revenues under expenditures	(5,845)	3,125	8,970
Fund Balances, beginning of year	16,239	16,239	-
Fund Balances, end of year	<u>\$ 10,394</u>	<u>\$ 19,364</u>	<u>\$ 8,970</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 50,000	\$ 49,596	\$ (404)
Total revenues	<u>50,000</u>	<u>49,596</u>	<u>(404)</u>
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	142,383	131,383	11,000
Total expenditures	<u>142,383</u>	<u>131,383</u>	<u>11,000</u>
Deficiency of revenues under expenditures	(92,383)	(81,787)	10,596
Fund Balances, beginning of year	48,935	48,935	-
Prior Year Encumbrances	118,957	118,957	-
Fund Balances, end of year	<u>\$ 75,509</u>	<u>\$ 86,105</u>	<u>\$ 10,596</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-SHARE FEDERAL FORFEITURES FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 15	\$ 10	\$ (5)
Total revenues	<u>15</u>	<u>10</u>	<u>(5)</u>
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	3,768	3,768	-
Total expenditures	<u>3,768</u>	<u>3,768</u>	<u>-</u>
Deficiency of revenues under expenditures	(3,753)	(3,758)	(5)
Fund Balances, beginning of year	1,027	1,027	-
Prior Year Encumbrances	2,731	2,731	-
Fund Balances, end of year	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (5)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
ENFORCEMENT & EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 3,800	\$ 3,027	\$ (773)
Total revenues	<u>3,800</u>	<u>3,027</u>	<u>(773)</u>
EXPENDITURES:			
Current:			
Police			
Personal services	8,110	5,336	2,774
Contractual, materials and other	<u>600</u>	<u>600</u>	<u>-</u>
Total expenditures	<u>8,710</u>	<u>5,936</u>	<u>2,774</u>
Deficiency of revenues under expenditures	(4,910)	(2,909)	2,001
Fund Balances, beginning of year	<u>7,978</u>	<u>7,978</u>	<u>-</u>
Fund Balances, end of year	<u><u>\$ 3,068</u></u>	<u><u>\$ 5,069</u></u>	<u><u>\$ 2,001</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
F.E.M.A. GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund Balances, beginning of year	<u>9</u>	<u>9</u>	<u>-</u>
Fund Balances, end of year	<u><u>\$ 9</u></u>	<u><u>\$ 9</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
FIRE LOSS SECURITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 109,553	\$ 109,553	\$ -
Total Revenues	<u>109,553</u>	<u>109,553</u>	<u>-</u>
EXPENDITURES:			
Current:			
Fire Services			
Contractual, materials and other	<u>140,405</u>	<u>91,287</u>	<u>49,118</u>
Total expenditures	<u>140,405</u>	<u>91,287</u>	<u>49,118</u>
Deficiency of revenues under expenditures	(30,852)	18,266	49,118
Fund Balances, beginning of year	<u>30,852</u>	<u>30,852</u>	<u>-</u>
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 49,118</u>	<u>\$ 49,118</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
HEALTH DEPARTMENT BUILDING LEASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 21,372	\$ 21,310	\$ (62)
Total revenues	<u>21,372</u>	<u>21,310</u>	<u>(62)</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	<u>190,894</u>	<u>186,466</u>	<u>4,428</u>
Total expenditures	<u>190,894</u>	<u>186,466</u>	<u>4,428</u>
Excess (deficiency) of revenues over (under) expenditures	(169,522)	(165,156)	4,366
Fund Balances, beginning of year	188,336	188,336	-
Prior Year Encumbrances	10,214	10,214	-
Fund Balances, end of year	<u>\$ 29,028</u>	<u>\$ 33,394</u>	<u>\$ 4,366</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 400	\$ 4,850	\$ 4,450
Total revenues	400	4,850	4,450
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	67,000	22,915	44,085
Total expenditures	67,000	22,915	44,085
Excess (deficiency) of revenues over (under) expenditures	(66,600)	(18,065)	48,535
Fund Balances, beginning of year	73,205	73,205	-
Fund Balances, end of year	\$ 6,605	\$ 55,140	\$ 48,535

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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 15,000	\$ 11,547	\$ (3,453)
Total revenues	15,000	11,547	(3,453)
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	63,000	42,438	20,562
Total expenditures	63,000	42,438	20,562
Excess of revenues over expenditures	(48,000)	(30,891)	17,109
Fund Balances, beginning of year	58,117	58,117	-
Fund Balances, end of year	\$ 10,117	\$ 27,226	\$ 17,109

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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 14,000	\$ 16,555	\$ 2,555
Total revenues	<u>14,000</u>	<u>16,555</u>	<u>2,555</u>
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	15,000	15,000	-
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Deficiency of revenues under expenditures	(1,000)	1,555	2,555
Fund Balances, beginning of year	1,532	1,532	-
Fund Balances, end of year	<u>\$ 532</u>	<u>\$ 3,087</u>	<u>\$ 2,555</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
INDIGENT DRIVER INTERLOCK & ALCOHOL MONITORING - SURPLUS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	3,470	3,470	-
Total expenditures	<u>3,470</u>	<u>3,470</u>	<u>-</u>
Deficiency of revenues under expenditures	(3,470)	(3,470)	-
Fund Balances, beginning of year	3,470	3,470	-
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
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 3,500	\$ 1,717	\$ (1,783)
Total Revenues	<u>3,500</u>	<u>1,717</u>	<u>(1,783)</u>
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	43,310	12,691	30,619
Total Expenditures	<u>43,310</u>	<u>12,691</u>	<u>30,619</u>
Excess (deficiency) of revenues over (under) expenditures	(39,810)	(10,974)	28,836
Fund Balances, beginning of year	60,631	60,631	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 20,821</u>	<u>\$ 49,657</u>	<u>\$ 28,836</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ -	\$ 3,150	\$ 3,150
Investment income	300	370	70
Total revenues	<u>300</u>	<u>3,520</u>	<u>3,220</u>
EXPENDITURES:	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	300	3,520	3,220
Fund Balances, beginning of year	35,155	35,155	-
Fund Balances, end of year	<u>\$ 35,455</u>	<u>\$ 38,675</u>	<u>\$ 3,220</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 39,200	\$ 39,606	\$ 406
Total Revenues	<u>39,200</u>	<u>39,606</u>	<u>406</u>
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	<u>38,317</u>	<u>32,531</u>	<u>5,786</u>
Total expenditures	<u>38,317</u>	<u>32,531</u>	<u>5,786</u>
Excess (deficiency) of revenues over (under) expenditures	883	7,075	6,192
Fund Balances, beginning of year	<u>25,223</u>	<u>25,223</u>	-
Fund Balances, end of year	<u>\$ 26,106</u>	<u>\$ 32,298</u>	<u>\$ 6,192</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 147,000	\$ 131,209	\$ (15,791)
Miscellaneous receipts and reimbursements	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>147,000</u>	<u>131,209</u>	<u>(15,791)</u>
EXPENDITURES:			
Current:			
Judicial			
Personal services	38,700	28,496	10,204
Contractual, materials and other	<u>266,262</u>	<u>184,677</u>	<u>81,585</u>
Total expenditures	<u>304,962</u>	<u>213,173</u>	<u>91,789</u>
Deficiency of revenues under expenditures	(157,962)	(81,964)	75,998
Fund Balances, beginning of year	378,651	378,651	-
Prior Year Encumbrances	<u>112,520</u>	<u>112,520</u>	-
Fund Balances, end of year	<u>\$ 333,209</u>	<u>\$ 409,207</u>	<u>\$ 75,998</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
NEIGHBORHOOD STABILIZATION PROGRAM GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES:			
Current:			
Community development			
Personal services	-	-	-
Contractual, materials and other	216	216	-
Total expenditures	216	216	-
Deficiency of revenues under expenditures	(216)	(216)	-
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	216	216	-
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
PARKING ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 32,346	\$ 24,948	\$ (7,398)
Total revenues	32,346	24,948	(7,398)
EXPENDITURES:			
Current:			
Community Environment			
Personal services	12,293	4,164	8,129
Contractual, materials and other	14,237	13,710	527
Total expenditures	26,530	17,874	8,656
Excess (deficiency) of revenues over (under) expenditures	5,816	7,074	1,258
Fund Balances, beginning of year	86,322	86,322	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 92,138</u>	<u>\$ 93,396</u>	<u>\$ 1,258</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 152,710	\$ 129,335	\$ (23,375)
Total revenues	<u>152,710</u>	<u>129,335</u>	<u>(23,375)</u>
EXPENDITURES:			
Current:			
Judicial			
Personal services	97,540	97,490	50
Contractual, materials and other	<u>73,991</u>	<u>57,255</u>	<u>16,736</u>
Total expenditures	<u>171,531</u>	<u>154,745</u>	<u>16,786</u>
Excess (deficiency) of revenues over (under) expenditures	(18,821)	(25,410)	(6,589)
Fund Balances, beginning of year	33,589	33,589	-
Fund Balances, end of year	<u>\$ 14,768</u>	<u>\$ 8,179</u>	<u>\$ (6,589)</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 73,685	\$ 70,515	\$ (3,170)
Investment income	<u>200</u>	<u>417</u>	<u>217</u>
Total revenues	<u>73,885</u>	<u>70,932</u>	<u>(2,953)</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Contractual, materials and other	<u>73,000</u>	<u>73,000</u>	<u>-</u>
Total expenditures	<u>73,000</u>	<u>73,000</u>	<u>-</u>
Excess of revenues over expenditures	885	(2,068)	(2,953)
Fund Balances, beginning of year	3,416	3,416	-
Fund Balances, end of year	<u>\$ 4,301</u>	<u>\$ 1,348</u>	<u>\$ (2,953)</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local Taxes	\$ 5,200	\$ 5,196	\$ (4)
Total revenues	<u>5,200</u>	<u>5,196</u>	<u>(4)</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>951</u>	<u>951</u>	<u>-</u>
Total expenditures	<u>951</u>	<u>951</u>	<u>-</u>
Excess of revenues over expenditures	4,249	4,245	(4)
Fund Balances, beginning of year	<u>17,938</u>	<u>17,938</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 22,187</u>	<u>\$ 22,183</u>	<u>\$ (4)</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, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 22,100	\$ 22,083	\$ (17)
Total revenues	<u>22,100</u>	<u>22,083</u>	<u>(17)</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>19,775</u>	<u>19,775</u>	<u>-</u>
Total expenditures	<u>19,775</u>	<u>19,775</u>	<u>-</u>
Excess of revenues over expenditures	2,325	2,308	(17)
Fund Balances, beginning of year	<u>67,067</u>	<u>67,067</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 69,392</u>	<u>\$ 69,375</u>	<u>\$ (17)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
TIF -MENARDS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local Taxes	\$ 123,900	\$ 124,043	\$ 143
Total revenues	<u>123,900</u>	<u>124,043</u>	<u>143</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>85,967</u>	<u>85,967</u>	<u>-</u>
Total expenditures	<u>85,967</u>	<u>85,967</u>	<u>-</u>
Excess of revenues over expenditures	37,933	38,076	143
Fund Balances, beginning of year	<u>301,346</u>	<u>301,346</u>	<u>-</u>
Fund Balances, end of year	<u><u>\$ 339,279</u></u>	<u><u>\$ 339,422</u></u>	<u><u>\$ 143</u></u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 3,137,100	\$ 3,381,663	\$ 244,563
Intergovernmental revenues	3,474,862	3,232,434	(242,428)
Special assessments	50,000	125,657	75,657
Miscellaneous receipts and reimbursements	<u>96,823</u>	<u>96,824</u>	<u>1</u>
Total revenues	<u>6,758,785</u>	<u>6,836,578</u>	<u>77,793</u>
EXPENDITURES:			
Capital Outlay:			
Contractual, materials and other	<u>9,143,503</u>	<u>8,573,156</u>	<u>570,347</u>
Total expenditures	<u>9,143,503</u>	<u>8,573,156</u>	<u>570,347</u>
Deficiency of revenues under expenditures	<u>(2,384,718)</u>	<u>(1,736,578)</u>	<u>648,140</u>
OTHER FINANCING SOURCES (USES):			
Capital contributions	60,000	136,267	76,267
Sale of asset	15,000	64,064	49,064
Loan proceeds	157,000	-	(157,000)
Transfers in	<u>710,000</u>	<u>710,000</u>	<u>-</u>
Total other financing sources	<u>942,000</u>	<u>910,331</u>	<u>(31,669)</u>
Net change in fund balance	(1,442,718)	(826,247)	616,471
Fund Balances, beginning of year	320,498	320,498	-
Prior Year Encumbrances	<u>1,382,700</u>	<u>1,382,700</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 260,480</u>	<u>\$ 876,951</u>	<u>\$ 616,471</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
MUNICIPAL EARNED INCOME TAX FOR STREET CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Local taxes	\$ 2,469,574	\$ 2,850,380	\$ 380,806
Total revenues	<u>2,469,574</u>	<u>2,850,380</u>	<u>380,806</u>
EXPENDITURES:			
Capital Outlay:			
Contractual, materials and other	<u>2,804,941</u>	<u>2,700,414</u>	<u>104,527</u>
Total expenditures	<u>2,804,941</u>	<u>2,700,414</u>	<u>104,527</u>
Excess (deficiency) of revenues over expenditures	(335,367)	149,966	485,333
Fund Balances, beginning of year	1,171,483	1,171,483	-
Prior Year Encumbrances	<u>115,207</u>	<u>115,207</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 951,323</u>	<u>\$ 1,436,656</u>	<u>\$ 485,333</u>



STATISTICAL SECTION

CITY OF SIDNEY, OHIO
Statistical Section
December 31, 2016

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.	118 – 122
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.	123 – 124
Debt Capacity (Schedules 7 - 10) 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.	125 – 128
Economic and Demographic Information (Schedules 11 – 12) These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	129 – 130
Operating Information (Schedules 13 – 15) 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.	131 – 133

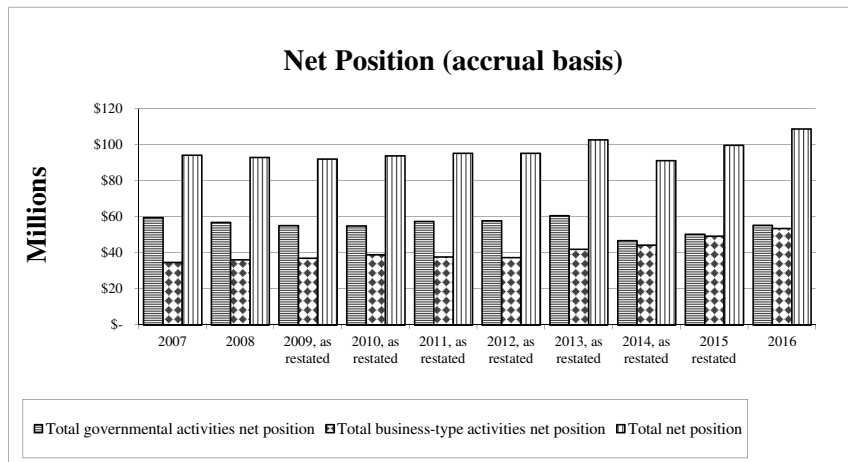
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

Schedule 1

	Year Ended December 31,									
	2007	2008	2009, as restated	2010, as restated	2011, as restated	2012, as restated	2013, as restated	2014, as restated	2015 restated	2016
Governmental activities										
Net investments in capital assets	43,858,848	43,433,659	45,610,506	44,608,862	46,814,752	46,484,983	47,228,659	46,471,032	48,421,398	52,535,603
Restricted for:										
Other purposes	1,321,211	1,042,116	1,641,658	1,782,614	3,116,853	3,273,154	3,521,730	3,922,451	6,070,942	6,221,211
Unrestricted	14,559,542	12,449,516	7,917,041	8,591,834	7,609,599	8,197,220	9,917,661	(3,493,089)	(4,047,311)	(3,307,733)
Total governmental activities net position	59,739,601	56,925,291	55,169,205	54,983,310	57,541,204	57,955,357	60,668,050	46,900,394	50,445,029	55,449,081
Business-type activities										
Net investments in capital assets	29,300,583	31,074,156	31,619,476	34,273,069	33,450,981	32,434,937	36,286,139	37,688,256	39,086,912	40,496,079
Restricted	-	160,420	-	-	-	-	-	-	-	-
Unrestricted	5,387,473	4,928,706	5,458,953	4,722,342	4,368,997	4,961,412	5,858,713	6,725,423	10,282,346	13,046,114
Total business-type activities net position	34,688,056	36,163,282	37,078,429	38,995,411	37,819,978	37,396,349	42,144,852	44,413,679	49,369,258	53,542,193
Total										
Net investments in capital assets	73,159,431	74,507,815	77,229,982	78,881,931	80,265,733	78,919,920	83,514,798	84,159,288	87,508,310	93,031,682
Restricted for:										
Other purposes	1,321,211	1,202,536	1,641,658	1,782,614	3,116,853	3,273,154	3,521,730	3,922,451	6,070,942	6,221,211
Unrestricted	19,947,015	17,378,222	13,375,994	13,314,176	11,978,596	13,158,632	15,776,374	3,232,334	6,235,035	9,738,381
Total net position	\$ 94,427,657	\$ 93,088,573	\$ 92,247,634	\$ 93,978,721	\$ 95,361,182	\$ 95,351,706	\$ 102,812,902	\$ 91,314,073	\$ 99,814,287	\$ 108,991,274

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



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

- Change of transportation and stormwater management funds from governmental activities to business-type activities for 2006
- Change in classification between restricted and unrestricted net position 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 net investments in capital assets, 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
- Correction of water capital asset, stormwater and water receivable, and stormwater unearned revenue in 2012.
- Correction of sewer capitalized interest in 2013.
- Change in accounting principle of GASB Statement No. 68 for 2014, - prior year balances have not been restated
- Correction of GASB Statement No. 68 for 2015

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

Schedule 2

	Year Ended December 31,									
	2007	2008	2009	2010	2011, as restated	2012, as restated	2013, as restated	2014, as restated	2015, as restated	2016
Expenses										
Governmental activities:										
General government	1,726,929	1,842,173	1,314,285	928,165	822,047	1,043,097	1,280,552	1,222,533	1,135,011	1,112,992
Public safety										
Police	6,167,426	6,389,260	6,271,553	6,142,034	5,995,394	5,947,129	5,878,916	6,069,441	6,194,921	6,381,987
Fire	4,372,436	4,656,979	4,523,985	4,334,589	4,635,651	4,636,484	4,831,041	5,028,715	5,543,595	5,711,785
Judicial	1,686,848	1,588,281	1,636,905	1,563,723	1,638,942	1,574,631	1,644,204	1,701,791	1,652,162	1,851,709
Health	227,045	239,068	375,100	197,366	188,091	200,968	212,134	211,378	246,323	229,048
Transportation										
Public transportation						5,643	-	-	-	41,509
Street repair & maintenance	3,163,599	3,308,905	3,093,966	3,324,839	3,420,370	3,275,490	3,501,798	3,233,573	3,236,098	3,565,336
Community environment										
Community development	326,902	735,153	339,155	924,429	833,892	690,046	674,110	467,887	533,433	1,005,925
Community environment	1,291,112	1,152,583	1,167,276	1,301,521	783,027	704,322	522,557	572,458	568,221	620,135
Parks and recreation	1,628,824	1,670,604	1,504,878	1,388,202	1,365,458	1,488,367	1,453,956	1,464,155	1,483,180	1,572,667
Basic utility services	54,531	24,630	134,047	73,127	-	54,751	-	101,582	384,464	249,527
Bond issuance cost	-	-	-	-	-	-	14,234	-	-	-
Interest on long-term debt	392,921	386,824	364,625	353,017	321,257	295,729	291,005	161,053	147,997	134,274
Total governmental activities expenses	<u>21,038,573</u>	<u>21,994,460</u>	<u>20,725,775</u>	<u>20,531,012</u>	<u>20,004,129</u>	<u>19,916,657</u>	<u>20,304,507</u>	<u>20,234,566</u>	<u>21,125,405</u>	<u>22,476,894</u>
Business-type activities:										
Water	3,908,385	3,581,450	3,219,126	3,400,452	3,760,888	3,876,533	3,838,381	3,791,600	3,713,584	3,984,823
Sewer	3,720,157	3,812,880	3,864,227	3,724,801	3,631,479	3,473,960	3,915,727	4,139,110	4,163,735	4,211,321
Stormwater	567,091	538,199	579,263	561,378	543,603	568,224	491,391	524,541	574,465	588,053
Solid Waste	1,086,908	1,002,412	1,085,937	1,146,766	1,188,726	1,233,201	1,346,774	1,362,006	1,421,630	1,549,248
Other business-type activities	996,388	1,433,523	1,414,485	1,492,936	1,522,638	1,598,795	1,554,138	1,576,068	1,609,157	1,680,619
Total business-type activities expenses	<u>10,278,929</u>	<u>10,368,464</u>	<u>10,163,038</u>	<u>10,326,333</u>	<u>10,647,334</u>	<u>10,750,713</u>	<u>11,146,411</u>	<u>11,393,325</u>	<u>11,482,571</u>	<u>12,014,064</u>
Total Expenses	<u>31,317,502</u>	<u>32,362,924</u>	<u>30,888,813</u>	<u>30,857,345</u>	<u>30,651,463</u>	<u>30,667,370</u>	<u>31,450,918</u>	<u>31,627,891</u>	<u>32,607,976</u>	<u>34,490,958</u>
Program Revenues **										
Governmental activities:										
General government	5,801	882	-	-	-	1,578	-	-	-	-
Public safety										
Police	388,020	487,553	379,701	420,134	410,885	404,573	434,230	335,842	352,453	356,665
Fire	853,487	389,990	443,174	751,523	561,125	637,602	555,901	700,607	702,442	767,796
Judicial	867,714	857,705	867,504	804,453	831,903	883,356	926,900	916,951	932,008	883,270
Health	120,151	139,266	101,170	115,009	144,307	133,823	152,802	122,172	145,303	156,342
Transportation										
Public transportation										
Street repair & maintenance	2,516,499	1,858,465	3,459,464	1,842,707	3,999,963	1,683,455	3,189,712	1,547,509	1,874,992	3,163,261
Community environment										
Community development	507,213	465,771	125,651	596,581	457,017	405,217	632,825	389,547	350,151	575,384
Community environment	82,830	114,375	105,499	86,795	63,674	89,396	87,860	79,255	96,715	114,174
Parks and recreation	64,939	111,888	199,613	259,480	191,588	206,674	119,649	173,419	123,973	233,008
Basic utility services	-	14,503	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>5,406,654</u>	<u>4,440,398</u>	<u>5,681,776</u>	<u>4,876,682</u>	<u>6,660,462</u>	<u>4,445,674</u>	<u>6,099,879</u>	<u>4,265,302</u>	<u>4,578,037</u>	<u>6,249,900</u>
Business-type activities:										
Water	4,105,837	3,454,995	4,050,081	5,721,059	3,448,378	3,480,586	4,148,898	4,988,388	5,615,833	6,003,745
Sewer	4,564,326	3,321,692	3,399,951	3,259,769	3,260,279	3,361,223	5,724,273	6,706,435	6,393,250	5,932,595
Solid Waste	893,935	1,016,660	974,202	1,094,019	1,140,751	1,205,710	1,325,314	1,388,994	1,457,325	1,556,991
Stormwater	275,893	316,988	403,100	318,396	345,438	344,723	350,623	378,838	382,292	424,341
Other business-type activities	1,041,434	1,832,099	1,925,899	1,302,550	1,213,749	1,641,873	3,564,226	1,491,235	1,497,852	1,532,473
Total business-type activities program revenues	<u>10,881,425</u>	<u>9,942,434</u>	<u>10,753,233</u>	<u>11,695,793</u>	<u>9,408,595</u>	<u>10,034,115</u>	<u>15,113,334</u>	<u>14,953,890</u>	<u>15,346,552</u>	<u>15,450,145</u>

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

Schedule 2

	Year Ended December 31,									
	2007	2008	2009	2010	2011, as restated	2012, as restated	2013, as restated	2014, as restated	2015, as restated	2016
Net (Expense) Revenue ^(a)										
Governmental activities:										
General government	(1,721,128)	(1,841,291)	(1,314,285)	(928,165)	(822,047)	(1,041,519)	(1,280,552)	(1,222,533)	(1,135,011)	(1,112,992)
Police	(5,779,406)	(5,901,707)	(5,891,852)	(5,721,900)	(5,584,509)	(5,542,556)	(5,444,686)	(5,733,599)	(5,842,468)	(6,025,322)
Fire	(3,518,949)	(4,266,989)	(4,080,811)	(3,583,066)	(4,074,526)	(3,998,882)	(4,275,140)	(4,328,108)	(4,841,153)	(4,943,989)
Judicial	(819,134)	(730,576)	(769,401)	(759,270)	(807,039)	(691,275)	(717,304)	(784,840)	(720,154)	(968,439)
Health	(106,894)	(99,802)	(273,930)	(82,357)	(43,784)	(67,145)	(59,332)	(89,206)	(101,020)	(72,706)
Public transportation	-	-	-	-	-	(5,643)	-	-	-	(41,509)
Street repair & maintenance	(647,100)	(1,450,440)	365,498	(1,482,132)	579,593	(1,592,035)	(312,086)	(1,686,064)	(1,361,106)	(402,075)
Community development	180,311	(269,382)	(213,504)	(327,848)	(376,875)	(284,829)	(41,285)	(78,340)	(183,282)	(430,541)
Community environment	(1,208,282)	(1,038,208)	(1,061,777)	(1,214,726)	(719,353)	(614,926)	(434,697)	(493,203)	(471,506)	(505,961)
Parks and recreation	(1,563,885)	(1,558,716)	(1,305,265)	(1,128,722)	(1,173,870)	(1,281,693)	(1,334,307)	(1,290,736)	(1,359,207)	(1,339,659)
Basic utility services	(54,531)	(10,127)	(134,047)	(73,127)	-	(54,751)	-	(101,582)	(384,464)	(249,527)
Bond issuance costs	-	-	-	-	-	-	(14,234)	-	-	-
Interest on long-term debt	(392,921)	(386,824)	(364,625)	(353,017)	(321,257)	(295,729)	(291,005)	(161,053)	(147,997)	(134,274)
Total governmental activities	(15,631,919)	(17,554,062)	(15,043,999)	(15,654,330)	(13,343,667)	(15,470,983)	(14,204,628)	(15,969,264)	(16,547,368)	(16,226,994)
Net (Expense) Revenue ^(a)										
Business-type activities:										
Water	197,452	(126,455)	830,955	2,320,607	(312,510)	(395,947)	310,517	1,196,788	1,902,249	2,018,922
Sewer	844,169	(491,188)	(464,276)	(465,032)	(371,200)	(112,737)	1,808,546	2,567,325	2,229,515	1,721,274
Solid Waste	(192,973)	14,248	(111,735)	(52,747)	(47,975)	(27,491)	(21,460)	26,988	35,695	7,743
Stormwater	(291,198)	(221,211)	(176,163)	(242,982)	(198,165)	(223,501)	(140,768)	(145,703)	(192,173)	(163,712)
Other business-type activities	45,046	398,576	511,414	(190,386)	(308,889)	43,078	2,010,088	(84,833)	(111,305)	(148,146)
Total business-type activities	602,496	(426,030)	590,195	1,369,460	(1,238,739)	(716,598)	3,966,923	3,560,565	3,863,981	3,436,081
Total	(15,029,423)	(17,980,092)	(14,453,804)	(14,284,870)	(14,582,406)	(16,187,581)	(10,237,705)	(12,408,699)	(12,683,387)	(12,790,913)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Income taxes	13,417,106	12,505,553	9,996,527	12,120,834	12,833,355	13,508,264	14,161,506	15,394,876	17,882,075	18,724,943
Property taxes	1,481,916	1,440,528	1,451,435	1,478,089	1,180,084	1,064,514	1,016,383	1,028,049	1,026,383	1,014,356
Payments in lieu of taxes	-	-	-	-	-	-	-	131,681	151,114	151,322
Lodging taxes	-	-	-	-	-	-	-	291,434	377,602	383,691
Other taxes	819,030	693,003	805,708	637,560	810,199	670,257	807,038	1,865	1,534	4,260
Grants and contributions not restricted to specific progr	1,610,680	1,135,782	887,749	977,843	886,421	577,012	582,407	590,138	580,241	553,759
Investment earnings	894,963	561,282	132,406	114,967	126,830	129,953	106,092	88,087	82,194	81,259
Gain (loss) on sale/disposal of capital assets	-	4,070	21,017	31,689	56,952	26,069	3,380	41,481	28,540	78,336
Miscellaneous	573,924	68,482	242,371	442,446	282,027	252,167	459,786	484,173	387,378	511,777
Transfers	(555,572)	(1,668,948)	(249,300)	(334,993)	(126,500)	(343,100)	(219,271)	(261,955)	(425,058)	(272,657)
Total governmental activities	18,242,047	14,739,752	13,287,913	15,468,435	16,049,368	15,885,136	16,917,321	17,789,829	20,092,003	21,231,046
Business-type activities:										
Miscellaneous	-	-	-	117,007	82,131	153,812	431,729	326,562	507,594	300,638
Investment earnings	219,224	227,958	75,652	75,020	199,574	169,073	117,401	121,169	129,961	140,182
Gain on sale/disposal of capital assets	-	4,350	-	20,502	5,158	99,280	13,179	1,554	28,985	23,377
Transfers	555,572	1,668,948	249,300	334,993	126,500	343,100	219,271	261,955	425,058	272,657
Total business-type activities	774,796	1,901,256	324,952	547,522	413,363	765,265	781,580	711,240	1,091,598	736,854
Total	19,016,843	16,641,008	13,612,865	16,015,957	16,462,731	16,650,401	17,698,901	18,501,069	21,183,601	21,967,900
Change in Net Position										
Governmental activities	2,610,128	(2,814,310)	(1,756,086)	(185,895)	2,705,818	414,153	2,712,693	1,820,565	3,544,635	5,004,052
Business-type activities	1,377,292	1,475,226	915,147	1,916,982	(825,376)	48,667	4,748,503	4,271,805	4,955,579	4,172,935
Total	3,987,420	(1,339,084)	(840,939)	1,731,087	1,880,442	462,820	7,461,196	6,092,370	8,500,214	9,176,987

^(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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved for:										
Inventory	\$ 49,255	\$ 48,516	\$ 51,953	\$ 65,312						
Prepaid items	21,576	23,793	33,350	30,918						
Encumbrances	104,072	125,775	69,040	112,982						
Unreserved	<u>6,079,886</u>	<u>4,256,474</u>	<u>3,884,890</u>	<u>4,374,198</u>						
Total general fund	<u>\$ 6,254,789</u>	<u>\$ 4,454,558</u>	<u>\$ 4,039,233</u>	<u>\$ 4,583,410</u>						
Fund Balances:										
Nonspendable					\$ 78,974	\$ 99,137	\$ 87,265	\$ 85,498	\$ 105,114	\$ 167,124
Restricted					-	-	-	-	-	-
Committed					275,349	64,415	243,392	266,555	283,076	487,015
Assigned					190,981	163,878	227,709	1,794,171	1,541,086	1,781,863
Unassigned					<u>4,667,200</u>	<u>4,821,760</u>	<u>6,052,984</u>	<u>5,420,756</u>	<u>6,355,395</u>	<u>7,411,762</u>
Total general fund					<u>\$ 5,212,504</u>	<u>\$ 5,149,190</u>	<u>\$ 6,611,350</u>	<u>\$ 7,566,980</u>	<u>\$ 8,284,671</u>	<u>\$ 9,847,764</u>
All Other Governmental Funds										
Reserved for:										
Inventory	\$ 52,740	\$ 101,224	\$ 65,994	\$ 72,438						
Prepaid items	1,342	1,154	9,930	10,962						
Long-term loans receivable	40,301	24,781	-	-						
Encumbrances	1,210,351	386,292	751,599	983,927						
Unreserved, reported in:										
Special revenue funds	4,782,780	4,082,591	2,626,063	2,464,455						
Capital projects funds	<u>616,675</u>	<u>1,282,636</u>	<u>514,015</u>	<u>865,409</u>						
Total all other governmental funds	<u>\$ 6,704,189</u>	<u>\$ 5,878,678</u>	<u>\$ 3,967,601</u>	<u>\$ 4,397,191</u>						
Fund Balances:										
Nonspendable					\$ 105,080	\$ 121,116	\$ 90,733	\$ 132,996	\$ 126,640	\$ 87,418
Restricted					2,263,940	2,391,836	2,633,111	2,958,466	4,415,458	4,761,567
Committed					226,106	237,336	251,594	270,599	286,167	130,107
Assigned					1,354,486	1,523,668	1,999,039	2,544,935	1,791,894	2,672,195
Unassigned					<u>(148,369)</u>	<u>(44,845)</u>	<u>(46,169)</u>	<u>(621)</u>	<u>-</u>	<u>-</u>
Total all other governmental funds					<u>\$ 3,801,243</u>	<u>\$ 4,229,111</u>	<u>\$ 4,928,308</u>	<u>\$ 5,906,375</u>	<u>\$ 6,620,159</u>	<u>\$ 7,651,287</u>

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

- Change of transportation and stormwater management funds from governmental activities to business-type activities
- Correction of an error for bond issuance costs
- ** 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Local taxes	14,988,112	14,338,595	12,110,032	14,203,412	14,201,437	14,439,662	15,745,801	16,073,066	19,038,142	20,938,347
Intergovernmental revenues	3,788,406	3,885,983	4,913,153	3,605,456	5,907,208	3,052,245	4,735,720	2,757,853	2,861,655	4,451,519
Special assessments	258,866	245,045	261,408	249,283	296,942	263,184	295,537	272,883	277,698	411,921
Charges for services	1,737,641	1,671,362	1,524,444	1,761,900	1,641,677	1,687,672	1,684,689	1,692,992	1,549,281	1,418,766
Fines, licenses and permits	267,507	240,658	385,620	188,665	181,183	200,370	187,880	183,193	466,068	425,103
Investment income	880,706	610,887	173,504	145,895	135,882	140,156	123,001	118,525	93,084	101,842
Miscellaneous receipts and reimbursements	797,011	304,689	348,460	623,442	501,423	683,974	795,786	815,675	664,376	957,639
Total revenues	<u>22,718,249</u>	<u>21,297,219</u>	<u>19,716,621</u>	<u>20,778,053</u>	<u>22,685,752</u>	<u>20,467,263</u>	<u>23,568,414</u>	<u>21,914,187</u>	<u>24,950,304</u>	<u>28,705,137</u>
EXPENDITURES:										
Current:										
General government	1,629,417	1,754,338	1,241,283	994,747	761,594	833,851	928,871	1,076,602	1,089,085	1,023,670
Police	5,671,817	5,852,203	5,726,015	5,736,959	5,600,738	5,644,443	5,448,768	5,665,204	5,688,921	5,644,312
Fire	4,073,027	4,303,371	4,309,081	4,112,147	4,435,691	4,387,264	4,524,242	4,688,533	5,040,271	4,853,625
Judicial	1,438,810	1,438,914	1,487,055	1,421,674	1,544,293	1,470,021	1,539,963	1,569,513	1,537,304	1,659,057
Health	209,334	220,980	358,851	193,334	161,354	164,201	176,073	172,049	156,677	153,071
Public transportation	-	-	-	-	-	5,643	-	-	-	41,509
Street repair & maintenance	1,424,212	1,484,688	1,359,318	1,443,553	1,404,900	1,304,441	1,395,150	1,231,476	1,295,723	1,314,103
Community development	321,575	1,006,091	289,206	450,990	253,872	324,004	379,275	286,358	454,971	495,918
Community environment	988,605	1,084,882	1,117,688	1,080,338	798,625	704,250	510,050	575,576	565,701	604,071
Parks and recreation	1,366,273	1,422,988	1,273,062	1,186,393	1,172,055	1,260,922	1,187,370	1,196,673	1,240,974	1,287,955
Basic utility services	45,593	23,543	44,872	14,127	-	61,779	-	-	-	74,027
Capital outlay	3,888,697	4,039,330	4,691,407	2,333,585	5,656,047	2,933,601	4,301,811	2,544,470	5,286,644	7,957,500
Debt service:										
Principal	445,000	435,000	445,000	1,360,000	838,714	585,000	5,405,000	650,000	670,000	685,000
Bond issuance costs	-	-	-	-	-	-	86,666	-	-	-
Interest and other charges	388,520	369,535	371,902	360,066	323,888	302,424	305,447	166,982	153,982	140,307
Total expenditures	<u>21,890,880</u>	<u>23,435,863</u>	<u>22,714,740</u>	<u>20,687,913</u>	<u>22,951,771</u>	<u>19,981,844</u>	<u>26,188,686</u>	<u>19,823,436</u>	<u>23,180,253</u>	<u>25,934,125</u>
Excess (deficiency) of revenues over (under) expenditures	827,369	(2,138,644)	(2,998,119)	90,140	(266,019)	485,419	(2,620,272)	2,090,751	1,770,051	2,771,012
OTHER FINANCING SOURCES (USES):										
Transfers in	14,189,448	13,571,638	2,312,307	25,000	235,000	225,000	196,000	215,000	438,265	1,015,000
Bonds issued	-	-	900,000	945,000	1,605,000	-	4,947,432	-	-	-
Payment to refunding agent	-	-	-	-	(1,263,463)	-	-	-	-	-
Premium on bonds	-	-	-	17,238	27,176	-	-	-	-	-
Capital contributions	-	-	-	-	-	95,000	-	-	-	-
Sale of capital assets	74,328	26,392	21,017	56,389	56,952	29,635	7,868	55,124	28,187	95,866
Transfers out	(14,747,305)	(14,085,128)	(2,561,607)	(160,000)	(361,500)	(470,500)	(369,671)	(427,178)	(805,028)	(1,287,657)
Total other financing sources (uses)	<u>(483,529)</u>	<u>(487,098)</u>	<u>671,717</u>	<u>883,627</u>	<u>299,165</u>	<u>(120,865)</u>	<u>4,781,629</u>	<u>(157,054)</u>	<u>(338,576)</u>	<u>(176,791)</u>
Net change in fund balances	<u>\$ 343,840</u>	<u>\$ (2,625,742)</u>	<u>\$ (2,326,402)</u>	<u>\$ 973,767</u>	<u>\$ 33,146</u>	<u>\$ 364,554</u>	<u>\$ 2,161,357</u>	<u>\$ 1,933,697</u>	<u>\$ 1,431,475</u>	<u>\$ 2,594,221</u>
Debt service as a percentage of noncapital expenditures	4.5%	4.0%	4.4%	8.9%	6.4%	4.9%	3.3% *	4.5%	4.4%	4.3%

* For 2013 the bonds issued for the current refunding have been subtracted from debt service.

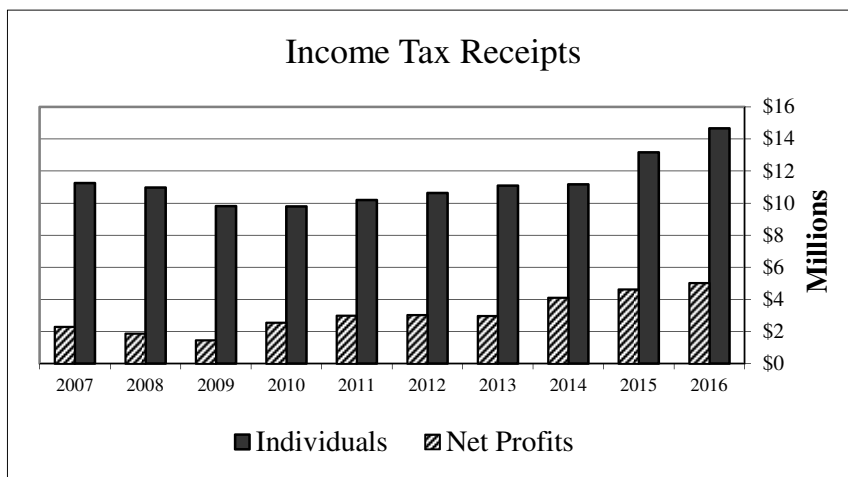
INCOME TAX BY PAYER TYPE AND INCOME TAX RATE

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

Year	Individuals		Net Profits	Total	Income Tax Rate
	Withheld by Employer	Paid by Taxpayer			
2016	\$ 13,772,447	\$ 886,471	\$ 5,036,973	\$ 19,695,891	1.75%
2015	\$ 12,495,175	\$ 676,820	\$ 4,627,748	\$ 17,799,743	1.75%
2014	\$ 10,510,653	\$ 653,903	\$ 4,108,423	\$ 15,272,979	1.50%
2013	\$ 10,435,949	\$ 661,638	\$ 2,977,321	\$ 14,074,908	1.50%
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%

Source: City of Sidney, Ohio, Income Tax Department

This City levies an 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)

2016		2007	
<u>Rank</u>	<u>Name</u>	<u>Rank</u>	<u>Name</u>
1	Emerson Climate (formerly Copeland Corp)	1	Emerson Climate (formerly Copeland Corp)
2	Wilson Memorial Hospital	2	NK Parts Industries, Inc.
3	Honda of America Manufacturing, Inc.	3	Cargill, Inc.
4	Cargill, Inc.	4	Wilson Memorial Hospital
5	Advanced Composites Inc.	5	Superior Metal Products
6	Superior Metal Products	6	Honda of America Manufacturing, Inc.
7	Sidney Board of Education	7	Sidney Board of Education
8	US Foods (formerly Fresh Unlimited Inc.)	8	Shelby County Auditors' Office
9	Shelby County Auditors' Office	9	US Foods (formerly Fresh Unlimited Inc.)
10	Norcold Inc.	10	City of Sidney
Combined percentage of Total income taxes 28.26%		Combined percentage of Total income taxes 28.98%	

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						
	General Obligation Bonds	Percentage of estimated actual property value	Per Capita	Water General Obligation Bonds	Water Revenue- Backed Loans	Sewer General Obligation Bonds	Sewer Revenue- Backed Loans	Total Primary Government	Percentage of Estimated actual property value	Per Capita
2016	\$ 4,845,000	0.47%	\$ 732	\$ 2,937,000	\$ 22,143,768	\$ 7,480,000	\$ 9,035,790	\$ 46,441,558	4.51%	\$ 2,227
2015	\$ 5,530,000	0.54%	\$ 796	\$ 2,997,000	\$ 4,381,182	\$ 8,105,000	\$ -	\$ 21,013,182	2.07%	\$ 1,005
2014	\$ 6,200,000	0.62%	\$ 856	\$ 3,057,000	\$ 3,521,147	\$ 8,730,000	\$ -	\$ 21,508,147	2.14%	\$ 1,024
2013	\$ 6,850,000	0.67%	\$ 918	\$ 3,117,000	\$ 3,755,890	\$ 9,345,000	\$ -	\$ 23,067,890	2.27%	\$ 1,097
2012	\$ 7,380,000	0.73%	\$ 742	\$ 3,177,000	\$ 3,988,308	\$ 5,040,000	\$ -	\$ 19,585,308	1.93%	\$ 931
2011	\$ 7,965,000	0.78%	\$ 791	\$ 3,237,000	\$ 4,136,429	\$ 5,500,000	\$ -	\$ 20,838,429	2.05%	\$ 987
2010	\$ 8,110,000	0.75%	\$ 807	\$ 3,247,000	\$ 3,826,073	\$ 5,770,000	\$ -	\$ 20,953,073	1.93%	\$ 987
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

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

Schedule 8

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Obligation Bonds	\$ 16,155,500	\$ 16,101,000	\$ 15,330,000	\$ 17,127,000	\$ 16,702,000	\$ 15,597,000	\$ 19,312,000	\$ 17,987,000	\$ 16,632,000	\$ 15,262,000
Assessed value of taxable property ^(a)	\$ 395,352,640	\$ 376,375,950	\$ 379,705,390	\$ 379,491,650	\$ 356,004,730	\$ 355,354,130	\$ 355,259,920	\$ 352,538,170	\$ 356,048,730	\$ 360,708,070
General Obligation Bonds as percent of total assessed value of taxable property	4.09%	4.28%	4.04%	4.51%	4.69%	4.39%	5.44%	5.10%	4.67%	4.23%
Estimated actual value of taxable property ^(a)	\$ 1,180,703,463	\$ 1,075,359,857	\$ 1,084,872,543	\$ 1,084,261,857	\$ 1,017,156,371	\$ 1,015,297,514	\$ 1,015,028,343	\$ 1,007,251,914	\$ 1,017,282,029	\$ 1,030,594,486
General Obligation Bonds as percent of total estimated actual value of taxable property	1.37%	1.50%	1.41%	1.58%	1.64%	1.54%	1.90%	1.79%	1.63%	1.48%
Population ^(b)	20,139	20,019	19,944	21,229	21,118	21,031	21,031	21,006	20,905	20,858
General Obligation Bonds Per capita	\$ 802	\$ 804	\$ 769	\$ 807	\$ 791	\$ 742	\$ 918	\$ 856	\$ 796	\$ 732
Less debt not subject to limitations										
Self-supporting securities issued for water systems or facilities	\$ (200,000)	\$ (650,000)	\$ (670,000)	\$ (3,357,000)	\$ (3,342,000)	\$ (3,277,000)	\$ (3,212,000)	\$ (3,147,000)	\$ (3,082,000)	\$ (3,017,000)
Self-supporting securities issued for sanitary sewer systems or facilities	\$ (7,450,000)	\$ (6,485,000)	\$ (6,135,000)	\$ (6,605,000)	\$ (6,300,000)	\$ (5,795,000)	\$ (10,055,000)	\$ (9,395,000)	\$ (8,720,000)	\$ (8,045,000)
Net debt subject to 10-1/2% limitation ^(c)	\$ 8,505,500	\$ 8,966,000	\$ 8,525,000	\$ 7,165,000	\$ 7,060,000	\$ 6,525,000	\$ 6,045,000	\$ 5,445,000	\$ 4,830,000	\$ 4,200,000
Voted and Unvoted Debt Limit -- 10-1/2% of assessed value	\$ 41,512,027	\$ 39,519,475	\$ 39,869,066	\$ 39,846,623	\$ 37,380,497	\$ 37,312,184	\$ 37,302,292	\$ 37,016,508	\$ 37,385,117	\$ 37,874,347
Legal Debt Margin within 10-1/2% Limitation	\$ 33,006,527	\$ 30,553,475	\$ 31,344,066	\$ 32,681,623	\$ 30,320,497	\$ 30,787,184	\$ 31,257,292	\$ 31,571,508	\$ 32,555,117	\$ 33,674,347
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	20.49%	22.69%	21.38%	17.98%	18.89%	17.49%	16.21%	14.71%	12.92%	11.09%
Net debt subject to 5-1/2% limitation ^(d)	\$ 8,505,500	\$ 8,966,000	\$ 8,525,000	\$ 7,165,000	\$ 7,060,000	\$ 6,525,000	\$ 6,045,000	\$ 5,445,000	\$ 4,830,000	\$ 4,200,000
Unvoted Debt Limit -- 5-1/2% of assessed value	\$ 21,744,395	\$ 20,700,677	\$ 20,883,796	\$ 20,872,041	\$ 19,580,260	\$ 19,544,477	\$ 19,539,296	\$ 19,389,599	\$ 19,582,680	\$ 19,838,944
Legal Debt Margin within 5-1/2% Limitation	\$ 13,238,895	\$ 11,734,677	\$ 12,358,796	\$ 13,707,041	\$ 12,520,260	\$ 13,019,477	\$ 13,494,296	\$ 13,944,599	\$ 14,752,680	\$ 15,638,944
Net debt within limitations for Unvoted debt as a percentage of debt limit	39.12%	43.31%	40.82%	34.33%	36.06%	33.39%	30.94%	28.08%	24.66%	21.17%

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

^(b) Source for population: For years 2005 - 2009 & 2011 - 2016, U.S. Bureau of the Census-Population Estimates Program. For years 2010, U.S. Bureau of the Census-2010 Federal Census.

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

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

CITY OF SIDNEY, OHIO
DEBT SERVICE COVERAGE
BUSINESS TYPE ACTIVITIES
LAST TEN FISCAL YEARS

Schedule 9

Sewer	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net customer revenues	4,019,003	3,283,540	3,354,943	3,180,498	3,251,710	3,289,516	5,690,493	6,706,435	6,358,031	5,932,595
Direct operating expenses	<u>2,440,077</u>	<u>2,597,134</u>	<u>2,601,874</u>	<u>2,521,450</u>	<u>2,548,909</u>	<u>2,460,634</u>	<u>2,884,699</u>	<u>3,034,046</u>	<u>3,057,213</u>	<u>3,067,539</u>
Net revenue available for debt service	1,578,926	686,406	753,069	659,048	702,801	828,882	2,805,794	3,672,389	3,300,818	2,865,056
General obligation debt service requirements	689,500	647,486	642,611	642,299	636,330	582,906	576,931	878,061	875,761	863,261
Revenue obligation debt service requirements	-	-	-	-	-	-	-	-	-	-
Debt service coverage ratio	2.29	1.06	1.17	1.03	1.10	1.42	4.86	4.18	3.77	3.32
Water										
Net customer revenues	3,453,658	3,234,268	3,250,037	3,161,735	3,366,141	3,508,224	3,928,167	4,988,388	5,536,495	5,805,611
Direct operating expenses	<u>3,490,488</u>	<u>3,231,612</u>	<u>2,851,608</u>	<u>2,962,089</u>	<u>3,099,142</u>	<u>3,004,470</u>	<u>3,008,323</u>	<u>2,957,024</u>	<u>2,916,234</u>	<u>3,120,425</u>
Net revenue available for debt service	(36,830)	2,656	398,429	199,646	266,999	503,754	919,844	2,031,364	2,620,261	2,685,186
General obligation debt service requirements	-	-	-	220,906	212,876	234,125	231,373	228,620	225,868	223,040
Revenue obligation debt service requirements	-	-	-	235,518	235,518	235,518	232,418	234,743	234,743	234,743
Debt service coverage ratio	N/A	N/A	N/A	0.44	0.60	1.07	1.98	4.38	5.69	5.87

Operating expenses excluding depreciation and amortization

Annual debt service requirement includes principal and interest (including covenant debt and federal interest subsidy)

**CITY OF SIDNEY, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION DEBT
 DECEMBER 31, 2016**

Schedule 10

	<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⁾	\$15,562,529	100%	\$15,562,529
Shelby County ⁽²⁾	\$0	43% ⁽³⁾	<u>\$0</u>
Subtotal, overlapping debt			\$15,562,529
City of Sidney direct debt			<u>\$4,845,000</u>
Total direct and overlapping debt			<u><u>\$20,407,529</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 2016 estimated population (20,858) as a percent of Shelby County 2016 estimate population (48,623) is equal to 43%.

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

Schedule 11

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⁾
2007	20,139 (1)(a)	\$19,075 (1)(c)	33.9 yrs	3,978	4.8%	\$395,352,640	\$1,180,703,463
2008	20,019 (1)(a)	\$19,075 (1)(c)	33.9 yrs	3,995	6.1%	\$376,375,950	\$1,075,359,857
2009	19,944 (1)(a)	\$19,075 (1)(c)	33.9 yrs	3,868	12.8%	\$379,705,390	\$1,084,872,543
2010	21,229 (1)(b)	\$18,628 (1)(b)	36.1 yrs	3,757	10.4%	\$379,491,650	\$1,084,261,857
2011	21,118 (1)(a)	\$18,628 (1)(b)	36.1 yrs	3,602	9.2%	\$356,004,730	\$1,017,156,371
2012	21,031 (1)(a)	\$18,628 (1)(b)	36.1 yrs	3,585	6.9%	\$355,354,130	\$1,015,297,514
2013	21,031 (1)(a)	\$18,628 (1)(b)	36.1 yrs	3,497	6.2%	\$355,259,920	\$1,015,028,343
2014	21,006 (1)(a)	\$18,628 (1)(b)	36.1 yrs	3,487	4.6%	\$352,538,170	\$1,007,251,914
2015	20,905 (1)(a)	\$18,628 (1)(b)	36.1 yrs	3,354	4.3%	\$356,048,730	\$1,017,282,029
2016	20,858 (1)(a)	\$18,628 (1)(b)	36.1 yrs	3,421	4.1%	\$360,708,070	\$1,030,594,486

⁽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

2007			2016		
<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 Technologies (formerly Copeland Corp)	2,200	27.76%	1 Emerson Climate Technologies (formerly Copeland Corp)	1,724	29.60%
2 NK Parts Industries	1,100	13.88%	2 Wilson Health	696	11.95%
3 Wilson Memorial Hospital	896	11.31%	3 NK Parts Industries	609	10.45%
4 American Trim	750	9.47%	4 Norcold	457	7.85%
5 Ross Aluminum Castings, LLC	600	7.57%	5 Area Energy & Electric Inc.	425	7.30%
6 Augusta Sportswear	550	6.94%	6 Sidney Board of Education	410	7.04%
7 Norcold	530	6.69%	7 Freshway Foods	410	7.04%
8 Sidney Board of Education	475	5.99%	8 Cargill, Inc.	380	6.52%
9 Advanced Composites	450	5.68%	9 American Trim	364	6.24%
10 Cargill, Inc.	373	4.71%	10 Advanced Composites	350	6.01%
Total	7,924	100.00%	Total	5,825	100.00%

Source: Sidney Shelby Economic Partnership (SSEP) and Workforce Partnership

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 13

Function/program	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	17.48	14.48	13.45	11.85	10.85	10.85	10.65	9.65	9.15	9.15
Police										
Officers	40.00	40.00	40.00	39.00	37.00	35.00	35.00	36.00	36.00	36.00
Civilians	15.84	15.84	15.84	13.92	13.35	13.35	13.35	12.35	12.35	12.47
Fire										
Firefighters and officers	37.00	38.00	38.00	35.00	35.00	35.00	35.00	35.00	35.00	37.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Judicial	17.95	17.95	17.95	16.66	16.66	17.66	17.16	17.66	17.66	18.16
Health - cemetery	3.08	3.08	2.76	2.00	2.00	2.00	2.00	2.00	2.00	2.32
Street repair & maintenance	11.67	11.67	8.88	6.88	6.98	6.98	7.08	7.08	7.08	8.66
Community development	1.23	1.23	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.25
Community environment	11.51	11.59	11.30	10.50	5.60	5.60	5.75	5.75	5.25	5.54
Parks and recreation	16.90	17.23	16.23	15.51	15.51	14.94	13.94	11.70	11.70	12.95
Transportation	12.28	13.89	13.60	13.60	13.60	12.57	12.72	12.72	13.71	14.17
Stormwater	4.06	4.06	4.06	3.60	3.60	3.60	3.80	3.80	3.80	3.80
Water	21.77	18.25	16.03	15.83	15.73	15.73	15.88	15.88	15.88	16.88
Sewer	15.33	15.33	15.55	15.33	15.23	14.23	17.38	17.38	17.38	17.38
Solid waste	-	-	-	-	-	-	0.05	0.05	0.05	0.05
Airport	-	-	-	-	-	-	-	-	0.05	0.05
Swimming pool	4.05	5.06	4.21	3.98	3.98	3.98	4.38	4.46	4.24	4.24
Concession Stand	-	-	-	-	-	-	-	-	0.63	0.63
Revenue Collection	-	6.50	6.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Service center including city garage	4.04	3.75	3.50	3.00	3.00	3.00	3.05	3.05	3.05	3.05
Information technology	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total	<u>238.19</u>	<u>242.91</u>	<u>233.86</u>	<u>218.66</u>	<u>210.09</u>	<u>206.49</u>	<u>209.19</u>	<u>206.53</u>	<u>207.98</u>	<u>215.75</u>

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

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

Schedule 14

Function/program	For Year Ended December 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Accounts payable checks processed	5,543	5,633	5,230	4,276	4,594	4,376	4,595	4,650	4,510	4,716
Purchase orders issued	1,680	1,650	1,479	1,291	1,327	1,231	1,342	1,372	1,386	1,436
Police										
Calls for service processed	34,880	31,573	26,943	25,151	22,508	21,015	26,853	32,812	32,256	32,250
9-1-1 calls processed	4,067	3,958	7,247	7,542	11,661	10,703	17,000	15,846	7,500	7,128
Adult & juvenile arrests	1,739	2,399	1,998	1,321	1,193	1,201	1,428	1,214	1,102	1,057
Traffic citations	2,923	2,337	2,003	1,083	856	805	1,346	1,661	1,476	1,441
Fire										
Fire calls	632	701	592	502	524	575	719	809	878	915
EMS calls	2,702	2,664	2,638	2,552	2,772	2,729	2,407	2,784	2,977	3,130
Municipal Court										
New cases filed	11,816	10,059	8,478	7,224	7,372	7,928	7,864	7,875	7,819	7,500
Cases completed	11,918	9,269	9,230	9,287	8,471	8,255	8,185	7,924	8,466	8,300
Prisoners transported by bailiff	1,300	1,313	1,242	569	895	618	1,148	1,055	1,000	514
Cemetery										
Burials	71	94	69	69	74	102	101	86	92	101
Grave sales	37	68	34	29	35	40	59	65	29	41
Public Transportation										
Total ridership	43,277	45,400	43,448	38,636	37,912	41,543	43,756	47,782	48,270	50,000
Streets and highways										
Miles of street responsibility	97.5	97.5	97.5	97.5	97.5	97.5	110.5	110.5	111.0	111
Traffic signal intersections	50	52	52	50	50	48	48	49	50	51
Planning										
Sign permits issued	53	40	37	27	37	40	33	42	40	39
Zoning occupancy permits issued	18	20	17	22	32	34	33	20	35	22
Building inspection										
Building permits issued	265	246	330	491	319	567	467	367	235	519
Building inspections	833	822	612	734	472	404	361	390	322	325
Engineering										
Sanitary sewer inspections	51	32	25	25	25	12	15	13	11	15
Parks and recreation										
Free clinics organized and directed	37	38	24	-	14	12	12	15	10	10
Free clinics (attendance)	1,494	1,452	2,560	-	701	399	446	463	329	682
Park shelters maintained	33	35	37	37	43	43	45	45	45	45
Trees planted	100	76	1	1	16	6	-	-	200	20
Senior Center members	1,200	1,044	1,002	945	945	990	1,119	994	1,088	966
Water										
Gallons of water processed (in millions)	1,375	1,382	2,994	3,123	3,185	3,277	3,095	2,926	3,012	3,092
Lime sludge processed/removed (dry tons)	10,000	10,300	7,095	7,038	6,291	3,571	6,250	6,100	6,664	5,800
Water main breaks	34	20	16	16	24	15	29	23	21	25
Sewer										
Wastewater processed (million gallons per day)	6.00	6.03	4.76	5.07	6.40	4.66	5.27	4.79	5.19	5
Biosolids processed (dry tons)	1,002	642	618.55	650	590	602	635	675	662	700
Feet of sewer cleaned	105,901	102,997	90,089	93,327	93,327	87,516	89,997	88,139	83,141	90,000
Swimming Pool										
Daily admissions	16,354	14,612	12,957	14,703	15,103	13,176	9,786	8,289	9,795	11,410
Season passes	564	509	490	401	492	344	286	317	n/a	n/a
Information Technology										
Number of personal computers maintained	205	205	210	205	195	205	211	219	311	355
Service Center - Garage										
Units in fleet	235	276	263	250	248	256	258	264	281	274
Revenue Collections										
Tax returns processed	9,980	6,416	5,458	9,686	12,315	11,923	11,692	11,406	11,498	11,550
Monthly Utility Customers	n/a	n/a	2,356	2,889	2,985	3,015	3,810	9,300	9,300	9,300

Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 2007 - 2015. Estimated statistics for 2016.

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

Schedule 15

Function/Program	Year Ended December 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	100.75	100.43	100.46	100.46	110.16	110.16	109.99	110.72	110.72	110.72
Basic utility services - stormwater management ⁽¹⁾										
Miles of storm sewers	74.46	74.67	75.17	75.24	76.20	76.54	76.77	77.07	77.07	77.07
Parks and recreation ⁽²⁾										
Acres of parks maintained	430	430	430	450	450	450	456	456	456	456
Acres of public grounds maintained	250	250	250	250	250	250	250	250	250	262
Neighborhood parks	15	15	16	16	16	16	16	16	16	16
Sewer ⁽¹⁾										
Miles of sanitary sewers	119.86	120.50	120.57	122.07	122.11	125.05	125.46	124.00	125.48	125.48
Water ⁽¹⁾										
Miles of water mains	119.85	119.91	121.02	123.22	123.23	123.23	123.31	123.31	123.31	124.97

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

⁽²⁾ Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 2007 - 2015. Estimated statistics for 2016.



Dave Yost • Auditor of State

CITY OF SIDNEY

SHELBY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 11, 2017