

City of Sidney Ohio



Comprehensive Annual Financial Report

For the Year Ended
December 31, 2018

OHIO AUDITOR OF STATE
KEITH FABER

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Members of Council
City of Sidney
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Sidney, OH 45365-2781

We have reviewed the *Independent Auditor's Report* of the City of Sidney, Shelby County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



Keith Faber
Auditor of State
Columbus, Ohio

July 25, 2019

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City of Sidney, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2018



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

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City of Sidney
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2018

Page

I. INTRODUCTORY SECTION

A.	LIST OF PRINCIPAL OFFICIALS	i
B.	LETTER OF TRANSMITTAL	ii – x
C.	CITY ORGANIZATIONAL CHART	xi
D.	CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	xii

II. FINANCIAL SECTION

A.	INDEPENDENT AUDITORS’ REPORT	1-2
B.	MANAGEMENT’S DISCUSSION AND ANALYSIS	3-14
C.	BASIC FINANCIAL STATEMENTS	

Government-wide Financial Statements

	Statement of Net Position	15
	Statement of Activities	16

Fund Statements

	Balance Sheet – Governmental Funds	17
	Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	18
	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
	Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
	Statement of Net Position – Proprietary Funds	21
	Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	22
	Statement of Cash Flows – Proprietary Funds	23
	Statement of Fiduciary Net Position – Fiduciary Funds	24
	Statement of Changes in Fiduciary Net Position – Fiduciary Funds	25

City of Sidney
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2018

Page

	<u><i>Notes to the Basic Financial Statements</i></u>	26-69
D.	REQUIRED SUPPLEMENTARY INFORMATION	
	Proportionate Share of the Net Pension Liability – Ohio Public Employees Retirement System	70
	Proportionate Share of the Net Pension Liability – Ohio Police & Fire Pension Fund	71
	Schedule of Ohio Public Employees Retirement System Pension Payments– Last Ten Years	72
	Schedule of Ohio Police and Fire Pension Fund Payments – Last Ten Years	73
	Proportionate Share of the Net OPEB Liability – Ohio Public Employees Retirement System	74
	Proportionate Share of the Net OPEB Liability – Ohio Police & Fire Pension Fund	75
	Schedule of Ohio Public Employees Retirement System OPEB Payments– Last Ten Years	76
	Schedule of Ohio Police and Fire OPEB Fund Payments – Last Ten Years	77
	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – General Fund	78
	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Street Repair & Maintenance Fund	79
	Notes to the Required Supplementary Information	80-81
E.	SUPPLEMENTAL SECTION	
	<u><i>Fund Descriptions - Non-major Governmental Funds</i></u>	83-85
	<u><i>Combining Statements – Non-Major Governmental Funds:</i></u>	
	Combining Balance Sheet – Non-major Governmental Funds	86
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	87
	Combining Balance Sheet – Non-major Special Revenue Funds	88-91

City of Sidney
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2018

<u>Page</u>	
92-95	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Special Revenue Funds
96	<u>Fund Descriptions - Non-major Enterprise Funds</u>
	<u>Combining Statements – Non-Major Enterprise Funds:</u>
97	Combining Statement of Net Position – Non-major Enterprise Funds
98	Combining Statement of Revenues, Expenses and Changes in Net Position– Non-major Enterprise Funds
99	Combining Statement of Cash Flows – Non-major Enterprise Funds
100	<u>Fund Descriptions- Internal Service Funds</u>
	<u>Combining Statements – Internal Service Funds:</u>
101	Combining Statement of Net Position – Internal Service Funds
102	Combining Statement of Revenues, Expenses and Changes in Net Position– Internal Service Funds
103	Combining Statement of Cash Flows – Internal Service Funds
104	<u>Fund Descriptions – Fiduciary Funds</u>
	<u>Combining Statements – Fiduciary Funds:</u>
105	Combining Statement of Net Position – Custodial Funds
106	Combining Statement of Changes in Net Position – Custodial Funds
107	Combining Statement of Net Position – Private-Purpose Trust Funds
108	Combining Statement of Changes in Net Position – Private-Purpose Trust Funds
	<u>Budget-to-Actual Schedules – General Fund</u>
109-111	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control - General Fund

City of Sidney
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2018

Page

Budget-to-Actual Schedules – Major Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control – Street Repair & Maintenance Fund	112
--	-----

Budget-to-Actual Schedules – Non-major Special Revenue Funds

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	113
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	113
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	114
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control – Cemetery Fund	114
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	115
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	115
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control – Convention & Visitors’ Bureau Fund	116

City of Sidney
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2018

	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control – County Auto License Fund	116
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control – CRA Fund	117
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	117
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 Fund	118
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	118
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	119
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	119
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	120
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	120
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	121

City of Sidney
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2018

<u>Page</u>	
121	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
122	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 – Surplus Fund
123	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control – Justice Reinvestment Incentive Fund
123	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
124	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control — Law Enforcement Diversion Grant Fund
124	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
125	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
125	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
126	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
126	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

City of Sidney
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2018

<u>Page</u>	
	Schedule of Revenues, Expenditures and Changes in Fund
	Balances – Budget and Actual – Budgetary (Non-GAAP) Basis
127	– At Legal Level of Budgetary Control – Probation Grant Fund
	Schedule of Revenues, Expenditures and Changes in Fund
	Balances – Budget and Actual – Budgetary (Non-GAAP) Basis
127	– At Legal Level of Budgetary Control – State Highway Fund
	Schedule of Revenues, Expenditures and Changes in Fund
	Balances – Budget and Actual – Budgetary (Non-GAAP) Basis
128	– At Legal Level of Budgetary Control – TIF- Echo Fund
	Schedule of Revenues, Expenditures and Changes in Fund
	Balances – Budget and Actual – Budgetary (Non-GAAP) Basis
128	– At Legal Level of Budgetary Control – TIF- Kuther Road Fund
	Schedule of Revenues, Expenditures and Changes in Fund
	Balances – Budget and Actual – Budgetary (Non-GAAP) Basis
129	– At Legal Level of Budgetary Control – TIF- Menards Fund
	<u>Budget-to-Actual Schedules – Capital Projects Funds</u>
	Schedule of Revenues, Expenditures and Changes in Fund
	Balances – Budget and Actual – Budgetary (Non-GAAP) Basis
130	– At Legal Level of Budgetary Control – Capital Improvement Fund
	Schedule of Revenues, Expenditures and Changes in Fund
	Balances – Budget and Actual – Budgetary (Non-GAAP) Basis
131	– At Legal Level of Budgetary Control – Municipal Earned Income Tax for Street Capital Fund
	Schedule of Revenues, Expenditures and Changes in Fund
	Balances – Budget and Actual – Budgetary (Non-GAAP) Basis
131	– At Legal Level of Budgetary Control – Capital for Fire Station #3 Fund
 III STATISTICAL SECTION	
	Narrative overview
133	
	Schedule 1 – Net Position by Category – Last Ten Fiscal Years
134	
	Schedule 2 – Changes in Net Position – Last Ten Fiscal Years
135-136	
	Schedule 3 – Fund Balances, Governmental Funds – Last Ten Fiscal Years
137	

City of Sidney
Comprehensive Annual Financial Report
Table of Contents
For the Year Ended December 31, 2018

<u>Page</u>	
	Schedule 4 – Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years 138
	Schedule 5 – Income Tax by Payer Type and Income Tax Rate – Last Ten Fiscal Years 139
	Schedule 6 – Ranking of Top Ten Income Tax Withholders, Current Year and Nine Years Ago 140
	Schedule 7 – Ratios of Outstanding Debt by Type – Last Ten Fiscal Years 141
	Schedule 8 – Ratios of Outstanding Debt and Legal Debt Margins – Last Ten Fiscal Years 142
	Schedule 9 – Debt Service Coverage Business Type Activities – Last Ten Fiscal Years 143
	Schedule 10 – Computation of Direct and Overlapping General Obligation Debt – December 31, 2017 144
	Schedule 11 – Demographic and Economic Statistics – Last Ten Fiscal Years 145
	Schedule 12 – Principal Employers – Current Year and Nine Years Ago 146
	Schedule 13 – Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years 147
	Schedule 14 – Operating Indicators by Function / Program – Last Ten Fiscal Years 148
	Schedule 15 – Capital Asset and Infrastructure Statistics by Function / Program – Last Ten Fiscal Years 149

**CITY OF SIDNEY, OHIO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2018**

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 2018 Comprehensive Annual Financial Report

June 24, 2019

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, 2018, 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.

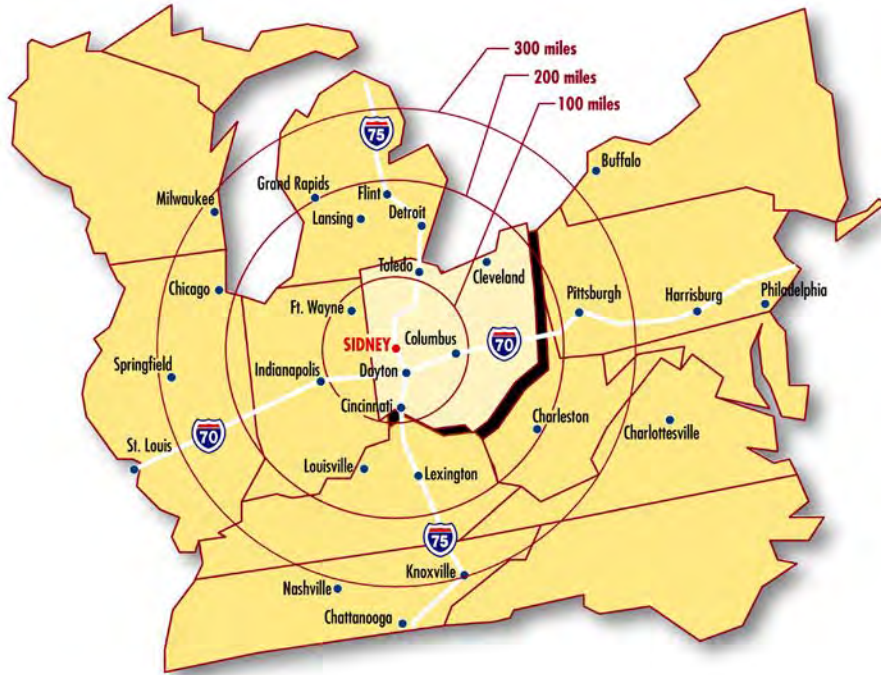
City of Sidney staff prepared all statements, schedules, and other presentations in this report. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control established for this purpose.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

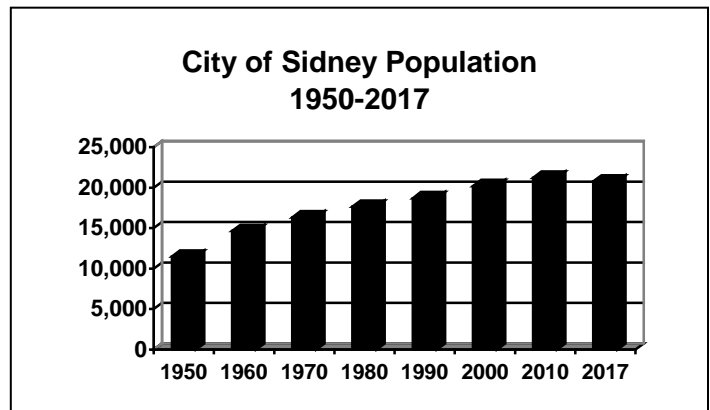
The independent accounting firm of Julian & Grube, Inc. audited the basic financial statements of the City of Sidney that are included in this report. The financial statements have received an unmodified ("clean") opinion. The independent auditor's report is located at the front of the financial section 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. However, the population estimate for 2017 (the most recent year available) is 20,777, a 2.1% decrease in population over the last seven years. This trend mirrors Shelby County, which experienced a 1.1% decrease in population since 2010.



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

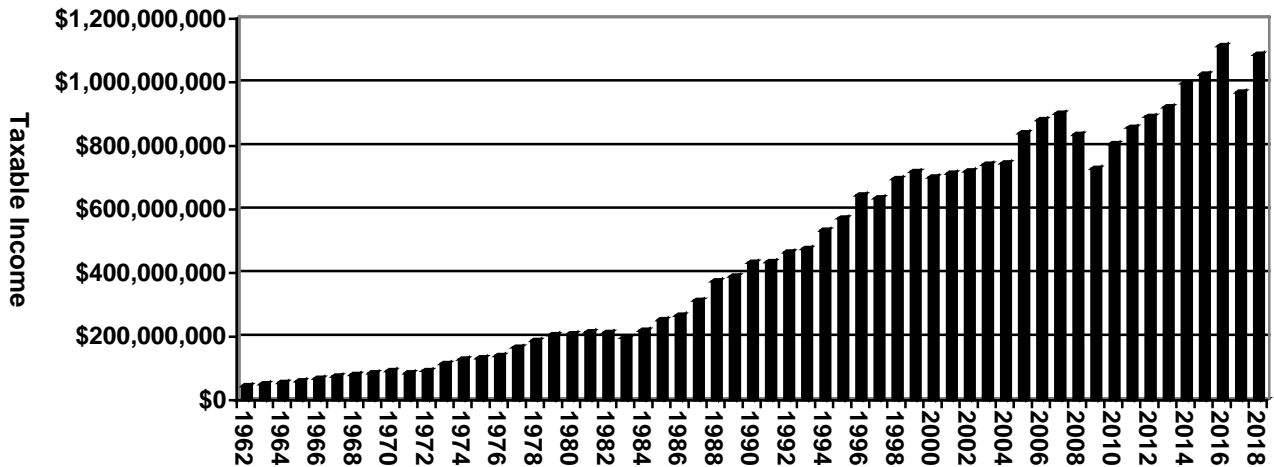
Economic Environment - Historically

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. Average annual growth dropped to an anemic 0.4% during the last decade from 2000 to 2009 during which the City lost nearly 20% of its tax base over a two-year period from 2007 to 2009. During the current decade (2010-2018), Sidney’s tax base has recovered from the Great Recession and increased approximately 4.8% per year.

**City of Sidney Income Tax
Taxable Income 1962-2018**



2018 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. Shelby County has the highest percentage (38%) of manufacturing jobs per capita of all counties in Ohio. The ten largest employers operating within the City in 2018 were:

<u>Employer</u>	<u>Primary Business</u>	<u>Average number of employees</u>
Emerson Climate Technologies	Air compressor manufacturing	1,590
NK Parts Industries	Test, assemble, and ship auto parts	716
Wilson Health	Acute care facility	706

Norcold	Refrigerators for the RV, marine & truck industries	435
Sidney City Board of Education	Public education	425
American Trim	Auto and appliance stampings	422
US Foods (formerly Freshway Foods)	Processor of fresh foods	415
Area Energy & Electric Inc.	Electrical, heating and plumbing services	380
Schwan's Mama Rosa's	Processor of pizza products	355
Ferguson Construction Company	Construction of commercial buildings	354

Source: Sidney-Shelby Economic Partnership

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. Honda is a major source of income tax revenue for the City because it employs a large number of Sidney residents. Honda withholds City income tax on its employees who reside in the City.

Sidney's largest employer, Emerson Climate Technologies, recently completed the first phase of a four-year \$100 million expansion and renovation of their labs and offices in Sidney. The first phase included the construction of a two-story 20,000 square foot office addition, a new main entry and guard house, and exterior refacing of the building. Construction is underway on the expanded engineering labs, which will provide a cutting-edge environment to conduct advanced performance and refrigerants testing with compressors, controls, electronics and other products. To ensure project success, the City provided three types of economic development assistance. First, the City entered into a cooperative agreement with the Dayton-Montgomery County Port Authority to essentially provide Emerson with sales tax relief on the materials purchased for the renovation. Next, the City granted Emerson a four-year Municipal Income Tax Job Retention Tax Credit. As long as over the next eight years Emerson maintains a Sidney labor force of at least 1,126 full-time equivalents and annual payroll of \$80.9 million, they will receive an annual tax credit of \$125,000 for four years. This tax credit may be used to reduce their Sidney net profits' tax. Finally, the City awarded Emerson a ten-year, 75% Enterprise Zone (EZ) property tax abatement on the increased value of the improvements.

In addition to EZ agreements, the City utilizes, where appropriate, the creation of Community Reinvestment Act (CRA) areas and related CRA tax abatements. Both EZ's and CRA's are economic development tools designed to provide property tax abatement. Sidney has five CRA areas that were created since 1994, one of which is the downtown area. During 2018, Sidney City Council expanded the downtown CRA boundary, added the ability to abate 100% of the increased property taxes for fifteen years for remodeling or new construction of one- and two-family dwellings and increased the abatement of new or existing commercial structures from ten years to fifteen years. Along with programs such as the Shelby County Land Reutilization Corporation, or land bank, and the newly designed vacant property registration, this incentive should help to stop deterioration and stabilize neighborhoods and preserve and protect the property values of existing properties.

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. In 2017, and again in 2018, Ohio produced more Top 100 Micropolitans than any other state. In Site Selection's ranking of the United States' Top 100 Micropolitans, Sidney tied for number 19 in 2018 and tied for the 17th spot in 2017, having five

projects meeting the award parameters. Site Selection's award focuses on new corporate facility projects with significant impact, including headquarters, manufacturing plants, research & development operations and logistics sites, among others. The Office of Management and Budget (OMB) has identified 551 micropolitan areas in the United States. The OMB defines a micropolitan statistical area as one or more adjacent counties that has one urban core area (a city) of at least 10,000, but less than 50,000, plus adjacent territory that has a high degree of social and economic integration with the core (measured by commuting ties).

According to 2015 United States Census Data, Shelby County realizes a net gain of 3,221 workers on a daily basis. While Sidney and Shelby County import a significant portion of their workers, surrounding counties realize a net loss. Miami County sustains a net loss of 7,175 workers per day, Darke County losses 6,594 workers, and Auglaize County losses a net 2,040 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 2012 to 51st in that same survey for 2018. Since many area communities are likely to experience the same regulatory burden and mandated cost outlays in upcoming years, it is anticipated that once those cities raise their rates to comply, Sidney's rates will once again rank lower compared to peer communities. As a case in point, the combined water and sewer charges for neighboring City of Piqua ranked 1% lower than Sidney in 2015. By 2018, the City of Piqua's combined rate now ranks 32% *greater* than Sidney.

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) 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 1,900 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 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.

During 2018, Sidney City Council approved a new Business Water Rebate Program to incentivize businesses with high volume water use to expand in, or relocate to, the City of Sidney. Existing Sidney businesses would qualify for an eight-year declining rebate if their water usage increases by at least 20% and they use more than 100,000 ccf per year. Businesses relocating to Sidney would qualify for a four-year declining rebate if they use more than 100,000 ccf per year.

Another economic development “tool” for the “toolbox” added in 2018 was the establishment of a Revitalization District designed to encourage the development of new dining options in the downtown area by allowing additional liquor permits.

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 economic downturns. Since the last national recession, 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.

Standard & Poor’s has acknowledged the City’s “strong financial management policies” and in 2009 upgraded the City’s bond rating to AA. 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.

Major Initiatives

For the Year and the Future:

- Biennially, City Council holds a planning retreat to identify and prioritize their goals, strategies and action plan for the next two-year period. The last retreat was held on April 9, 2018 with the following Council Goals identified for 2018 and 2019:
 1. ***Continue the development of the underground water source through the purchase of additional property and the establishment of additional wells.*** In 2018, the City spent about \$3 million to purchase additional water source property enabling the development of future water wells.
 2. ***Continue to pursue enhanced recreational opportunities through the development of recreational trails including the Great Miami River Trail and collaborating with the Shelby County Park District.*** Staff continues to apply for grants and seek other opportunities to extend the Trail from the City of Sidney to neighboring City of Piqua.
 3. ***Focus on downtown revitalization by marketing tax incentives for redevelopment of properties, transitioning The Ohio Building into private ownership, and supporting the efforts of Sidney Alive.*** After receiving ownership of The Ohio Building in 2017, the City began the process of replacing a dilapidated roof and “buttoning it up”. After spending about \$30,000 to design and engineer the improvements, it is anticipated that the City will spend another \$570,000 in 2019 to finalize this project.
 4. ***Find ways to revitalize neighborhoods, including the downtown, through concerted efforts with the Shelby County Land Reutilization Corporation (Land Bank) and strengthening property maintenance codes for rental, vacant, and owner-occupied housing and commercial properties.*** In 2018, City Council approved policies to officially commit financial assistance to the Land Bank in order to rehabilitate the most dilapidated of residences. New for the 2018 was the addition of a Vacant Property Inspector position to operate a proposed vacant property registration and inspection program, paid for with a portion of lodging tax dollars.
 5. ***Effectively communicate the need for permanent tax levy funding to provide for improved public safety services.***
 6. ***Effectively communicate the need for permanent tax levy funding to provide for an ongoing aggressive street maintenance program.***
- The year 2018 marks the fourth year collecting an additional 0.25% income tax dedicated to constructing, reconstructing, resurfacing and maintaining Sidney’s streets, alleys, bridges, curbs and gutters. Cash collections totaled nearly \$2.7 million in 2018. Over the five-year levy, this tax should generate at least \$12.8 million. Over \$9.4 million has been spent to date with another \$2.5 million budgeted for 2019 road and bridge projects.
- With this additional 0.25% income tax expiring at the end of 2019, City Council and staff recommended permanently extending and increasing the income tax levy from 0.25% to 0.30% with 0.15% remaining dedicated to road and bridge projects and 0.15% committed to building and staffing a third fire station. In 2016, City Council approved spending approximately \$363,000 for the purchase of approximately 12.5 acres of land for the future fire station. Voters did not approve the proposed levy in May 2019. City Council and staff are exploring options to place the levy on the November 2019 ballot.

Funding for the construction and staffing of this third station is dependent upon voters' approval of a tax levy.

- With the completion in 2017 of Phase I of the wastewater treatment plant and sewer collection system improvements at a cost of approximately \$12.0 million, Phase II of the construction project began in 2018 at an estimated cost of about \$6.3 million. As discussed in Note 8 of the Financial Statements, Phase II of the project will be paid for with the proceeds of low interest, long-term debt received by the Wastewater Pollution Control Loan Fund.

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, 2017. 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 twenty consecutive years. We believe that this comprehensive annual financial report for the year ended December 31, 2018 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 2018, the nineteenth 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.

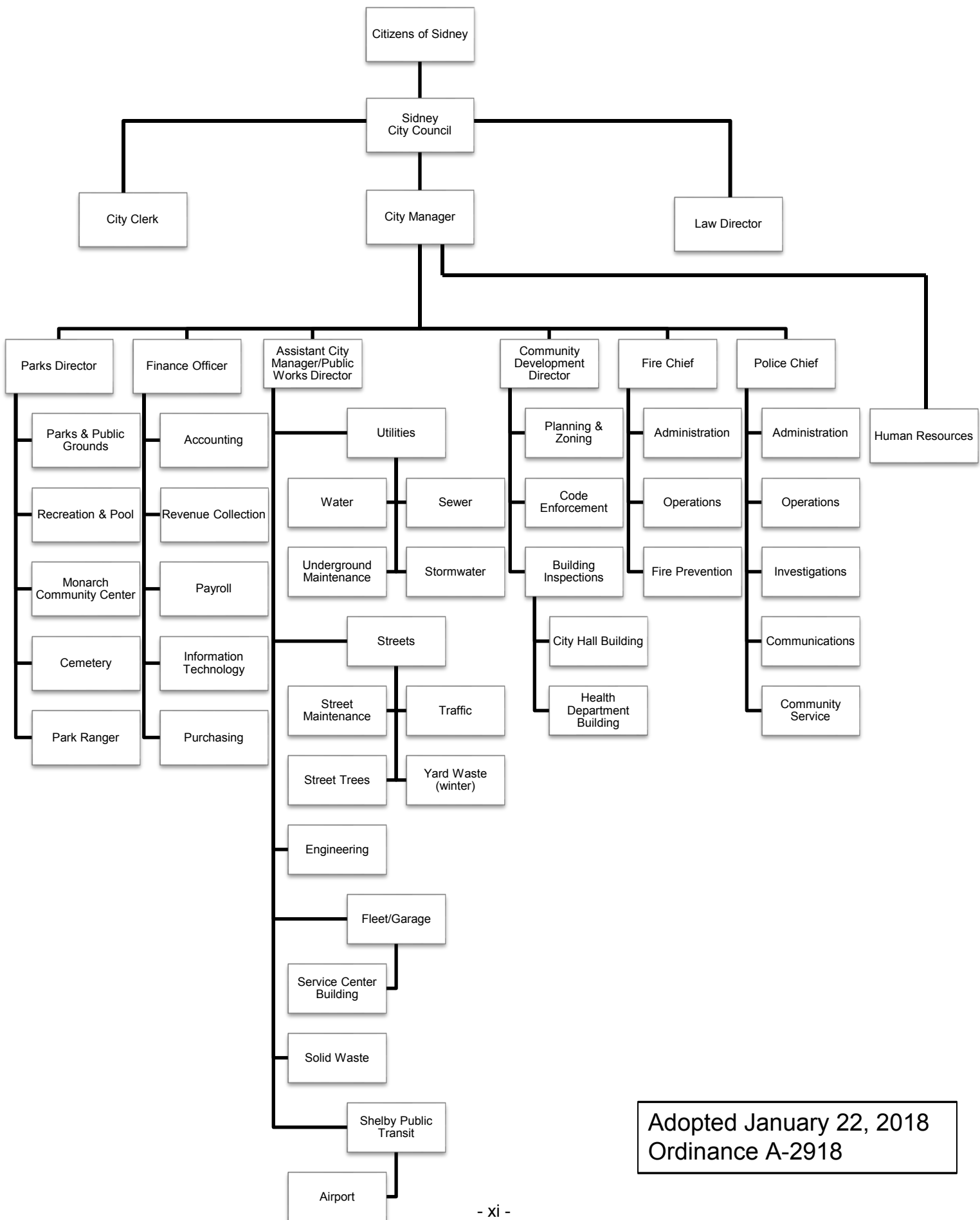
ACKNOWLEDGEMENTS

The preparation of this report was made possible by the efforts of the Finance Department staff, including Jennifer Wagner, Purchasing Agent, and Lori Rittenhouse, Payroll Coordinator. 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



Adopted January 22, 2018
Ordinance A-2918



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, 2017

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

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

To the City Council and City Manager:

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, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Sidney'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 of Sidney'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 of Sidney's internal control. Accordingly, we express no such 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, during 2018, the City of Sidney adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis, required budgetary comparison schedules* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit 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 of Sidney'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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2019, on our consideration of the City of Sidney'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 of Sidney's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 24, 2019

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
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, 2018. Readers should also review the basic financial statements on pages 15 – 25 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 2018?" 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 15) reports all assets and liabilities of the City as of December 31, 2018. 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 16) 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, 2018. 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, 2018
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 18 and 20.

The City of Sidney maintains 37 separate governmental funds. The governmental fund financial statements on pages 17 and 19 separately display the governmental funds considered to be major funds. All other governmental funds - the “non-major” funds - are combined into a single column. Detailed financial data for each of the non-major governmental funds is provided in combining statements in the supplementary information section of this report.

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

The City of Sidney’s Water Fund, Sewer Fund, and Stormwater Fund are all considered to be major funds and are displayed separately in the proprietary fund statements on pages 21 through 23. The City has five other proprietary funds, the activities of which are combined into one column for non-major funds.

- Internal service funds – Often, governments wish to allocate the cost of providing certain centralized services (e.g., 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 seven fiduciary funds, four are custodial funds and three are private-purpose trust funds. The custodial 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 24 of this report. The statement of changes in fiduciary net position reported on page 25 includes the custodial fund report in a separate column and the private-purpose trust funds reported in a single column. Detailed financial data for the custodial funds can be found in the combining statements in the supplementary information section of this report.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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 26 – 69 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/OPEB liability and schedule of pension/OPEB payment amounts. RSI also contains the budgetary schedules for the General Fund and major special revenue funds. This data is on pages 70 to 81 of this report.

The City of Sidney as a Whole

The following table presents condensed information on net position as of December 31, 2018 and 2017.

Net Position
December 31, 2018 and 2017

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017 restated</u>	<u>2018</u>	<u>2017 restated</u>	<u>2018</u>	<u>2017 restated</u>
<u>Assets:</u>						
Current and other assets	\$ 28,422,804	\$ 26,081,112	\$ 18,285,072	\$ 19,406,015	\$ 46,707,876	\$ 45,487,127
Capital assets	62,580,319	60,960,659	88,476,688	85,580,268	151,057,007	146,540,927
Total assets	91,003,123	87,041,771	106,761,760	104,986,283	197,764,883	192,028,054
Deferred outflows	7,362,517	6,051,059	850,528	1,648,084	8,213,045	7,699,143
Total assets and deferred outflows	98,365,640	93,092,830	107,612,288	106,634,367	205,977,928	199,727,197
<u>Liabilities:</u>						
Current and other liabilities	2,228,779	3,125,390	2,214,498	1,944,076	4,443,277	5,069,466
Long-term liabilities	5,716,219	6,263,539	43,110,547	44,246,953	48,826,766	50,510,492
Net pension liability	21,610,693	24,003,371	2,764,570	4,252,542	24,375,263	28,255,913
Net OPEB liability	18,772,409	15,742,281	1,928,289	1,803,318	20,700,698	17,545,599
Total liabilities	48,328,100	49,134,581	50,017,904	52,246,889	98,346,004	101,381,470
Deferred inflows	6,113,079	2,895,469	848,238	64,394	6,961,317	2,959,863
Total liabilities and deferred inflows	54,441,179	52,030,050	50,866,142	52,311,283	105,307,321	104,341,333
<u>Net Position:</u>						
Net investment in capital assets	59,060,823	56,673,279	45,553,676	41,249,363	104,614,499	97,922,642
Restricted	5,520,325	5,459,700	-	-	5,520,325	5,459,700
Unrestricted	(20,656,687)	(21,070,199)	11,192,470	13,073,721	(9,464,217)	(7,996,478)
Total net position	\$ 43,924,461	\$ 41,062,780	\$ 56,746,146	\$ 54,323,084	\$ 100,670,607	\$ 95,385,864

The City's assets and deferred outflows were greater than its liabilities and deferred inflows of resources by nearly \$100.7 million at the close of 2018, as compared to nearly \$95.4 million at close of 2017, an increase of about \$5.3 million.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The largest impact on the City's financial statement in 2017 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". For calendar year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the net pension asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board (GASB) standards are national and apply to all governmental financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pension (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach, limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information in these statements.

GASB 68 and GASB 75 require the net pension liability (asset) and the net OPEB liability equal 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 and OPEB 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 and other postemployment benefits. 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 Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan 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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in pension benefits, contribution rates, and return of investments affect the balance of these liabilities, 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 and net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability of the statement of net position.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability (asset) and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

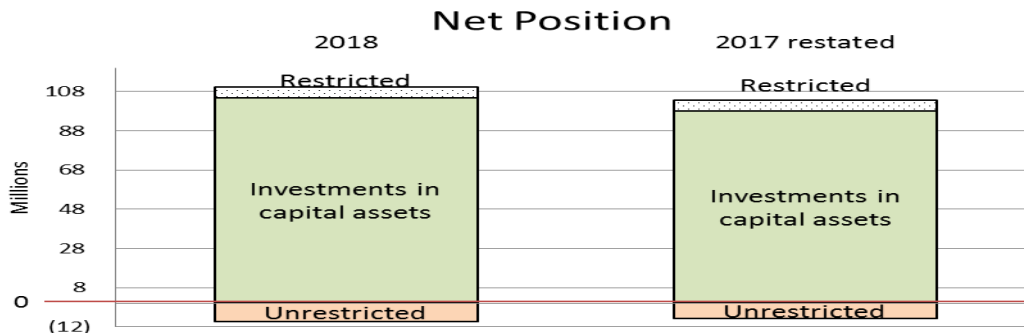
As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflow/outflows of resources related to OPEB on the accrual basis of accounting. The City's net position at December 31, 2017 was restated by decrease of \$16.8 million, decreasing from \$112.2 million to \$95.4 million. Net position decreased by \$17.4 million due to GASB 75 implementation and increased by \$0.6 million due to restatement of deferred revenue. Also prior year business-type long-term liabilities of \$264,000 were reclassified to other liabilities. This reclassification had no effect on net position at December 31, 2017.

The component, "Net investment in capital assets" increased almost \$6.7 million, or 6.8%, from approximately \$97.9 million at December 31, 2017 to about \$104.6 million at December 31, 2018. 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 now associated with capital assets. During 2018 the City spent approximately \$11.3 million for capital additions. Bond principal repayments were about \$2.5 million and total depreciation expense for capital assets were nearly \$6.8 million.

Restricted net position is subject to external restrictions as to their use. This category increased approximately \$61,000, or 1.1%, from December 31, 2017 to December 31, 2018. An increase in cemetery fund position, full year effect of the Justice Reinvestment Grant, and larger fire loss security deposits more than offset the use of accumulated street municipal income tax levy funding.

Unrestricted net position is available for future use as directed by City Council. Overall, this category decreased approximately \$1.5 million from approximately a negative \$8.0 million at December 31, 2017 to about a negative \$9.5 million at December 31, 2018. It is important to note that although the total unrestricted net position is negative \$9.5 million, the unrestricted net position of the City's business-type activities is positive \$11.2 million, which may not be used to fund governmental activities. Unrestricted net position of the City's governmental activities increased nearly \$400,000, or 2.0%, from a negative \$21.1 million to a negative \$20.7 million. Most of this increase was a result of additional income tax collections during 2018. For the City's business-type activities, the unrestricted net position decreased nearly \$1.9 million from about \$13.1 million to about \$11.2 million. This decrease in unrestricted net position was anticipated as we begin to pay back debt.

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 chart graphically illustrates the components of net position.



CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

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

Changes in Net Position For the Years Ended December 31, 2018 and 2017

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u> <u>restated</u>	<u>2018</u>	<u>2017</u> <u>restated</u>	<u>2018</u>	<u>2017</u> <u>restated</u>
<u>Revenues:</u>						
Program revenues:						
Charges for services	\$2,429,476	\$2,223,247	\$15,120,200	\$15,098,932	\$17,549,676	\$17,322,179
Operating grants and contributions	1,653,755	1,351,476	538,451	543,641	2,192,206	1,895,117
Capital grants and contributions	824,943	2,576,048	321,423	110,205	1,146,366	2,686,253
General revenues:						
Income taxes	20,585,439	15,059,777	-	-	20,585,439	15,059,777
Property taxes	1,080,414	1,010,769	-	-	1,080,414	1,010,769
Payments in lieu of taxes	151,677	151,861	-	-	151,677	151,861
Lodging taxes	414,299	408,572	-	-	414,299	408,572
Other taxes	766	1,058	-	-	766	1,058
Grants and other contributions not restricted to specific program:	553,902	523,678	-	-	553,902	523,678
Investment income	286,686	213,665	342,298	205,409	628,984	419,074
Gain (loss) on sale of capital assets	17,511	46,388	5,205	24,023	22,716	70,411
Miscellaneous	792,885	684,355	151,919	118,205	944,804	802,560
Total revenues	28,791,753	24,250,894	16,479,496	16,100,415	45,271,249	40,351,309
<u>Expenses:</u>						
Basic utility services	23,450	62,738	-	-	23,450	62,738
Community development	956,603	770,341	-	-	956,603	770,341
Community environment	752,982	662,270	-	-	752,982	662,270
Fire	6,469,069	5,762,909	-	-	6,469,069	5,762,909
General government	1,281,658	1,404,493	-	-	1,281,658	1,404,493
Health	355,460	316,082	-	-	355,460	316,082
Judicial	2,375,499	1,854,514	-	-	2,375,499	1,854,514
Parks and recreation	1,581,395	1,659,861	-	-	1,581,395	1,659,861
Police	7,491,183	6,936,647	-	-	7,491,183	6,936,647
Public transportation	-	4,778	-	-	-	4,778
Street repair & maintenance	4,100,079	3,713,373	-	-	4,100,079	3,713,373
Interest on long-term debt	105,694	120,023	-	-	105,694	120,023
Airport	-	-	661,372	570,812	661,372	570,812
Concession Stand	-	-	26,483	26,692	26,483	26,692
Sewer	-	-	4,855,169	4,896,273	4,855,169	4,896,273
Sidney Water Park	-	-	357,387	197,667	357,387	197,667
Solid waste	-	-	1,694,718	1,623,902	1,694,718	1,623,902
Stormwater	-	-	633,107	633,629	633,107	633,629
Transportation	-	-	1,058,208	1,034,536	1,058,208	1,034,536
Water	-	-	5,206,990	4,771,136	5,206,990	4,771,136
Total expenses	25,493,072	23,268,029	14,493,434	13,754,647	39,986,506	37,022,676
Excess (deficiency) before transfers	3,298,681	982,865	1,986,062	2,345,768	5,284,743	3,328,633
Transfers	(437,000)	(209,616)	437,000	209,616	-	-
Change in net position	2,861,681	773,249	2,423,062	2,555,384	5,284,743	3,328,633
Net position, beginning of year	41,062,780	N/A	54,323,084	N/A	95,385,864	N/A
Net position, end of year	\$ 43,924,461	\$ 41,062,780	\$ 56,746,146	\$ 54,323,084	\$ 100,670,607	\$ 95,385,864

The City's net position increased nearly \$5.3 million for the year ended December 31, 2018 as compared to an increase of about \$3.3 million for the prior year.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expense still include OPEB expense of \$108,620 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$1,690,990. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental	Business-type	
	Activities	Activities	Total
Total 2018 program expenses under GASB 75	\$ 25,493,073	\$ 14,493,434	\$ 39,986,507
OPEB expense under GASB 75	(1,528,828)	(162,162)	(1,690,990)
2018 contractually required contribution	30,228	364	30,592
Adjusted 2018 program expenses	\$ 23,994,473	\$ 14,331,636	38,326,109
Total 2017 program expenses under GASB 45	23,268,029	13,754,647	37,022,676
Increase in program expenses not related to OPEB	\$ 726,444	\$ 576,989	\$ 1,303,433

Total revenues increased nearly \$4.9 million, or 12.2%. Income tax revenue increased approximately \$5.5 million related to large swing in corporate estimate payments and the resulting increase in Income Taxes Receivable from prior year. Operating grants and contributions increased nearly \$300,000 primarily due to the new Justice Reinvestment Grant which serves to add programming to the Sidney Municipal Court. Capital grants and contributions decreased approximately \$1.5 million reflecting the timing of projects and grant reimbursement programs. Charges for services increased about \$200,000 primarily as result of higher curb & gutter assessments from the accelerated street projects. Investment income increased about \$200,000 or 50.1%, in 2018 primarily due to rising interest rates.

Total expenses increased nearly \$3.0 million, or 8.0%, from nearly \$37.0 million in 2017 to \$40.0 million in 2018. Police & Fire expenses increased about \$550,000 and \$700,000, respectively, primarily related to additional OPEB expense from Ohio Police & Fire Pension system recognized with the implementation of GASB 75. Judicial expenses increased approximately \$520,000 due to the new Justice Reinvestment Grant and pension accrual increases. Street repair and maintenance increased nearly \$390,000 due to the initial fill of the new salt dome in 2018, as well as additional depreciation recognized on capital projects. Community development expenses increased nearly \$190,000 which is due to grant funding and the timing of grant expenditures. Water expense increased approximately \$430,000, or 9.1%, due to increased professional fees and new debt interest payments on the lime lagoon reconstruction project. Sidney Water Park expenses increased about \$160,000 as a result of a large leak in the pool during the 2018 season.

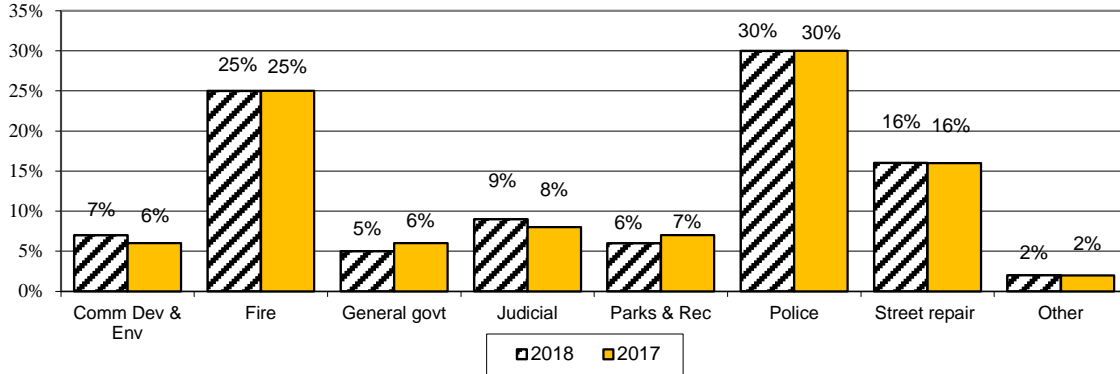
Governmental activities

Governmental activities net position increased nearly \$2.9 million, or 7.0%, from about \$41.1 million at December 31, 2017 to nearly \$43.9 million at December 31, 2018. The category, net investment in capital assets, increased nearly \$2.4 million, or 4.2%, from nearly \$56.7 million to about \$59.1 million representing capital additions nearly \$5.4 million and bond principal payments of nearly \$0.7 million offset by \$3.8 million of depreciation expense. Restricted net position increased nearly \$61,000. An increase in Graceland Cemetery's fund position, the full year effect of the Justice Reinvestment Grant, and a larger amount of fire loss security deposits held more than offset the use of accumulated street municipal income tax levy funds restricted for street capital projects. Unrestricted net position increased approximately \$410,000 or 2.0%, from a negative \$21.1 million to a negative \$20.7 million, a result of an increase in income tax revenues offset by additional OPEB cost required by GASB 75.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

The components of governmental activities' expenses are as follows:

Governmental Expenses by Program



The composition of expenses by program remained relatively stable from 2017 to 2018. The two largest components of governmental expenses are public safety -- police and fire. Police makes up 30% the total, while fire contributes another 25%. Judicial - consisting mainly of municipal court activities -- comprises about 8% to 9% 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 6% to 7% of total governmental expenses. The parks and recreation program is responsible for 6% to 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:

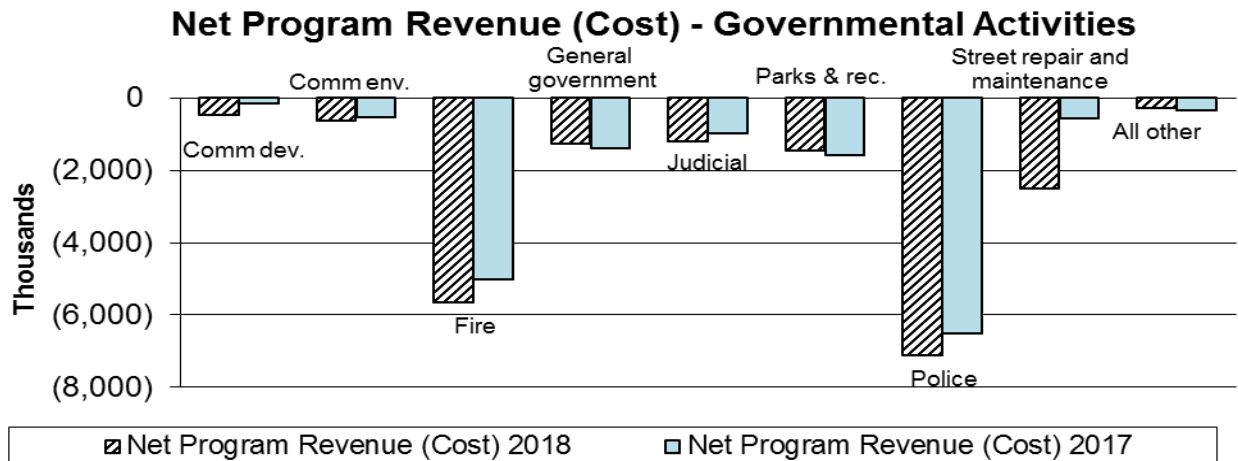
Expenses and Program Revenues - Governmental Activities

	<u>Year Ended December 31, 2018</u>			<u>Year Ended December 31, 2017</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>
Community development	\$ 956,603	\$ 485,209	\$ (471,394)	\$ 770,341	\$ 602,124	\$ (168,217)
Community environment	752,982	121,526	(631,456)	662,270	113,002	(549,268)
Fire	6,469,069	820,467	(5,648,602)	5,762,909	744,983	(5,017,926)
General government	1,281,658	-	(1,281,658)	1,404,493	4,273	(1,400,220)
Judicial	2,375,499	1,178,762	(1,196,737)	1,854,514	876,168	(978,346)
Parks & recreation	1,581,395	128,192	(1,453,203)	1,659,861	80,931	(1,578,930)
Police	7,491,183	379,676	(7,111,507)	6,936,647	439,709	(6,496,938)
Street repair & maintenance	4,100,079	1,597,065	(2,503,014)	3,713,373	3,136,968	(576,405)
All others	484,604	197,277	(287,327)	503,621	152,613	(351,008)
Total governmental activities	\$ 25,493,072	\$ 4,908,174	\$ (20,584,898)	\$ 23,268,029	\$ 6,150,771	\$ (17,117,258)

Overall, the net program cost of governmental activities increased by nearly \$3.5 million, or 20.3%, from a net program cost of about \$17.1 million in 2017 to \$20.6 million in 2018. The most significant change was the street repair and maintenance program which changed from a net program cost of nearly \$600,000 in 2017 to a net program cost of about \$2.5 million in 2018, primarily due to more grant funded projects during 2017. Police & Fire net program costs each increased approximately \$600,000, primarily

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

related to additional OPEB expense from Ohio Police & Fire Pension system recognized with the implementation of GASB 75. Community Development net program costs increased about \$300,000, a result of the additional grant expenditures of Community Development Block Grant projects as well as a newly hired vacant property inspector.



Business-type activities

Business-type activities' net position increased about \$2.4 million, or 4.5%, from nearly \$54.3 million at December 31, 2017 to approximately \$56.7 million at December 31, 2018. Of this increase, approximately \$4.3 million was in the category net investment in capital assets, a result of capital purchases of \$5.9 million and principal debt repayments of nearly \$1.8 million, reduced by depreciation expense of nearly \$3.0 million, issuance of almost \$600,000 debt and loan forgiveness. Unrestricted portion of net position decreased almost \$1.9 million, or 14.4%. This decrease in unrestricted net position was anticipated as we begin to pay back debt.

It is the City's policy that revenues of some of the City's business-type activities (Water, Sewer, Solid Waste and in 2018 the Stormwater 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:

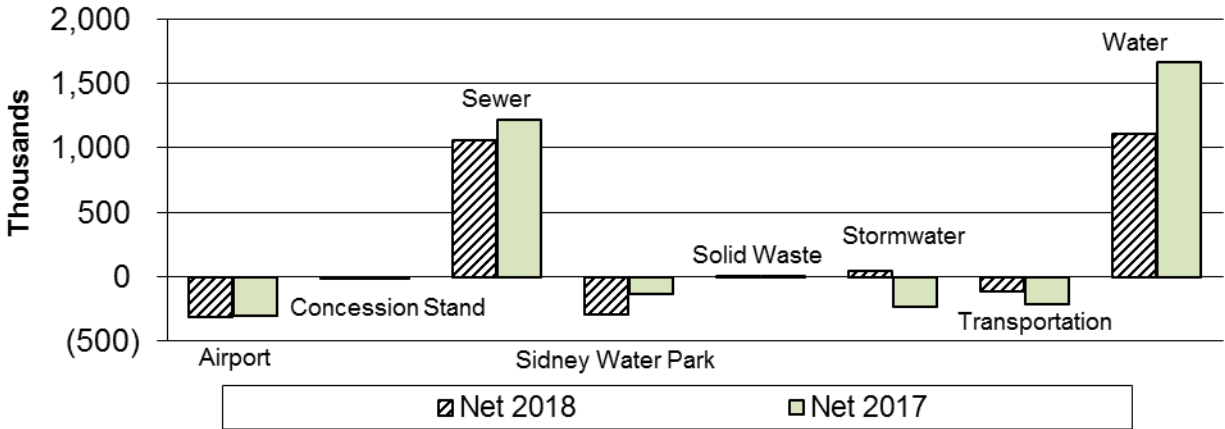
Expenses and Program Revenues - Business-Type Activities

	Year Ended December 31, 2018			Year Ended December 31, 2017		
	Expense	Program Revenue	Net Revenue (Cost)	Expense	Program Revenue	Net Revenue (Cost)
Airport	\$ 661,372	\$ 353,223	\$ (308,149)	\$ 570,812	\$ 270,658	\$ (300,154)
Concession Stand	26,483	19,556	(6,927)	26,692	20,261	(6,431)
Sewer	4,855,169	5,917,083	1,061,914	4,896,273	6,108,605	1,212,332
Sidney Water Park	357,387	64,553	(292,834)	197,667	62,532	(135,135)
Solid Waste	1,694,718	1,696,429	1,711	1,623,902	1,629,976	6,074
Stormwater	633,107	676,332	43,225	633,629	402,483	(231,146)
Transportation	1,058,208	940,221	(117,987)	1,034,536	826,734	(207,802)
Water	5,206,990	6,312,677	1,105,687	4,771,136	6,431,529	1,660,393
Total business-type activities	\$ 14,493,434	\$ 15,980,074	\$ 1,486,640	\$ 13,754,647	\$ 15,752,778	\$ 1,998,131

Overall, the net program cost of the City's business-type activities changed from net program revenue of nearly \$2.0 million for the year ended December 31, 2017 to a net program revenue of nearly \$1.5 million for the year ended December 31, 2018. Program revenue for business-type activities increased roughly \$230,000, or 1.4%, while program expenses increased almost \$740,000, or 5.4%.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Net Program Revenue (Cost) - Business-type Activities



Key components of the changes in net program cost for each significant program change are as follows:

- The City's water program decreased from net program revenue of nearly \$1.7 million in 2017 to net program revenue of approximately \$1.1 million in 2018. Water revenue decreased by \$120,000, or 1.8%, while expenditures increased by \$440,000, or 9%, largely because of additional professional fees and depreciation.
- Stormwater program changed from net program cost of approximately \$230,000 in 2017 to net program revenue of \$43,000 in 2018. In January 2018 a new stormwater capital fee of \$0.90 per equivalent residential unit was approved with the goal of paying for stormwater capital improvement projects previously paid for by income tax dollars.
- Sidney Water Park program changed from net program cost of approximately \$135,000 to net program cost of about \$290,000, due to increased water usage following a large leak in the intermediate pool.

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, 2018 was approximately \$18.7 million. Approximately 45.4% of this total amount represents unassigned fund balances available for spending at the City's discretion. Roughly 24.9% 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 making authority, is 5.5% and those balances assigned are 24.2%. Over \$1.0 million of fund balance has already been assigned to future budget commitments or to liquidate purchase orders of the prior period.

Total fund balances of the City's governmental funds increased nearly \$2.2 million, or 13.6%, from \$16.5 million at December 31, 2017 to nearly \$18.7 million at December 31, 2018. (See the governmental funds' statement of revenue, expenditures & changes in fund balance on page 19.)

The General Fund is the primary operating fund of the City of Sidney, accounting for such activities as police and fire protection, emergency medical services, and parks and recreation. The General Fund balance increased nearly \$2.2 million, or 25.8%, from nearly \$8.7 million at December 31, 2017 to \$10.9 million at December 31, 2018. Local tax revenue increased from approximately \$11.7 million for the year ended December 31, 2017 to about \$15.2 million for the year ended December 31, 2018, related to large

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

swing in corporate estimate payments and the resulting increase in Income Taxes Receivable from prior year. General Fund expenditures increased about \$120,000, or 0.8%. General Fund transfers out to subsidize various funds, including the street repair & maintenance, transportation services, airport, cemetery operations, and the swimming pool increased from nearly \$400,000 for the year ended December 31, 2017 to nearly \$700,000 for the year ended December 31, 2018. The most significant increase was to subsidize the Sidney Water Park following a large water leak. Its subsidy increased \$147,000.

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 increased about \$30,000 in 2018 as compared to 2017. Expenditures increased approximately \$96,000 from 2017 to 2018, due to the initial fill of the new salt dome. For 2018, the General Fund provided \$160,000 of an operating subsidy to the Street Repair & Maintenance Fund. Its fund balance increased about \$10,000 from approximately \$660,000 at December 31, 2017 to about \$670,000 at December 31, 2018.

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 budgeted net income tax proceeds are allocated to this Fund. For the year ended December 31, 2018, this fund balance increased almost \$140,000 from nearly \$3.0 million at December 31, 2017 to about \$3.1 million at December 31, 2018. In 2018, intergovernmental revenues, largely grants, decreased about \$1.6 million, or 89.1%. Capital-related expenditures decreased almost \$1.6 million from almost \$5.1 million at December 31, 2017 to approximately \$3.5 million at December 31, 2018. This decrease is a directly related to timing of grant related projects; as of December 31, 2018 there were open encumbrances of \$1.6 million.

The Municipal Earned Income Tax for Street Capital Fund is used to account for the income tax levy of an additional one-quarter of one percent annual tax on earned income. This street levy funds are restricted for the construction, reconstruction, resurfacing and maintenance of streets, alleys, bridges, curbs, and gutters and cost incidental thereto. In 2018 nearly \$3.2 million was spent for this purpose. For 2018, the special levy generated revenues of approximately \$2.7 million, an increase of about \$320,000 over 2017. The fund balance at December 31, 2018 decreased about \$400,000 from nearly \$1.3 million in 2017 to almost \$900,000 in 2017.

The City of Sidney's proprietary fund statements (found on pages 21-23) 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 2018, the amount in the original budget and final budget for General Fund local tax revenues were under actual receipts. Actual revenues were over budget expectations by roughly \$2.5 million, largely due to fluctuations in taxes received by Sidney businesses based on their net profits. This portion of income tax collections is the most volatile source and has been subject to upwards as well as downward swings, from year to year.

Capital asset and debt administration

Capital asset activity

Significant capital activity for the year ended December 31, 2018 included:

- ✓ Nearly \$3.6 million of street resurfacing and curb and gutter replacements were completed with almost \$3.2 million paid with street levy revenue, about \$100,000 paid with County Auto License funds and the remainder paid with income tax dollars.
- ✓ About \$3.0 million was spent to purchase land for the new water source.
- ✓ Approximately \$600,000 was incurred for the sanitary sewer replacement on Chestnut Avenue.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

- ✓ Phase II Wastewater Treatment Plant improvements required by the Ohio EPA began in 2018, of which \$540,000 was placed in construction in progress. This project is financed with Water Pollution Control Loan Fund (WPCLF) loans, of which \$50,000 loan forgiveness was received in 2018.
- ✓ In 2018, the Jefferson Street bridge was repaired, costing about \$270,000, partially paid for with an Ohio Public Works Commission (OPWC) grant of \$138,400.
- ✓ Almost \$250,000 was incurred for Ruth Street water main replacement.
- ✓ Fire department projects include the initial installment of the Fire Quint apparatus of about \$300,000 and purchase of SCBA (self-contained breathing apparatus) equipment for \$280,000.

Additional detail on the capital asset activity for the year ended December 31, 2018 is presented in the Notes to the Basic Financial Statements in Note 7 on pages 38 – 39.

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, 2018, that debt ceiling was nearly \$20.6 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 almost \$3.4 million of net indebtedness as of December 31, 2018, leaving a legal debt margin for unvoted debt of approximately \$17.2 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 \$39.3 million, leaving a total debt margin of about \$35.9 million.

A summary of debt outstanding at December 31, 2018 and 2017 is as follows:

	<u>December 31, 2018</u>	<u>December 31, 2017,</u> <u>as restated</u>
Governmental activities	\$ 3,604,260	\$ 4,321,957
Business-type activities	<u>42,637,680</u>	<u>43,906,253</u>
Total	<u>\$ 46,241,940</u>	<u>\$ 48,228,210</u>

During 2018, the City incurred nearly \$520,000 of debt for business-type activities. Nearly \$440,000 of additionally funds received for the Water Pollution Control Loan Fund Phase II of the wastewater treatment plant improvements required by the Ohio EPA. Also nearly \$80,000 was additional funding received from the Ohio Water Development Authority (OWDA) for both the new water source and lime sludge lagoon reconstruction projects. December 31, 2017 balances have been restated to reflect a decrease due to a reclassification to accounts payable from loans payable of about \$260,000.

See additional detailed data for all debt of the City of Sidney is presented in the Notes to the Basic Financial Statements in Note 8 on pages 40 - 43 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, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash	\$ 1,831,692	\$ 1,440,819	\$ 3,272,511
Cash	612,283	-	612,283
Cash held by outside agent	877,612	-	877,612
Pooled investments	17,658,323	13,923,597	31,581,920
Receivables	6,912,670	2,624,168	9,536,838
Internal balances	127,569	(127,569)	-
Inventory	273,773	404,902	678,675
Prepaid items	128,882	19,155	148,037
Capital assets:			
Capital assets not subject to depreciation:			
Land	8,448,393	6,195,551	14,643,944
Construction in progress	895,017	3,381,645	4,276,662
Capital assets net of accumulated depreciation	<u>53,236,909</u>	<u>78,899,492</u>	<u>132,136,401</u>
Total assets	<u>91,003,123</u>	<u>106,761,760</u>	<u>197,764,883</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	5,291,581	708,263	5,999,844
OPEB	<u>2,070,936</u>	<u>142,265</u>	<u>2,213,201</u>
Total deferred outflows of resources	<u>7,362,517</u>	<u>850,528</u>	<u>8,213,045</u>
Total assets and deferred outflows	<u>\$ 98,365,640</u>	<u>\$ 107,612,288</u>	<u>\$ 205,977,928</u>
LIABILITIES			
Accounts payable	\$ 1,478,236	\$ 844,892	\$ 2,323,128
Salaries and benefits payable	482,248	98,190	580,438
Claims payable	231,538	-	231,538
Unearned revenue	16,750	490,892	507,642
Accrued interest payable	8,050	542,728	550,778
Refundable deposits	11,957	237,796	249,753
Noncurrent liabilities:			
Due within one year	614,700	1,984,944	2,599,644
Due in more than one year			
Net pension liability	21,610,693	2,764,570	24,375,263
Net OPEB liability	18,772,409	1,928,289	20,700,698
Other amounts due in more than one year	<u>5,101,519</u>	<u>41,125,603</u>	<u>46,227,122</u>
Total liabilities	<u>48,328,100</u>	<u>50,017,904</u>	<u>98,346,004</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	1,793,345	-	1,793,345
Pension	3,860,120	697,968	4,558,088
OPEB	<u>459,614</u>	<u>150,270</u>	<u>609,884</u>
Total deferred inflows of resources	<u>6,113,079</u>	<u>848,238</u>	<u>6,961,317</u>
NET POSITION			
Net investment in capital assets	59,060,823	45,553,676	104,614,499
Restricted for:			
Capital projects	18,034	-	18,034
Cemetery - Expendable	971,114	-	971,114
Cemetery - Nonexpendable	30,376	-	30,376
Community development projects	789,134	-	789,134
Judicial costs	754,413	-	754,413
Police	226,037	-	226,037
Street capital projects	1,246,041	-	1,246,041
Street repair and maintenance	1,289,203	-	1,289,203
Other purposes - externally imposed restrictions	195,973	-	195,973
Unrestricted	<u>(20,656,687)</u>	<u>11,192,470</u>	<u>(9,464,217)</u>
Total net position	<u>43,924,461</u>	<u>56,746,146</u>	<u>100,670,607</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 98,365,640</u>	<u>\$ 107,612,288</u>	<u>\$ 205,977,928</u>

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Basic utility services	\$ 23,450	\$ -	\$ -	\$ -	\$ (23,450)		\$ (23,450)
Community development	956,603	12,065	13,040	460,104	(471,394)		(471,394)
Community environment	752,982	121,526	-	-	(631,456)		(631,456)
Fire	6,469,069	749,967	20,500	50,000	(5,648,602)		(5,648,602)
General government	1,281,658	-	-	-	(1,281,658)		(1,281,658)
Health	355,460	197,277	-	-	(158,183)		(158,183)
Judicial	2,375,499	832,220	346,542	-	(1,196,737)		(1,196,737)
Parks and recreation	1,581,395	7,000	41,192	80,000	(1,453,203)		(1,453,203)
Police	7,491,183	278,915	28,631	72,130	(7,111,507)		(7,111,507)
Street repair and maintenance	4,100,079	230,506	1,203,850	162,709	(2,503,014)		(2,503,014)
Interest on long-term debt	105,694	-	-	-	(105,694)		(105,694)
Total governmental activities	<u>25,493,072</u>	<u>2,429,476</u>	<u>1,653,755</u>	<u>824,943</u>	<u>(20,584,898)</u>		<u>(20,584,898)</u>
Business-type activities:							
Airport	661,372	342,884	-	10,339		\$ (308,149)	(308,149)
Concession Stand	26,483	19,556	-	-		(6,927)	(6,927)
Sewer	4,855,169	5,867,083	-	50,000		1,061,914	1,061,914
Sidney Water Park	357,387	60,529	4,024	-		(292,834)	(292,834)
Solid Waste	1,694,718	1,696,429	-	-		1,711	1,711
Stormwater	633,107	676,332	-	-		43,225	43,225
Transportation	1,058,208	199,638	479,499	261,084		(117,987)	(117,987)
Water	5,206,990	6,257,749	54,928	-		1,105,687	1,105,687
Total business-type activities	<u>14,493,434</u>	<u>15,120,200</u>	<u>538,451</u>	<u>321,423</u>		<u>1,486,640</u>	<u>1,486,640</u>
Total	<u>\$ 39,986,506</u>	<u>\$ 17,549,676</u>	<u>\$ 2,192,206</u>	<u>\$ 1,146,366</u>	<u>(20,584,898)</u>	<u>1,486,640</u>	<u>(19,098,258)</u>
General revenues:							
Taxes:							
Income taxes					17,726,911	-	17,726,911
Street levy income taxes					2,858,528	-	2,858,528
Property taxes					1,080,414	-	1,080,414
Payments in lieu of taxes					151,677	-	151,677
Lodging taxes					414,299	-	414,299
Other taxes					766	-	766
Grants and entitlements not restricted to specific programs					553,902	-	553,902
Investment earnings					286,686	342,298	628,984
Gain on sale of capital assets					17,511	5,205	22,716
Miscellaneous					792,885	151,919	944,804
Transfers					(437,000)	437,000	-
Total general revenues and transfers					<u>23,446,579</u>	<u>936,422</u>	<u>24,383,001</u>
Change in net position					2,861,681	2,423,062	5,284,743
Net position - beginning (restated)					<u>41,062,780</u>	<u>54,323,084</u>	<u>95,385,864</u>
Net position - ending					<u>\$ 43,924,461</u>	<u>\$ 56,746,146</u>	<u>\$ 100,670,607</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	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	\$ 1,083,441	\$ 42,769	\$ 295,567	\$ 68,748	\$ 290,852	\$ 1,781,377
Cash held by outside agent	843,735	-	-	-	33,877	877,612
Pooled investments	10,405,886	413,145	2,866,946	666,842	2,817,468	17,170,287
Receivables:						
Income taxes	3,129,918	-	-	510,451	-	3,640,369
Property taxes	972,880	-	-	-	149,048	1,121,928
Other taxes	19,477	-	-	-	6,492	25,969
Interest	45,351	2,298	-	-	5,043	52,692
Loans	-	-	-	-	671,416	671,416
Special assessments	157,084	-	15,921	-	-	173,005
Other	154,909	2,113	-	-	62,308	219,330
Receivables from other governments	251,312	583,065	19,801	-	153,783	1,007,961
Advances to other funds	21,875	-	-	-	-	21,875
Inventory	102,334	155,601	-	-	-	257,935
Prepaid items	40,600	272	-	-	2,847	43,719
Total assets	<u>\$ 17,228,802</u>	<u>\$ 1,199,263</u>	<u>\$ 3,198,235</u>	<u>\$ 1,246,041</u>	<u>\$ 4,193,134</u>	<u>\$ 27,065,475</u>
LIABILITIES						
Accounts payable	\$ 1,315,813	\$ 5,745	\$ 54,128	\$ -	\$ 39,723	\$ 1,415,409
Salaries and benefits payable	423,426	15,862	-	-	13,781	453,069
Advances from other funds	-	-	-	-	21,875	21,875
Unearned revenue	16,750	-	-	-	-	16,750
Refundable deposits	-	-	-	-	11,957	11,957
Total liabilities	<u>1,755,989</u>	<u>21,607</u>	<u>54,128</u>	<u>-</u>	<u>87,336</u>	<u>1,919,060</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	4,569,720	505,977	15,921	370,757	940,394	6,402,769
Total deferred inflows of resources	<u>4,569,720</u>	<u>505,977</u>	<u>15,921</u>	<u>370,757</u>	<u>940,394</u>	<u>6,402,769</u>
FUND BALANCES:						
Nonspendable	142,934	155,873	-	-	2,847	301,654
Restricted	-	515,806	-	875,284	2,969,720	4,360,810
Committed	839,123	-	-	-	192,837	1,031,960
Assigned	1,410,053	-	3,128,186	-	-	4,538,239
Unassigned	8,510,983	-	-	-	-	8,510,983
Total fund balances	<u>10,903,093</u>	<u>671,679</u>	<u>3,128,186</u>	<u>875,284</u>	<u>3,165,404</u>	<u>18,743,646</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 17,228,802</u>	<u>\$ 1,199,263</u>	<u>\$ 3,198,235</u>	<u>\$ 1,246,041</u>	<u>\$ 4,193,134</u>	<u>\$ 27,065,475</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, 2018**

Total governmental fund balances \$ 18,743,646

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

Some assets used in governmental activities are not financial resources and therefore are not reported in the funds:
Capital Assets 61,900,365

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:
Income taxes receivable 2,652,043
Other receivables 294,706
Other taxes and intergovernmental receivables 1,662,675

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 78,434
Internal service fund activity allocated to enterprise funds 127,569

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 5,080,213
Deferred Inflows - Pension (3,651,825)
Net Pension Liability (20,785,664)
Deferred Outflows - OPEB 2,028,479
Deferred Inflows - OPEB (414,768)
Net OPEB Liability (18,196,951)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds:
Bonds payable (3,596,300)
Premium on bond (7,960)
Compensated absences (1,982,151)
Accrued interest on long-term debt (8,050)

Net position of governmental activities \$ 43,924,461

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, 2018

	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	\$ 15,222,229	\$ -	\$ 3,019,976	\$ 2,715,596	\$ 255,251	\$ 21,213,052
Intergovernmental revenues	586,261	1,020,065	201,509	-	1,048,629	2,856,464
Special assessments	253,230	-	229,067	-	1,425	483,722
Charges for services	1,287,357	1,884	-	-	362,005	1,651,246
Fines, licenses and permits	435,537	-	-	-	56,483	492,020
Investment income	222,262	9,527	-	-	39,556	271,345
Miscellaneous receipts and reimbursements	569,837	80,204	178,869	5,773	198,011	1,032,694
Total revenues	<u>18,576,713</u>	<u>1,111,680</u>	<u>3,629,421</u>	<u>2,721,369</u>	<u>1,961,360</u>	<u>28,000,543</u>
EXPENDITURES:						
Current:						
Basic utility services	23,450	-	-	-	-	23,450
Community development	255,036	-	-	-	292,531	547,567
Community environment	589,430	-	-	-	20,850	610,280
Fire	4,987,059	-	-	-	-	4,987,059
General government	1,120,798	-	-	-	-	1,120,798
Health	-	-	-	-	230,110	230,110
Judicial	1,339,242	-	-	-	435,601	1,774,843
Parks and recreation	1,269,492	-	-	-	-	1,269,492
Police	6,028,826	-	-	-	83,324	6,112,150
Street repair and maintenance	-	1,261,484	-	-	71,884	1,333,368
Capital outlay	-	-	2,798,297	3,157,057	555,571	6,510,925
Debt service:						
Principal	30,000	-	627,850	-	55,000	712,850
Interest	3,794	-	84,238	-	23,775	111,807
Total expenditures	<u>15,647,127</u>	<u>1,261,484</u>	<u>3,510,385</u>	<u>3,157,057</u>	<u>1,768,646</u>	<u>25,344,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,929,586</u>	<u>(149,804)</u>	<u>119,036</u>	<u>(435,688)</u>	<u>192,714</u>	<u>2,655,844</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	160,000	-	-	100,000	260,000
Sale of capital assets	-	-	17,511	-	-	17,511
Transfers out	(697,000)	-	-	-	-	(697,000)
Total other financing sources (uses)	<u>(697,000)</u>	<u>160,000</u>	<u>17,511</u>	<u>-</u>	<u>100,000</u>	<u>(419,489)</u>
Net change in fund balances	2,232,586	10,196	136,547	(435,688)	292,714	2,236,355
Fund balances, beginning of year	<u>8,670,507</u>	<u>661,483</u>	<u>2,991,639</u>	<u>1,310,972</u>	<u>2,872,690</u>	<u>16,507,291</u>
Fund balances, end of year	<u>\$ 10,903,093</u>	<u>\$ 671,679</u>	<u>\$ 3,128,186</u>	<u>\$ 875,284</u>	<u>\$ 3,165,404</u>	<u>\$ 18,743,646</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, 2018

Net change in fund balances - total governmental funds \$ 2,236,355

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	5,322,519
Current year depreciation	(3,695,285)

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

Income taxes	1,018,777
Intergovernmental revenue	18,379
Investment income	9,059
Other revenue	177,240

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

712,850

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Activities reports these amounts as deferred outflows.

Pension	1,836,412
OPEB	30,120

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.

Pension	(2,962,069)
OPEB	(1,480,758)

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	(149,010)
Interest payable	1,267
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, and health insurance 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	(318,765)
Add: Enterprise allocation	99,744

Change in net position of governmental activities \$ 2,861,681

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018**

	Business-type Activities					Governmental Activities - Internal Service Funds
	Sewer	Stormwater	Water	Non-major Enterprise Funds	Totals	
ASSETS						
Current assets:						
Pooled cash	\$ 751,733	\$ 52,984	\$ 563,052	\$ 73,050	\$ 1,440,819	\$ 50,315
Cash	-	-	-	-	-	612,283
Pooled investments	7,158,798	617,215	5,439,016	708,568	13,923,597	488,036
Receivables:						
Accounts	814,019	26,255	1,254,006	160,763	2,255,043	-
Interest	39,815	-	30,250	-	70,065	-
Other	48,683	4,800	175,636	-	229,119	-
Receivables from other governments	-	-	-	69,941	69,941	-
Inventory	116,778	18,993	245,510	23,621	404,902	15,838
Prepaid items	2,083	32	14,487	2,553	19,155	85,163
Total current assets	<u>8,931,909</u>	<u>720,279</u>	<u>7,721,957</u>	<u>1,038,496</u>	<u>18,412,641</u>	<u>1,251,635</u>
Noncurrent assets:						
Capital assets not subject to depreciation:						
Land	126,320	14,126	4,995,753	1,059,352	6,195,551	-
Construction in progress	1,643,722	41,304	1,683,023	13,596	3,381,645	-
Capital assets net of accumulated depreciation	<u>31,955,021</u>	<u>4,476,252</u>	<u>35,907,809</u>	<u>6,560,410</u>	<u>78,899,492</u>	<u>679,954</u>
Total noncurrent assets	<u>33,725,063</u>	<u>4,531,682</u>	<u>42,586,585</u>	<u>7,633,358</u>	<u>88,476,688</u>	<u>679,954</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension	265,553	56,633	244,709	141,368	708,263	211,368
OPEB	53,340	11,376	49,154	28,395	142,265	42,457
Total deferred outflows of resources	<u>318,893</u>	<u>68,009</u>	<u>293,863</u>	<u>169,763</u>	<u>850,528</u>	<u>253,825</u>
Total assets & deferred outflows	<u>\$ 42,975,865</u>	<u>\$ 5,319,970</u>	<u>\$ 50,602,405</u>	<u>\$ 8,841,617</u>	<u>\$ 107,739,857</u>	<u>\$ 2,185,414</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 343,830	\$ 2,476	\$ 332,568	\$ 166,018	\$ 844,892	\$ 62,827
Salaries and benefits payable	40,153	7,062	37,174	13,801	98,190	29,179
Claims payable	-	-	-	-	-	231,538
Current portion of long term debt	1,051,800	-	903,695	-	1,955,495	-
Compensated absences	11,379	2,595	12,517	2,958	29,449	5,012
Unearned revenue	205,054	64,074	-	221,764	490,892	-
Refundable deposits	-	-	237,506	290	237,796	-
Accrued interest payable	112,167	-	430,561	-	542,728	-
Total current liabilities	<u>1,764,383</u>	<u>76,207</u>	<u>1,954,021</u>	<u>404,831</u>	<u>4,199,442</u>	<u>328,556</u>
Noncurrent liabilities:						
Noncurrent portion of long term debt	14,342,655	-	26,339,529	-	40,682,184	-
Net pension liability	1,036,536	221,055	955,176	551,803	2,764,570	825,029
Net OPEB liability	722,985	154,186	666,236	384,882	1,928,289	575,458
Compensated absences	238,135	28,399	134,023	42,862	443,419	124,796
Total noncurrent liabilities	<u>16,340,311</u>	<u>403,640</u>	<u>28,094,964</u>	<u>979,547</u>	<u>45,818,462</u>	<u>1,525,283</u>
Total liabilities	<u>18,104,694</u>	<u>479,847</u>	<u>30,048,985</u>	<u>1,384,378</u>	<u>50,017,904</u>	<u>1,853,839</u>
DEFERRED INFLOWS OF RESOURCES						
Pension	261,693	55,810	241,152	139,313	697,968	208,295
OPEB	56,341	12,016	51,919	29,994	150,270	44,846
Total deferred inflows of resources	<u>318,034</u>	<u>67,826</u>	<u>293,071</u>	<u>169,307</u>	<u>848,238</u>	<u>253,141</u>
NET POSITION						
Net investment in capital assets	18,052,821	4,530,790	15,343,361	7,626,704	45,553,676	674,297
Unrestricted	6,500,316	241,507	4,916,988	(338,772)	11,320,039	(595,863)
Total net position	<u>24,553,137</u>	<u>4,772,297</u>	<u>20,260,349</u>	<u>7,287,932</u>	<u>56,873,715</u>	<u>78,434</u>
Total liabilities, deferred inflows and net position	<u>\$ 42,975,865</u>	<u>\$ 5,319,970</u>	<u>\$ 50,602,405</u>	<u>\$ 8,841,617</u>	<u>\$ 107,739,857</u>	<u>\$ 2,185,414</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(127,569)	
Total position from above					56,873,715	
Net position of business-type activities					<u>\$ 56,746,146</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, 2018

	Business-type Activities					Governmental Activities - Internal Service Funds
	Sewer	Stormwater	Water	Non-major Enterprise Funds	Totals	
OPERATING REVENUES:						
Charges for services	\$ 5,867,083	\$ 668,532	\$ 6,257,749	\$ 2,319,037	\$ 15,112,401	\$ 4,470,495
Other revenue	31,634	22,848	57,994	28,000	140,476	20,681
Total operating revenues	<u>5,898,717</u>	<u>691,380</u>	<u>6,315,743</u>	<u>2,347,037</u>	<u>15,252,877</u>	<u>4,491,176</u>
OPERATING EXPENSES:						
Personal services	1,437,956	341,574	1,406,170	729,968	3,915,668	1,209,290
Operations and maintenance	1,569,577	88,769	1,834,197	2,650,933	6,143,476	1,664,246
Claims paid	-	-	-	-	-	1,820,070
Depreciation & amortization	1,404,270	196,571	982,137	391,188	2,974,166	122,618
Total operating expenses	<u>4,411,803</u>	<u>626,914</u>	<u>4,222,504</u>	<u>3,772,089</u>	<u>13,033,310</u>	<u>4,816,224</u>
Operating income (loss)	<u>1,486,914</u>	<u>64,466</u>	<u>2,093,239</u>	<u>(1,425,052)</u>	<u>2,219,567</u>	<u>(325,048)</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income	166,960	-	175,338	-	342,298	6,283
Intergovernmental	-	-	54,928	479,324	534,252	-
Contributions	-	-	-	4,199	4,199	-
Insurance recoveries	-	-	19,242	-	19,242	-
Gain (loss) on disposal of assets	-	-	-	5,205	5,205	-
Interest expense	(406,512)	-	(953,868)	-	(1,360,380)	-
Total nonoperating revenues (expenses)	<u>(239,552)</u>	<u>-</u>	<u>(704,360)</u>	<u>488,728</u>	<u>(455,184)</u>	<u>6,283</u>
(Loss) before contributions and transfers	1,247,362	64,466	1,388,879	(936,324)	1,764,383	(318,765)
Capital grants & contributions	50,000	-	-	271,423	321,423	-
Transfers in	-	-	-	437,000	437,000	-
Change in net position	1,297,362	64,466	1,388,879	(227,901)	2,522,806	(318,765)
Total net position - beginning (restated)	<u>23,255,775</u>	<u>4,707,831</u>	<u>18,871,470</u>	<u>7,515,833</u>		<u>397,199</u>
Total net position - ending	<u>\$ 24,553,137</u>	<u>\$ 4,772,297</u>	<u>\$ 20,260,349</u>	<u>\$ 7,287,932</u>		<u>\$ 78,434</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(99,744)	
Change in net position of business-type activities					<u>\$ 2,423,062</u>	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Sewer	Stormwater	Water	Non-major Enterprise Funds		
Cash flows from operating activities:						
Receipts from customers and users	\$ 6,250,416	\$ 536,461	\$ 6,314,683	\$ 2,397,078	\$ 15,498,638	\$ 111,950
Receipts from interfund services	11,073	168,401	209,528	(192)	388,810	4,379,380
Payments to suppliers	(822,826)	(23,368)	(1,028,925)	(2,046,089)	(3,921,208)	(2,003,549)
Payments to employees	(1,369,947)	(292,390)	(1,245,153)	(640,985)	(3,548,475)	(1,056,441)
Payments for claims	-	-	-	-	-	(1,758,810)
Payments for interfund services used	(778,666)	(62,047)	(838,109)	(580,477)	(2,259,299)	(98,988)
Net cash provided by (used for) operating activities	<u>3,290,050</u>	<u>327,057</u>	<u>3,412,024</u>	<u>(870,665)</u>	<u>6,158,466</u>	<u>(426,458)</u>
Cash flows from noncapital financing activities:						
Transfers in	-	-	-	437,000	437,000	-
Intergovernmental	-	-	-	479,324	479,324	-
Contributions	-	-	-	4,199	4,199	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>920,523</u>	<u>920,523</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(1,227,532)	(91,350)	(3,800,389)	(385,982)	(5,505,253)	(181,785)
Proceeds from sale of capital assets	-	-	19,242	5,205	24,447	-
Proceeds from the issuance of capital debt	230,000	-	50,603	-	280,603	-
Principal paid on capital debt	(1,023,717)	-	(733,529)	-	(1,757,246)	-
Interest paid on capital debt	(409,943)	-	(830,784)	-	(1,240,727)	-
Capital contributions	50,000	-	-	271,423	321,423	-
Net cash provided by (used for) capital and related financing activities	<u>(2,381,192)</u>	<u>(91,350)</u>	<u>(5,294,857)</u>	<u>(109,354)</u>	<u>(7,876,753)</u>	<u>(181,785)</u>
Cash flows from investing activities:						
Purchase of investments	(1,485,754)	(256,503)	958,914	(10,282)	(793,625)	31,702
Interest on investments	162,226	-	173,755	-	335,981	6,283
Net cash provided by (used for) investing activities	<u>(1,323,528)</u>	<u>(256,503)</u>	<u>1,132,669</u>	<u>(10,282)</u>	<u>(457,644)</u>	<u>37,985</u>
Net decrease in cash	(414,670)	(20,796)	(750,164)	(69,778)	(1,255,408)	(570,258)
Pooled cash, beginning of year	1,166,403	73,780	1,313,216	142,828	2,696,227	1,232,856
Pooled cash, end of year	<u>\$ 751,733</u>	<u>\$ 52,984</u>	<u>\$ 563,052</u>	<u>\$ 73,050</u>	<u>\$ 1,440,819</u>	<u>\$ 662,598</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,486,914	\$ 64,466	\$ 2,093,239	\$ (1,425,052)	\$ 2,219,567	\$ (325,048)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation & amortization	1,404,270	196,571	982,137	391,188	2,974,166	122,617
Change in assets and deferred outflows:						
Accounts receivable	327,008	(11,814)	193,645	19,739	528,578	154
Other receivables	31,985	(4,760)	(10,818)	29,640	46,047	-
Prepaid items	955	271	(9)	810	2,027	8,685
Inventory	(23,264)	1,765	(31,582)	5,734	(47,347)	(6,584)
Deferred outflows - Pension	321,650	85,687	303,297	200,363	910,997	281,896
Deferred outflows - OPEB	(42,212)	(9,097)	(39,392)	(22,739)	(113,440)	(34,181)
Change in liabilities and deferred inflows:						
Accounts & claims payable	(9,606)	1,318	(1,246)	17,823	8,289	(440,391)
Salaries and benefits payable and compensated absences	58,506	14,617	64,728	10,943	148,794	85,353
Refundable deposits	-	-	25,641	-	25,641	-
Unearned revenue	3,779	30,056	-	470	34,305	-
Net pension liability	(609,981)	(114,875)	(482,004)	(281,112)	(1,487,972)	(391,203)
Net OPEB liability	46,857	9,993	43,178	24,942	124,970	37,294
Deferred inflows - Pension	236,848	50,843	219,291	126,592	633,574	190,104
Deferred inflows - OPEB	56,341	12,016	51,919	29,994	150,270	44,846
Net cash provided by (used for) operating activities	<u>\$ 3,290,050</u>	<u>\$ 327,057</u>	<u>\$ 3,412,024</u>	<u>\$ (870,665)</u>	<u>\$ 6,158,466</u>	<u>\$ (426,458)</u>
Noncash investing, capital and financing activities:						
Purchase of equipment on account	\$ 277,787	\$ 892	\$ -	\$ 6,654	\$ 285,333	\$ 5,657
Prior year purchase of equipment on account	\$ 52,825	\$ -	\$ 102,631	\$ -	\$ 155,456	\$ 72,401
Debt principal paid by third party	\$ -	\$ -	\$ 14,399	\$ -	\$ 14,399	\$ -
Debt proceeds paid directly to third party	\$ 203,881	\$ -	\$ 9,624	\$ -	\$ 213,505	\$ -
Debt interest paid by federal subsidy	\$ -	\$ -	\$ 54,023	\$ -	\$ 54,023	\$ -

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018

	<u>Custodial Funds</u>	<u>Private-Purpose Trust Funds</u>
ASSETS		
Pooled cash	\$ 5,691	\$ 849
Cash held by outside agent	230,575	-
Pooled investments	55,196	8,197
Receivable		
Accounts	14,804	-
Interest	<u>-</u>	<u>46</u>
Total assets	<u>\$ 306,266</u>	<u>\$ 9,092</u>
LIABILITIES		
Accounts payable	\$ 5,967	307
Payable to other governments	<u>109,108</u>	<u>-</u>
Total liabilities	<u>\$ 115,075</u>	<u>\$ 307</u>
NET POSITION		
Restricted for:		
Individuals & organizations & other governments	<u>\$ 191,191</u>	<u>\$ 8,785</u>
Total Net position	<u>\$ 191,191</u>	<u>\$ 8,785</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, 2018

	Custodial Funds	Private-Purpose Trust Funds
ADDITIONS		
Charges for services	\$ 66,694	\$ -
Court costs & fines	2,434,522	-
Contributions	11,947	-
Unclaimed refunds	10,104	-
Investment income	-	201
	<u>2,523,267</u>	<u>201</u>
DEDUCTIONS		
Purchase of flowers	-	613
Judgement costs & bond reimbursements	1,120,251	-
Payments to other governments	1,387,469	-
Claimed refunds	1,140	-
Clean-up expenses	13,098	-
	<u>2,521,958</u>	<u>613</u>
Change in net position	1,309	(412)
Net position, beginning of year	<u>189,882</u>	<u>9,197</u>
Net position, end of year	<u>\$ 191,191</u>	<u>\$ 8,785</u>

See Notes to the Basic Financial Statements

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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, 2018.

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. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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.

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 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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 four custodial funds for other entities: (1) Municipal Court, (2) Village of Port Jefferson's sewer bills, (3) the Great Miami River Watershed Protection Project, and (4) 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.

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,

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

net pension liabilities, net OPEB liabilities, 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 outflows of resources on its governmental funds' balance sheet as a separate section. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 19 and 20.

In addition to liabilities, deferred inflows of resources arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. 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. For the City, deferred inflows of resources include unavailable revenue, pension, and OPEB. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Certain unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes property taxes, income taxes, special assessments, forgivable loans and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. See Notes 19 and 20.

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. Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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 exception is that when the City receives federal or state grant funds to aid in paying the cost of any program, activity, or function of the City, the amount received may be deemed appropriated for such purpose.

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).

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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, a custodial 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. Inventory is accounted for using the consumption method. 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, 2018 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, construction in progress, 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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

activities and proprietary funds is capitalized.

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

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

<u>Description</u>	<u>Estimated Useful Life (In Years)</u>
Land improvements	10 to 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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

L. Pensions/Other Postemployment Benefits (OPEB)

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

M. Grants and Other Intergovernmental Revenues

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

N. Interfund Activity

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

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

O. Estimates

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

P. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Q. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "advances to/from other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

2. Cash and Cash Equivalents:

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

- Municipal Court, a custodial fund, maintains its deposits in a separate checking account in the amount of \$230,575 at December 31, 2018.
- An outside agency, Shelby County, is holding cash deposits for the County Auto License Fund in the amount of \$33,877 at December 31, 2018.
- 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 in the amount of \$843,735 at December 31, 2018.
- 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 of \$612,283 at December 31, 2018.
- Imprest cash held on hand and was \$3,100 at December 31, 2018.

At December 31, 2018, the carrying amount of the City's deposits was \$4,121,909 and the bank balance was \$4,511,140 of the bank balance:

1. \$730,575 was covered by federal depository insurance;
2. \$3,780,565 was collateralized with securities held by the pledging financial institution's trust departments or agents, but not in the City's name.

The State of Ohio by statute has established collateral requirements for financial institutions acting as public depositories. The public depositories must either pledge specific qualified securities through the Ohio Pooled Collateral System with a market value of at least equal to 102% of the total amount of all public deposits to

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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 has no deposit policy for custodial risk beyond the requirements of State statute.

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 City's pooled investments consisted of U.S. Government-Sponsored agencies totaling \$31,645,313 at December 31, 2018. These pooled investments have weighted average maturity of approximately two years. The weighted average maturity was calculated using estimated maturity dates at December 31, 2018 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 five years from the date of purchase unless matched to a specific cash flow requirement.

Credit Risk. As of December 31, 2018, the City's investments in government-sponsored agencies, except STAR Ohio were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. STAR Ohio carries a rating of AAAM by Standard & Poor's. The City's investment policy is silent regarding credit risk of investments.

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

Concentration of Credit Risk. To avoid over-concentration in securities from a specific issuer or business sector (excluding securities of the U.S. Treasury, U.S. government-sponsored agencies, and U.S. government-sponsored agencies), 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%

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Investments in any issuer that represents 5% or more of the total investments (excluding cash and cash equivalents) at December 31, 2018 include:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
U.S. Government-Sponsored agencies:		
Federal Home Loan Mortgage Company	\$19,288,870	61%
Federal Home Loan Bank	\$ 3,982,800	12%
Federal National Mortgage Association	\$ 1,990,480	6%
Star Ohio	\$ 6,193,033 *	19%

*Valued at amortized cost

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, 2018.

The City's investments in Federal Home Loan Mortgage Company, Federal Home Loan Bank, and Federal National Mortgage Association are valued using quoted prices in markets that are not considered to be active dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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.

In an election held during 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

5. Property Taxes:

Property taxes are levied against all real and public utility property located in the City. Revenues from property taxes are used by the City pursuant to state statutes for General Fund operations and as a partial provision for payment of accrued police and fire pension costs.

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

Real property and public utility taxes collected during 2018 were levied on December 31, 2017 on assessed values listed as of January 1, 2017, the lien date. One-half of these taxes were due on February 14, 2018 with the remaining balance due on July 20, 2018.

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 2017. 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 2017 upon which the 2018 levy was based was approximately \$373,693,340. The assessed value for 2018 upon which the 2019 levy will be based is approximately \$374,523,810.

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. Receivables:

Receivables at December 31, 2018, consisted of taxes, accounts, interest, loans, special assessments, other receivables, and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as "Receivables from other governments" on the basic financial statements. Receivables have been recorded to the extent that they are measurable at December 31, 2018.

A summary of the principal items of receivables reported on the statement of net position follows:

	<u>Governmental</u> <u>activities:</u>	<u>Business-type</u> <u>activities:</u>
Income taxes	\$ 3,640,369	\$ -
Property taxes	1,121,928	-
Other taxes	25,969	-
Accounts	-	2,255,043
Interest	52,692	70,065
Loans	671,416	-
Special assessments	173,005	-
Other	219,330	229,119
Receivables from other governments	1,007,961	69,941
Total Receivables	<u>\$ 6,912,670</u>	<u>\$ 2,624,168</u>

Receivables have been aggregated on the face of the basic financial statements. The only receivables not expected to be collected within the subsequent year are loans receivable.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

7. Capital Assets:

Capital asset activity for the year ended December 31, 2018 was as follows:

Governmental activities:

	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 8,446,551	\$ 1,842	\$ -	\$ -	\$ 8,448,393
Construction in progress	559,012	441,135	-	(105,130)	895,017
Subtotal	<u>9,005,563</u>	<u>442,977</u>	<u>-</u>	<u>(105,130)</u>	<u>9,343,410</u>
<i>Capital assets being depreciated:</i>					
Buildings and land improvements	19,024,524	153,414	-	105,130	19,283,068
Machinery and equipment	13,212,222	888,818	(973,273)	-	13,127,767
General infrastructure	68,484,862	3,952,352	-	-	72,437,214
Subtotal	<u>100,721,608</u>	<u>4,994,584</u>	<u>(973,273)</u>	<u>105,130</u>	<u>104,848,049</u>
Totals at historical cost	<u>109,727,171</u>	<u>5,437,561</u>	<u>(973,273)</u>	<u>-</u>	<u>114,191,459</u>
<i>Less accumulated depreciation for:</i>					
Buildings and land improvements	8,159,500	436,172	-	-	8,595,672
Machinery and equipment	9,304,267	825,734	(973,273)	-	9,156,728
General infrastructure	31,302,745	2,555,995	-	-	33,858,740
Total accumulated depreciation	<u>48,766,512</u>	<u>3,817,901</u>	<u>(973,273)</u>	<u>-</u>	<u>51,611,140</u>
Net capital assets	<u>\$ 60,960,659</u>	<u>\$ 1,619,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,580,319</u>

Depreciation was charged to governmental activities as follows:

Community development	\$ 5,536
Community environment	2,410
Fire	314,817
General government	34,440
Health	58,266
Judicial	145,597
Parks and recreation	173,510
Police	364,364
Street repairs and maintenance	<u>2,596,345</u>

Total governmental funds depreciation expense \$3,695,285

Internal service funds' depreciation 122,618

Total additions to accumulated depreciation of governmental activities \$3,817,901

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Business-type activities:

	Beginning Balance	Additions	Disposals	Net Transfers	Ending Balance
<i>Capital assets not being depreciated:</i>					
Land	\$ 3,181,200	\$ 3,014,351	\$ -	\$ -	\$ 6,195,551
Construction in progress	25,285,941	1,497,690	-	(23,401,986)	3,381,645
Subtotal	<u>28,467,141</u>	<u>4,512,041</u>	<u>-</u>	<u>(23,401,986)</u>	<u>9,577,196</u>
<i>Capital assets being depreciated:</i>					
Buildings, improvements and Infrastructure	85,402,254	841,815	-	23,396,921	109,640,990
Machinery and equipment	14,625,685	516,730	(278,651)	5,065	14,868,829
Subtotal	<u>100,027,939</u>	<u>1,358,545</u>	<u>(278,651)</u>	<u>23,401,986</u>	<u>124,509,819</u>
Totals at historical cost	<u>128,495,080</u>	<u>5,870,586</u>	<u>(278,651)</u>	<u>-</u>	<u>134,087,015</u>
<i>Less accumulated depreciation for:</i>					
Buildings, improvements and Infrastructure	32,134,874	2,103,790	-	-	34,238,664
Machinery and equipment	10,779,938	870,376	(278,651)	-	11,371,663
Total accumulated depreciation	<u>42,914,812</u>	<u>2,974,166</u>	<u>(278,651)</u>	<u>-</u>	<u>45,610,327</u>
Net capital assets	<u>\$ 85,580,268</u>	<u>\$ 2,896,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,476,688</u>

Depreciation was charged to business-type activities as follows:

Airport	\$ 220,384
Concession Stand	167
Sewer	1,404,270
Sidney Water Park	31,840
Stormwater	196,571
Transportation	138,797
Water	<u>982,137</u>

Total additions to accumulated depreciation of business-type activities \$2,974,166

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

8. Noncurrent Liabilities:

The following is a summary of changes for noncurrent liabilities of the City for the year ended December 31, 2018:

Governmental activities:	Balance January 1, 2018 as restated	Additions	Reductions	Balance December 31, 2018	Due Within One Year
Capital Improvement fund:					
<i>G.O. bonds, 2011-2018, 2.0%, Monumental Bldg renovation</i>	\$ 185,000	-	\$ 185,000	\$ 0	\$ 0
<i>Current Refunding G.O. bonds, 2013-2024, 2.52% avg. Police Facility Construction</i>	3,215,000	-	435,000	2,780,000	440,000
<i>OPWC Loan, 2017-2037, 0%, Fielding Road Reconstruction</i>	149,150	-	7,850	141,300	7,850
General fund:					
<i>G.O. bonds, 2011-2022, 2.0% to 2.5%, Fire & Police Pension</i>	170,000	-	30,000	140,000	35,000
Kuther Road TIF fund (nonmajor governmental fund):					
<i>G.O. bonds 2010-2030, 2.0% to 4.25%, , Kuther Road TIF, Water & Sewer Infrastructure</i>	175,000	-	10,000	165,000	10,000
Menards TIF fund (nonmajor governmental fund):					
<i>G.O. bonds, 2010-2025, 2.0% to 4.0%, Menards TIF, Sewer Infrastructure</i>	415,000	-	45,000	370,000	50,000
Premium on Bonds	12,807	-	4,847	7,960	-
Governmental funds:					
Net Pension Liability					
Ohio Public Employees Retirement System (OPERS)	7,540,236	-	2,321,111	5,219,125	-
Ohio Police & Fire Pension Fund (OPF)	16,463,135	-	71,567	16,391,568	-
Net OPEB Liability					
Ohio Public Employees Retirement System (OPERS)	3,404,416	235,926	-	3,640,342	-
Ohio Police & Fire Pension Fund (OPF)	12,337,865	2,794,202	-	15,132,067	-
Accrued vacation and sick leave	<u>1,941,582</u>	<u>1,196,334</u>	<u>1,025,957</u>	<u>2,111,959</u>	<u>71,850</u>
Total	<u>\$ 46,009,191</u>	<u>4,226,462</u>	<u>\$ 4,136,332</u>	<u>\$46,099,321</u>	<u>\$ 614,700</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Business-type activities:	Balance January 1, 2018, as restated	Additions	Reductions	Balance December 31, 2018	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>	\$ 2,737,939	-	\$219,035	\$2,518,904	\$219,035
<i>O.W.D.A. loans, 2009-2029, 0% ARRA – NMHP distribution system</i>	188,496	-	14,399	174,097	17,017
<i>G.O. bonds, 2010-2040, 2.0% to 4.5% Water Source testing</i>	610,000	-	20,000	590,000	20,000
<i>O.W.D.A. Construction loan, 3.3% Water transmission lines</i>	20,766,758	60,227	454,118	20,372,867	465,388
<i>O.W.D.A. Construction loan, 2.2% Lime Sludge Lagoon Reconstruction</i>	1,355,339	17,049	-	1,372,388	127,255
<i>Recovery Zone Economic Development Bonds –Taxable G.O. bonds, 2010-2040, coupon interest rate of 5.45% to 6.0% * water source property acquisition and other water source projects</i>	2,262,000	-	50,000	2,212,000	55,000
Premium on Bonds	3,110	-	142	2,968	-
Sewer fund:					
<i>G.O. bonds, 2011-2022, 2.0% to 2.5% - Wastewater system improvements</i>	2,640,000	-	500,000	2,140,000	515,000
<i>G.O. bonds, 2013-2037, 1.0% to 4.5% - Wastewater system and plant improvements</i>	4,195,000	-	155,000	4,040,000	160,000
<i>W.P.C.L.F. Construction loan, 2.18% Wastewater Phase I Improvements</i>	9,132,062	-	368,718	8,763,344	376,800
<i>W.P.C.L.F. Design & Construction loan, 1.95% Wastewater Phase II Improvements</i>	-	438,672	-	438,672	-
Premium on Bonds	15,549	-	3,110	12,439	-
Proprietary funds:					
Net pension liability - OPERS	4,252,542	-	1,487,972	2,764,570	-
Net OPEB liability - OPERS	1,803,319	124,970	-	1,928,289	-
Accrued vacation and sick leave	340,700	351,698	219,530	472,868	29,449
Total	<u>\$ 50,302,814</u>	<u>\$ 992,616</u>	<u>\$ 3,492,024</u>	<u>\$ 47,803,406</u>	<u>\$ 1,984,944</u>

*45% Original Federal interest subsidy *sequester of approximately 6.8% to reduce interest cost

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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

The Sewer Fund's general obligation bonds are expected to be paid with sewer revenues generated from sewer rates. The Water Fund's general obligation bonds are expected to be paid with water revenues generated from water rates. The Kuther Road TIF and Menards 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 \$174,097 at December 31, 2018 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 \$20,779,641 on this loan as of December 31, 2018. Accrued interest of \$268,889 has also been added to the principal balance. The City has been making loan payments since 2017; principal paid in the amount of \$675,663 through December 31, 2018. This loan is for the construction of wells at the new water source and transmission lines back to the Water Treatment Plant. As of December 31, 2018, this loan has not been fully disbursed.

During fiscal year 2016 the City entered into a 30-year construction loan with the OWDA in the amount of \$5,328,869. The interest rate is 2.20% and the City has drawn down \$1,334,386 on this loan as of December 31, 2018. Accrued interest of \$38,002 has also been added to the principal balance. This loan is for reconstruction of the Water Treatment Plant's lime sludge lagoon. As of December 31, 2018, this loan has not been fully disbursed.

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 47% of net revenues. The total principal payments to be paid on the loans as of December 31, 2018 are \$24,438,256. Principal and interest paid and total customer net revenues for 2018 were \$1,416,301 and \$3,017,382, 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 on the next page. 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 of \$9,132,062, which is administered jointly by the Ohio Environmental & Finance Assistance (OEFA) and OWDA, was entered into in October 2015. This loan provided funding for various sewer projects designed to achieve compliance with Ohio Environmental Protection Agency mandates. The interest rate is 2.18%, and the City's loan balance is \$8,763,344 as of December 31, 2018.

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

WPCLF loan for phase II of the wastewater treatment plant capital improvements. The design loan portion was rolled into this loan totaling \$6,312,937. The loan is to provide funding for phase II of the various sewer projects designed to achieve compliance with Ohio Environmental Protection Agency mandates. This loan is to be paid back over a twenty-year period with repayment to begin July 2020 at an interest rate of 1.95%. The City has drawn down \$483,881 as of December 31, 2018. Loan principal forgiveness of \$50,000 was granted towards this loan. Accrued interest of \$4,791 has been added to the principal balance. As of December 31, 2018, this loan has not been fully disbursed.

To repay these sewer loans 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 2040. Annual payments on the loans are expected to require 20% of net revenues. The total principal payments to be paid on the loans as of December 31, 2018 are \$9,202,016. Principal and interest paid and total customer net revenues for 2018 were \$565,798 and \$2,859,549, 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 \$157,000 with a zero percent interest rate and repayment over a 20-year term.

Annual requirements to pay principal and interest on long-term debt at December 31, 2018 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>
2019	\$ 542,850	\$ 96,606	\$ 1,955,495	\$ 1,377,747	\$ (54,013)
2020	547,850	84,706	1,903,330	1,209,535	(52,748)
2021	557,850	72,396	1,958,411	1,165,564	(51,482)
2022	557,850	57,790	1,999,211	1,118,625	(50,102)
2023	552,850	41,728	1,480,754	1,069,462	(48,203)
2024-2028	724,250	40,430	7,984,480	4,762,541	(219,225)
2029-2033	79,250	2,550	8,283,474	3,631,950	(169,161)
2034-2038	23,550	-	8,440,032	2,255,498	(96,872)
2039-2043	-	-	5,366,760	1,056,273	(12,891)
2044-2048	-	-	3,250,325	213,402	-
Total	\$ 3,596,300	\$ 396,206	\$42,622,272	\$17,860,597	\$ (754,697)

9. Contingent Liabilities:

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

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

10. Significant Commitments:

The encumbrances (amounts committed to liquidate purchase orders of the prior periods) at December 31, 2018 for governmental activities are as follows:

<u>Fund</u>	<u>Total Encumbrances</u>
General	\$ 285,620
Street	108,259
Capital Improvement	1,504,653
Municipal Income Tax for Street Capital Projects	17,450
Non-major	346,494
Total	\$ 2,262,476

Contractual Commitment:

Significant contractual commitments outstanding as of December 31, 2018 are:

<u>Project/Product/Service</u>	<u>Contracted Amounts</u>	<u>Amount Expended</u>	<u>Amount Remaining</u>
WWTP Expansion Phase II	\$ 6,181,902	\$ 519,396	\$ 5,662,506
Lime Sludge Lagoon Reconstruction	\$ 5,010,284	\$ 1,573,913	\$ 3,436,371
Quint Fire Apparatus	\$ 1,077,447	\$ 306,373	\$ 771,074
Ohio Building Roof Replacement	\$ 480,176	\$ 78,111	\$ 402,065
Lime Sludge Service Lagoon Cleaning	\$ 185,000	\$ -	\$ 185,000
Tenant Based Rental Assistance	\$ 247,500	\$ 84,592	\$ 162,908
Chestnut Avenue Sewer Replacement	\$ 595,305	\$ 474,969	\$ 120,336
Road Salt Contract	\$ 100,000	\$ -	\$ 100,000

11. 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, 2018 the City had spent a total of \$96,702 for their vested interest in the acquisition of the 911 system.

12. Interfund Transfers:

Interfund transfers in the basic financial statements for the year ended December 31, 2018 were:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ -	\$ 697,000
Street Repair & Maintenance	160,000	-
Non-major governmental funds	100,000	-
Non-major enterprise funds	437,000	-
	\$ 697,000	\$ 697,000

All interfund transfers are routine in nature and are to subsidize the operations of the applicable funds. The cash advance outstanding at December 31, 2018 of \$21,875 is from the General Fund to the Law Enforcement Diversion Grant Fund, a nonmajor governmental fund, which is for a reimbursable State Grant.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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 2018, the Association's per-occurrence retention limit for property was \$250,000, with the exception of boiler and machinery for which there was \$10,000 to \$350,000 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.

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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	2018	2017
Unpaid claims, beginning of the year	\$ 170,278	\$ 155,691
Incurred claims (including IBNR's)	1,820,070	1,621,021
Claim payments	(1,758,810)	(1,606,434)
Unpaid claims, end of year	\$ 231,538	\$ 170,278

15. **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	Earned Income Tax for Street Capital Fund	Other Non-major Governmental Funds	Total
Fund balances:							
Nonspendable:							
Inventory	\$	102,334	155,601	-	-	-	257,935
Prepaid Expenses		40,600	272	-	-	2,847	43,719
Restricted for:							
Streets & Highway		-	515,806	-	875,284	93,064	1,484,154
Law Enforcement		-	-	-	-	223,571	223,571
Municipal Court		-	-	-	-	754,413	754,413
Cemetery		-	-	-	-	1,005,159	1,005,159
Community development		-	-	-	-	252,068	252,068
Tax incremental financing		-	-	-	-	525,712	525,712
Other purposes		-	-	-	-	115,733	115,733
Committed to:							
Separation Pay		565,653	-	-	-	-	565,653
27 th pay		204,081	-	-	-	-	204,081
Community development		69,389	-	-	-	-	69,389
Health		-	-	-	-	26,049	26,049
Fire		-	-	-	-	65,005	65,005
Other purposes		-	-	-	-	101,783	101,783
Assigned to:							
Capital projects		-	-	3,128,186	-	-	3,128,186
Future commitments		1,125,457	-	-	-	-	1,125,457
Other purposes		284,596	-	-	-	-	284,596
Unassigned:		8,510,983	-	-	-	-	8,510,983
		\$ 10,903,093	\$ 671,679	\$ 3,128,186	\$ 875,284	\$ 3,165,404	\$ 18,743,646

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

16. Fund Deficits at December 31, 2018:

Concession Stand Fund (a nonmajor enterprise fund) has a deficit fund balance of \$9,905, Garage/Fleet Fund (an internal service fund) a deficit fund balance of \$317,787 and Revenue Collections Fund (an internal service fund) has a deficit fund balance of \$630,021, due to the accrual of pension under GASB 68, which is long term in nature. The Solid Waste Fund (a nonmajor enterprise fund) has a deficit fund balance of \$50,500. 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.

On a budgetary (Non-GAAP) basis, the following fund had a deficit fund balance as a result of encumbrances recorded from reimbursable grants: CDBG Fund (a nonmajor governmental fund) with a deficit of \$117,200 which received a grant reimbursement of \$104,384 in January 2019.

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 Board of Education 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, renovate, or occupy 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 Board of Education for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2018.

	Total Amount of Taxes Abated (Incentives Abated) For the Year 2018 (In Actual Dollars)
Community Reinvestment Area (CRA)	
-Manufacturing	\$37,097
-Lodging	\$41,096
Enterprise Zone Abatement	
-Manufacturing	\$6,381

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Pursuant to Section 5709.82 of the Ohio Revised Code, the City of Sidney and the Sidney City Board of Education 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 Schools for the year ended December 31, 2018 included the following:

-Manufacturing	\$	2,421
-Lodging	\$	4,461

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

GASB 89 accounting for interest cost incurred before the end of a construction period. These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

For 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 85, Omnibus 2017, Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, and related guidance from (GASB) Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the City's 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business-Type Activities
Net Position December 31, 2017	\$ 56,095,915	\$ 56,097,577
Adjustments:		
Net OPEB Liability	(15,742,281)	(1,803,319)
Deferred Outflow- Payments Subsequent to Measurement Date	79,795	28,826
Unavailable Revenue	629,351	-
Restated Net Position December 31, 2017	\$ 41,062,780	\$ 54,323,084

	Sewer Fund	Stormwater Fund	Water Fund	Non-major Enterprise Funds	Total Enterprise Funds	Total Internal Service
Net Position December 31, 2017	\$ 23,920,775	\$ 4,849,745	\$ 19,484,766	\$ 7,870,117	\$ 56,125,403	\$ 927,087
Adjustments:						
Net OPEB Liability	(676,128)	(144,193)	(623,057)	(359,939)	(1,803,317)	(538,164)
Deferred Outflow - Payments Subsequent to Measurement Date	11,128	2,279	9,761	5,655	28,823	8,276
Restated Net Position December 31, 2017	\$ 23,255,775	\$ 4,707,831	\$ 18,871,470	\$ 7,515,833	\$ 54,350,909	\$ 397,199

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Other than employer contributions subsequent to the measurement date, it was discovered that the amount reported as deferred inflow from unavailable revenue of governmental activity on the government-wide financial statements inadvertently included an amount that should have been revenue on the economic resources measurement focus. The effect of this accounting change on the basic financial statement is shown above. A restatement in the Water Fund between accounts payable and notes payable is reflected in these financials; this had no effect on net position. The City made no other restatements to deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

19. 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). 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 - OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/defined contribution plan; and the Member-Directed Plan, a defined contribution plan. All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. New public employees (those who

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

establish membership in OPERS on or after January 1, 2003) have 180 days from the commencement of employment to select membership in one of the three pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the plan elected by the member, as appropriate.

As of December 31, 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA) as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses.

Upon termination or retirement, Member-Directed Plan participants can use vested retiree medical account funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015 will vest in health care over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in health care over a five-year period at a rate of 20% per year. Health care coverage is neither guaranteed nor statutorily required.

OPERS is administered in accordance with Chapter 145 of the Ohio Revised Code (ORC). OPERS is not part of the state of Ohio financial-reporting entity, nor is OPERS a component unit of the state of Ohio. Responsibility for the organization is vested in the OPERS Board of Trustees (Board); there is no financial interdependency with the state of Ohio. The Board is the governing body of OPERS, with responsibility for administration and management. Of the Board, seven members are elected by the group they represent: the retirees (two representatives), employees of the state, employees of counties, employees of municipalities, non-teaching employees of state colleges and universities and miscellaneous employees. The remaining four members are appointed or designated by position. The Governor, General Assembly and the Treasurer of the state of Ohio each appoint a representative. The Director of the Ohio Department of Administrative Services completes the Board.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

The Board appoints the Executive Director, an actuary, investment consultants and other consultants necessary for the transaction of business. The Board meets monthly and receives no compensation, but is reimbursed for necessary expenses.

All state and local governmental employees, except those covered by another state retirement system in Ohio or the Cincinnati Retirement System, are required to become contributing members of OPERS when they begin public employment unless they are exempted or excluded as defined by the ORC. For actuarial purposes, employees who have earned sufficient service credit (60 contributing months) are entitled to a future pension benefit from OPERS. Employer, employee and retiree data as of December 31, 2017 can be found in the OPERS 2017 CAFR.

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.

Benefits in the Traditional Pension Plan are calculated on the basis of age, final average salary (FAS), and service credit. Members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 or more years of service credit. Group C for a member is eligible for retirement benefits at age 57 with 25 years of service or at age 62 with five years of service. For Groups A and B, the annual benefit is based on 2.2% of FAS multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. 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. Refer to the age-and-service tables located in the OPERS 2017 CAFR Plan Statement for additional information regarding the requirements for reduced and unreduced benefits. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for the calculation of the annual cost-of-living adjustment.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. For additional information, see the Plan Statement in the OPERS CAFR.

Employers under OPERS may establish an early retirement incentive plan by purchasing service credit for eligible employees. To be eligible, employees must be able to retire under existing plan provisions after the purchase of the additional credit. Electing employers must contribute all such additional costs as are actuarially determined to fund the benefit. Such a plan, if adopted by an employer, must be offered to a minimum of 5% of covered employees, and may provide for the purchase of up to five years of service credit, limited to a maximum of 20% of the member's total service credit. Members electing to participate in the employer's plan must retire within 90 days of receiving notice of the purchased service or the service is withdrawn and refunded to the employer. Employers offering an ERIP may choose to pay the full cost of the additional benefits at the time the plan is adopted, or elect an installment payment plan. The required contributions are recognized in full by OPERS in the year in which the payment plan becomes effective. In addition, interest is charged annually on the unpaid balance.

OPERS administers two disability plans for participants in either the Traditional Pension Plan or Combined Plan. Members in the plan as of July 29, 1992, could elect, by April 7, 1993, coverage under either the original plan or the revised plan. All members who entered the System after July 29, 1992, are automatically covered under the revised plan. Under the original plan, a member who becomes disabled before age 60 and has completed 60 contributing months is eligible for a disability benefit. Benefits are funded by the employee and employer contributions and terminate if the member is able to return to work. The revised plan differs in that a member who becomes disabled at any age with 60 contributing months will be eligible for disability benefits until a determined age. The benefit is funded by reserves accumulated from employer contributions. After the disability benefit ends, the member may apply for a service retirement benefit or a refund of

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

contributions, which are not reduced by the amount of disability benefits received. Law Enforcement officers are immediately eligible for disability benefits if disabled by an on-duty illness or injury. Members participating in the Member-Directed Plan are not eligible for disability benefits.

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

	State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2018 Actual Contribution Rates	
Employer:	
Traditional Pension:	14.0 %
Combined Pension:	14.0 %
Member Directed:	
Pension	10.0 %
OPEB	4.0 %
Total Member Directed:	14.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required pension contribution was \$1,053,109 for 2018. Of this pension amount, \$84,754 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 comprehensive annual financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. This report may be obtained by visiting the OPF website at www.op-f.org.

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.

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:	12.25 %	12.25 %
 2018 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 \$1,256,799 for 2018. Of this pension amount \$109,339 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, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.051347%	0.267075%	
Prior Measurement Date	0.052060%	0.259921%	
Proportionate Share of the Net			
Pension Liability	\$7,983,695	\$16,391,568	\$24,375,263
Pension Expense	\$1,683,537	\$1,889,423	\$3,572,960

At December 31, 2018, 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			
Differences between expected and actual experience	\$11,193	\$248,650	\$259,843
Changes of assumptions	981,065	714,266	1,695,331
Net difference between projected and actual earnings on pension plan investments	-	1,354,280	1,354,280
Changes in proportion and differences between City contributions and proportionate share of contributions	-	380,484	380,484
City contributions subsequent to the measurement date	<u>1,053,109</u>	<u>1,256,799</u>	<u>2,309,908</u>
Total Deferred Outflows of Resources	<u>\$2,045,367</u>	<u>\$3,954,479</u>	<u>\$5,999,846</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$182,794	\$333,236	\$516,030
Net difference between projected and actual earnings on pension plan investments	\$1,704,277	\$1,579,429	\$3,283,706
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>128,567</u>	<u>629,785</u>	<u>758,352</u>
Total Deferred Inflows of Resources	<u>\$2,015,638</u>	<u>\$2,542,450</u>	<u>\$4,558,088</u>

The amount of \$2,309,908 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, 2019. 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:			
2019	\$667,022	\$347,096	\$1,014,118
2020	(200,248)	193,397	(6,851)
2021	(768,045)	(406,893)	(1,174,938)
2022	(716,225)	(281,706)	(997,931)
2023	(996)	241,977	240,981
Thereafter	<u>(4,887)</u>	<u>61,358</u>	<u>56,471</u>
Total	<u>(\$1,023,379)</u>	<u>\$155,229</u>	<u>(\$868,150)</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future 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 was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key Methods and Assumptions Used in Valuation of Total Pension Liability			
Actuarial Information	Traditional Pension Plan	Combined Plan	Member-Directed Plan
Measurement and Valuation Date	December 31, 2017	December 31, 2017	December 31, 2017
Experience Study	5-Year Period Ended December 31, 2015	5-Year Period Ended December 31, 2015	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age	Individual entry age
Actuarial Assumptions			
Investment Rate of Return	7.50%	7.50%	7.50%
Wage Inflation	3.25%	3.25%	3.25%
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)	3.25%-8.25% (includes wage inflation at 3.25%)	3.25%-8.25% (includes wage inflation at 3.25%)
Cost-of-living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

The following table displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return.

<u>Asset Class</u>	<u>Target Allocation for 2017</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	<u>100.00 %</u>	<u>5.66 %</u>

The long-term expected 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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2017, the average of the expected remaining service lives of all employees calculated by our external actuaries for the Traditional Pension Plan was 2.9546 years, for the Combined Plan was 9.3216 years, and for the Member-Directed Plan was 10.1908 years. Employers should use these amounts when calculating elements of pension expense subject to amortization requirements as defined in GASB 68 and reported in the Schedule of Collective Pension Amounts.

Discount Rate

The discount rate used to measure the total pension liability was 7.5% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. 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, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Traditional Pension Plan, Combined Plan and Member-Directed Plan 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 net pension liability or asset calculated using the discount rate of 7.5%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability			
Traditional Plan	\$14,310,933	\$8,059,114	\$2,846,981
Combined Plan	(\$40,121)	(\$73,807)	(\$97,048)
Member-Directed Plan	(\$924)	(\$1,612)	(\$2,309)

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, 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 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. Based on the experience study completed as of December 31, 2016, changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.24 years at December 31, 2017.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to 12/31/2017
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Assumption Experience Study Date	5 Year Period ending December 31, 2016
Investment Rate of Return	8.00%
Cost of Living Increases (COLA)	3% simple; 2.2% simple for increases based on the lesser of the increase in CPI and 3%
Salary Increases	3.75% to 10.50%
Payroll Growth	Increase rate of 2.75% plus productivity increase rate of 0.5%

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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 long-term expected rate of return on pension plan investments is the actuarial valuation interest rate used for the Jan. 1, 2017 funding valuation, which is 8.00 percent. The rate was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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, 2017 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation		
Protected Securities *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36

Note: assumptions are geometric.

* levered 2x

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 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 discount rate used to measure the total pension liability is 8.00 percent. A discount rate of 8.25% was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumes OP&F contributions will continue to follow the current statutory contribution rates, previously described. The plan's fiduciary net position was projected to be available to make all projected future benefit 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, in accordance with the method prescribed by GASB 67. We believe this assumption is reasonable for the purposes of the measurements required by the plan. In the event of benefit payments not covered by the Plan's fiduciary net position, a municipal bond rate of 3.16 percent would have been used to

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

discount the benefit payments not covered by the Plan’s fiduciary net position. The 3.16 percent rate equals the S&P Municipal Bond 20-Year High Grade Rate Index (yield to maturity) at Dec. 29, 2017.

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 8.00 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 (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$22,723,011	\$16,391,568	\$11,227,697

20. Defined Other Post Employment Benefits

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the City’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including 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. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 75. See OPERS' CAFR referenced below for additional information.

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

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, 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 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the 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 contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS 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 into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,050 for 2018. Of this amount, \$84 is reported as salaries and benefits payable.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement 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 Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is 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. The report may be obtained by visiting the OP&F 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.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent 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. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also 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 the coverage selected.

The City's contractually required contribution to OP&F was \$29,542 for 2018. Of this amount, \$2,587 is reported as a salaries and benefits payable.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.051280%	0.2670750%	
Prior Measurement Date	<u>0.051560%</u>	<u>0.2599210%</u>	
Change in Proportionate Share	<u>-0.0002800%</u>	<u>0.0071540%</u>	
			<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$5,568,631	\$15,132,067	\$20,700,698
OPEB Expense	\$465,297	\$1,225,693	\$1,690,990

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$4,338	\$0	\$4,338
Changes of assumptions	405,455	1,476,567	1,882,022
Changes in proportion and differences between City contributions and proportionate share of contributions	0	296,249	296,249
City contributions subsequent to the measurement date	<u>1,050</u>	<u>29,542</u>	<u>30,592</u>
Total Deferred Outflows of Resources	<u>\$410,843</u>	<u>\$1,802,358</u>	<u>\$2,213,201</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$76,320	\$76,320
Net difference between projected and actual earnings on OPEB plan investments	414,826	99,605	514,431
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>19,133</u>	<u>0</u>	<u>19,133</u>
Total Deferred Inflows of Resources	<u>\$433,959</u>	<u>\$175,925</u>	<u>\$609,884</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

The amount of \$30,592 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2019	\$83,069	\$223,124	\$306,193
2020	83,069	223,124	306,193
2021	(86,598)	223,124	136,526
2022	(103,706)	223,124	119,418
2023	0	248,026	248,026
Thereafter	0	456,368	456,368
Total	(\$24,166)	\$1,596,890	\$1,572,724

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 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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care 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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	<u>100.00 %</u>	<u>4.98 %</u>

Discount Rate

A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
City's proportionate share of the net OPEB liability	\$7,398,166	\$5,568,631	\$4,088,554

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$5,327,992	\$5,568,631	\$5,817,203

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, 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 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

The most recent experience study was completed for the five year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB 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 expected. 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 OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	120.00 %	

Note: Assumptions are geometric.

* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the 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 OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2018

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$18,915,266	\$15,132,067	\$12,221,061

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
Year					
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$11,754,862	\$15,132,067	\$19,683,397

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

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 FIVE FISCAL YEARS (1)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City of Sidney's Proportion of the Net Pension Liability	0.053553%	0.053553%	0.052887%	0.052060%	0.051347%
City of Sidney's Proportionate Share of the Net Pension Liability					
Traditional Pension Plan	\$6,323,103	\$6,469,254	\$9,164,506	\$11,817,399	\$8,059,114
Combined Plan	(\$8,390)	(\$30,785)	(\$29,611)	(\$24,439)	(\$73,807)
Member-Directed Plan	\$0	(\$209)	(\$128)	(\$182)	(\$1,612)
City of Sidney's Covered Payroll	\$6,958,595	\$7,014,545	\$7,070,086	\$7,125,385	\$ 7,264,116
City of Sidney's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	90.75%	91.78%	129.20%	165.50%	109.91%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability -					
Traditional Pension Plan	86.36%	86.45%	81.08%	77.25%	84.66%
Combined Plan	104.56%	114.83%	116.90%	116.55%	137.28%
Member-Directed Plan	N/A	N/A	103.91%	103.40%	124.46%

(1) Pension information disclosed above is intended to show information for the last ten years. Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

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 FIVE FISCAL YEARS (1)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City of Sidney's Proportion of the Net Pension Liability	0.275360%	0.275360%	0.272982%	0.259921%	0.267075%
City of Sidney's Proportionate Share of the Net Pension Liability	\$13,410,886	\$14,264,786	\$17,561,124	\$16,463,135	\$16,391,568
City of Sidney's Covered Payroll	\$5,297,966	\$5,407,719	\$5,479,757	\$5,554,909	\$5,810,174
City of Sidney's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	253.13%	263.79%	320.47%	296.37%	282.12%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.00%	72.20%	66.77%	68.36%	70.91%

(1) Pension information disclosed above is intended to show information for the last ten years. Information prior to 2014 is not available. Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Pension Contributions	\$ 621,185	\$ 661,268	\$ 745,658	\$ 684,856	\$ 904,645	\$ 841,801	\$ 848,368	\$ 855,004	\$ 944,337	\$ 1,053,109
Contributions in Relation to the Contractually Required Contributions	<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>	<u>\$ 944,337</u>	<u>\$ 1,053,109</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 Payroll	\$ 7,665,960	\$ 7,403,596	\$ 7,419,588	\$ 6,847,645	\$ 6,958,595	\$ 7,014,545	\$ 7,070,086	\$ 7,125,385	\$ 7,264,116	\$ 7,522,207
Pension Contributions as a Percentage of Covered Payroll	8.10%	8.93%	10.05%	10.00%	13.00%	12.00%	12.00%	12.00%	13.00%	14.00%

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 790,145	\$ 779,475	\$ 847,084	\$ 773,932	\$ 969,374	\$ 1,152,447	\$ 1,171,020	\$ 1,183,136	\$ 1,234,922	\$ 1,256,799
Contributions in Relation to the Contractually Required Contribution	<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>	<u>\$ 1,234,922</u>	<u>\$ 1,256,799</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 Payroll	\$ 5,282,483	\$ 5,230,233	\$ 5,608,040	\$ 5,171,001	\$ 5,297,966	\$ 5,407,719	\$ 5,479,757	\$5,554,909	\$5,810,174	\$5,864,172
Contributions as a Percentage of Covered Payroll	14.96%	14.90%	15.10%	14.97%	18.30%	21.31%	21.37%	21.30%	21.25%	21.43%

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

	<u>2017</u>	<u>2018</u>
City of Sidney's Proportion of the Net OPEB Liability	0.051560%	0.051280%
City of Sidney's Proportionate Share of the Net OPEB Liability	\$5,207,735	\$5,568,631
City of Sidney's Covered Payroll	\$ 7,125,385	\$ 7,264,116
City of Sidney's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	73.09%	76.66%
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability -	54.05%	54.14%

(1) Pension information disclosed above is intended to show information for the last ten years. Information prior to 2017 is not available. Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

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

	<u>2017</u>	<u>2018</u>
City of Sidney's Proportion of the Net OPEB Liability	0.259921%	0.267075%
City of Sidney's Proportionate Share of the Net OPEB Liability	\$12,337,865	\$15,132,067
City of Sidney's Covered Payroll	\$5,554,909	\$5,810,174
City of Sidney's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	222.11%	260.44%
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	15.96%	14.13%

(1) Pension information disclosed above is intended to show information for the last ten years. Information prior to 2017 is not available. Amounts presented for each year were determined as of the City's measurement date, which is the prior year-end.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Pension Contributions	\$ 452,049	\$ 375,235	\$ 293,084	\$ 273,814	\$ 69,558	\$ 141,359	\$ 141,444	\$ 142,551	\$ 72,641	\$ 1,050
Contributions in Relation to the Contractually Required Contributions	<u>\$ 452,049</u>	<u>\$ 375,235</u>	<u>\$ 293,084</u>	<u>\$ 273,814</u>	<u>\$ 69,558</u>	<u>\$ 141,359</u>	<u>\$ 141,444</u>	<u>\$ 142,551</u>	<u>\$ 72,641</u>	<u>\$ 1,050</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 Payroll	\$ 7,665,960	\$ 7,403,596	\$ 7,419,588	\$ 6,847,645	\$ 6,958,595	\$ 7,014,545	\$ 7,070,086	\$ 7,125,385	\$ 7,264,116	\$ 7,522,207
Pension Contributions as a Percentage of Covered Payroll	5.90%	5.07%	3.95%	4.00%	1.00%	2.02%	2.00%	2.00%	1.00%	0.01%

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 356,340	\$ 352,637	\$ 370,468	\$ 349,350	\$ 187,253	\$ 27,334	\$ 28,079	\$ 27,776	\$ 29,051	\$ 29,542
Contributions in Relation to the Contractually Required Contribution	<u>\$ 356,340</u>	<u>\$ 352,637</u>	<u>\$ 370,468</u>	<u>\$ 349,350</u>	<u>\$ 187,253</u>	<u>\$ 27,334</u>	<u>\$ 28,079</u>	<u>\$ 27,776</u>	<u>\$ 29,051</u>	<u>\$ 29,542</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 Payroll	\$ 5,282,483	\$ 5,230,233	\$ 5,608,040	\$ 5,171,001	\$ 5,297,966	\$ 5,407,719	\$ 5,479,757	\$5,554,909	\$5,810,174	\$5,864,172
Contributions as a Percentage of Covered Payroll	6.75%	6.74%	6.61%	6.76%	3.53%	0.51%	0.51%	0.50%	0.50%	0.50%

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, 2018

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 12,238,607	\$ 12,687,559	\$ 14,674,197	\$ 1,986,638
Intergovernmental revenues	587,718	587,718	586,667	(1,051)
Special assessments	246,500	246,500	253,305	6,805
Charges for services	1,144,556	1,144,556	1,282,154	137,598
Fines, licenses and permits	389,532	389,532	434,866	45,334
Investment income	100,000	100,000	241,040	141,040
Miscellaneous receipts and reimbursements	1,743,723	1,743,723	1,953,029	209,306
Total revenues	<u>16,450,636</u>	<u>16,899,588</u>	<u>19,425,258</u>	<u>2,525,670</u>
EXPENDITURES:				
Current:				
General government	3,020,175	3,029,804	2,826,633	203,171
Police	6,300,777	6,301,132	6,012,566	288,566
Fire	5,153,661	5,167,271	5,011,431	155,840
Judicial	1,392,523	1,375,269	1,342,186	33,083
Community development	273,128	305,128	251,450	53,678
Community environment	618,001	624,101	592,867	31,234
Parks and recreation	1,356,800	1,336,390	1,300,350	36,040
Capital outlay	11,000	19,064	9,887	9,177
Total expenditures	<u>18,126,065</u>	<u>18,158,159</u>	<u>17,347,370</u>	<u>810,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,675,429)</u>	<u>(1,258,571)</u>	<u>2,077,888</u>	<u>3,336,459</u>
OTHER FINANCING SOURCES (USES):				
Cash advance in	-	-	21,875	21,875
Transfers out	(540,615)	(712,339)	(697,000)	15,339
Total other financing sources (uses)	<u>(540,615)</u>	<u>(712,339)</u>	<u>(675,125)</u>	<u>37,214</u>
Net change in fund balance	(2,216,044)	(1,970,910)	1,402,763	3,373,673
Fund Balances, beginning of year restated	9,528,479	9,528,479	9,528,479	-
Prior Year Encumbrances	268,789	268,789	268,789	-
Fund Balances, end of year	<u>\$ 7,581,224</u>	<u>\$ 7,826,358</u>	<u>\$ 11,200,031</u>	<u>\$ 3,373,673</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, 2018

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Intergovernmental revenues	\$ 967,620	967,620	\$ 1,013,181	\$ 45,561
Charges for services	-	-	1,884	1,884
Investment Income	3,000	3,000	9,731	6,731
Miscellaneous receipts and reimbursements	71,984	71,984	80,204	8,220
Total revenues	<u>1,042,604</u>	<u>1,042,604</u>	<u>1,105,000</u>	<u>62,396</u>
EXPENDITURES:				
Current:				
Street repair & maintenance	1,488,904	1,582,979	1,482,193	100,786
Total expenditures	<u>1,488,904</u>	<u>1,582,979</u>	<u>1,482,193</u>	<u>100,786</u>
Deficiency of revenues under expenditures	<u>(446,300)</u>	<u>(540,375)</u>	<u>(377,193)</u>	<u>163,182</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	160,000	160,000	160,000	-
Total other financing sources	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Net change in fund balance	(286,300)	(380,375)	(217,193)	163,182
Fund Balances, beginning of year	447,695	447,695	447,695	-
Prior Year Encumbrances	118,408	118,408	118,408	-
Fund Balances, end of year	<u>\$ 279,803</u>	<u>\$ 185,728</u>	<u>\$ 348,910</u>	<u>\$ 163,182</u>

See Notes to the Required Supplementary Information.

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

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 except CDBG, Justice Reinvestment Grant, Law Enforcement Diversion Grant, and Probation Grant.

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018

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, 2018, 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>	\$ 2,232,586	\$ 10,196	
Increase / (decrease):			
Due to revenues	848,545	(6,680)	
Due to expenditures	(1,700,243)	(220,709)	
Due to other financing sources and uses	21,875	-	
Net change in fund balance - Budget Basis	\$ 1,402,763	\$ (217,193)	



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.

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 Alcohol Treatment - 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.

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.

Justice Reinvestment Incentive Grant Fund - To account for funds received from the Ohio Department of Rehabilitation and Corrections for the reduction of recidivism and a change in probationers' cognizant behavior.

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

Law Enforcement Diversion Grant Fund -- To account for funds received from the Ohio Attorney General Office for law enforcement diversion programs to address the opioid epidemic.

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

Fund Descriptions – Non-Major Capital Project Fund

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

Capital for Fire Station # 3 Fund. To account for the development and construction of a Fire Station at the north end of City.

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	Non-major Special Revenue Funds	Capital for Fire Station #3 Fund	Total Non-major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Pooled cash	\$ 284,776	\$ 6,076	\$ 290,852
Cash held by outside agent	33,877	-	33,877
Pooled investments	2,758,539	58,929	2,817,468
Receivables:			
Property taxes	149,048	-	149,048
Other taxes	6,492	-	6,492
Interest	5,043	-	5,043
Loans	671,416	-	671,416
Other	62,308	-	62,308
Receivables from other governments	153,783	-	153,783
Prepaid items	<u>2,847</u>	<u>-</u>	<u>2,847</u>
 Total assets	 <u>\$ 4,128,129</u>	 <u>\$ 65,005</u>	 <u>\$ 4,193,134</u>
 LIABILITIES			
Liabilities:			
Accounts payable	\$ 39,723	\$ -	\$ 39,723
Salaries and benefits payable	13,781	-	13,781
Advances from other funds	21,875	-	21,875
Refundable deposits	<u>11,957</u>	<u>-</u>	<u>11,957</u>
 Total liabilities	 <u>87,336</u>	 <u>-</u>	 <u>87,336</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>940,394</u>	<u>-</u>	<u>940,394</u>
Total deferred inflows of resources	940,394	-	940,394
 FUND BALANCES			
Nonspendable	2,847	-	2,847
Restricted	2,969,720	-	2,969,720
Committed	<u>127,832</u>	<u>65,005</u>	<u>192,837</u>
 Total fund balances	 <u>3,100,399</u>	 <u>65,005</u>	 <u>3,165,404</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,128,129</u>	<u>\$ 65,005</u>	<u>\$ 4,193,134</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, 2018

	Non-major Special Revenue Funds	Capital for Fire Station #3 Fund	Total Non-major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Local taxes	\$ 255,251	\$ -	\$ 255,251
Intergovernmental revenues	1,048,629	-	1,048,629
Special assessments	1,425	-	1,425
Charges for services	362,005	-	362,005
Fines, licenses and permits	56,483	-	56,483
Investment income	39,556	-	39,556
Miscellaneous receipts and reimbursements	<u>98,011</u>	<u>100,000</u>	<u>198,011</u>
Total revenues	<u>1,861,360</u>	<u>100,000</u>	<u>1,961,360</u>
EXPENDITURES:			
Current:			
Community development	292,531	-	292,531
Community environment	20,850	-	20,850
Health	230,110	-	230,110
Judicial	435,601	-	435,601
Police	83,324	-	83,324
Street repairs and maintenance	71,884	-	71,884
Capital outlay	520,576	34,995	555,571
Debt service:			
Principal	55,000	-	55,000
Interest	<u>23,775</u>	<u>-</u>	<u>23,775</u>
Total expenditures	<u>1,733,651</u>	<u>34,995</u>	<u>1,768,646</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,709</u>	<u>65,005</u>	<u>192,714</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total other financing sources	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	227,709	65,005	292,714
Fund balances, beginning of year	<u>2,872,690</u>	<u>-</u>	<u>2,872,690</u>
Fund balances, end of year	<u>\$ 3,100,399</u>	<u>\$ 65,005</u>	<u>\$ 3,165,404</u>

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018**

	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	\$ 8,327	\$ 1	\$ 5,336	\$ 16,972	\$ 73,389	\$ 9	\$ 1,582	\$ 7,772
Cash held by outside agent	-	-	-	-	-	-	-	33,877
Pooled investments	80,415	11	51,543	164,625	708,924	91	15,346	75,383
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	6,492	-
Interest	447	-	287	-	3,943	-	-	-
Loans	671,416	-	-	-	-	-	-	-
Other	-	-	-	46,924	-	-	-	-
Receivables from other governments	104,384	-	-	-	-	-	-	-
Prepaid items	-	-	-	381	-	-	-	-
Total assets	\$ 864,989	\$ 12	\$ 57,166	\$ 228,902	\$ 786,256	\$ 100	\$ 23,420	\$ 117,032
LIABILITIES								
Accounts payable	\$ 11,825	\$ -	\$ -	\$ 872	\$ 87	\$ -	\$ 16,928	\$ -
Salaries and benefits payable	-	-	-	4,839	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Refundable deposits	-	-	-	-	-	-	-	-
Total liabilities	11,825	-	-	5,711	87	-	16,928	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	671,636	-	141	45,489	1,937	-	18	33,877
Total deferred inflows of resources	671,636	-	141	45,489	1,937	-	18	33,877
FUND BALANCES								
Nonspendable	-	-	-	381	-	-	-	-
Restricted	181,528	12	57,025	177,321	784,232	100	6,474	83,155
Committed	-	-	-	-	-	-	-	-
Total fund balances	181,528	12	57,025	177,702	784,232	100	6,474	83,155
Total liabilities, deferred inflows of resources and fund balances	\$ 864,989	\$ 12	\$ 57,166	\$ 228,902	\$ 786,256	\$ 100	\$ 23,420	\$ 117,032

(continued)

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018**

	CRA	Drug Law Enforcement	E-911 Wireless	Enforcement & Education	F.E.M.A. Grant	Fire Loss Security	Health Department Building Lease	H.O.M.E. Program Income	Indigent Driver Alcohol Treatment
ASSETS									
Pooled cash	\$ 405	\$ 2,079	\$ 12,759	\$ 756	\$ 1	\$ 9,805	\$ 2,435	\$ 2,362	\$ 2,358
Cash held by outside agent	-	-	-	-	-	-	-	-	-
Pooled investments	3,935	20,162	123,769	7,344	8	95,105	23,614	22,817	22,874
Receivables:									
Property taxes	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	127	-
Loans	-	-	-	-	-	-	-	-	-
Other	540	-	-	50	-	-	-	-	540
Receivables from other governments	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	2,466	-	-	-	-	-	-
Total assets	\$ 4,880	\$ 22,241	\$ 138,994	\$ 8,150	\$ 9	\$ 104,910	\$ 26,049	\$ 25,306	\$ 25,772
LIABILITIES									
Accounts payable	\$ -	\$ 206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-
Refundable deposits	-	-	-	-	-	-	-	11,957	-
Total liabilities	-	206	-	-	-	-	-	11,957	-
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	540	-	-	-	-	-	-	62	-
Total deferred inflows of resources	540	-	-	-	-	-	-	62	-
FUND BALANCES									
Nonspendable	-	-	2,466	-	-	-	-	-	-
Restricted	4,340	22,035	136,528	8,150	9	104,910	-	13,287	25,772
Committed	-	-	-	-	-	-	26,049	-	-
Total fund balances	4,340	22,035	138,994	8,150	9	104,910	26,049	13,287	25,772
Total liabilities, deferred inflows of resources and fund balances	\$ 4,880	\$ 22,241	\$ 138,994	\$ 8,150	\$ 9	\$ 104,910	\$ 26,049	\$ 25,306	\$ 25,772

(continued)

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018**

	Indigent Driver Alcohol Treatment Surplus	Indigent Driver Interlock & Alcohol Monitoring	Justice Reinvestment Grant	Law Enforcement	Law Enforcement Diversion Grant	Mausoleum Maintenance	Municipal Court Computer	Municipal Court Special Projects
ASSETS								
Pooled cash	\$ 1,495	\$ 1,322	\$ 7,024	\$ 5,282	\$ 1,531	\$ 4,078	\$ 4,226	\$ 53,630
Cash held by outside agent	-	-	-	-	-	-	-	-
Pooled investments	14,505	12,824	68,134	51,231	14,857	39,389	40,988	520,208
Receivables:								
Property taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	219	-	-
Loans	-	-	-	-	-	-	-	-
Other	-	214	-	-	-	781	2,731	9,418
Receivables from other governments	-	-	-	-	6,764	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Total assets	<u>\$ 16,000</u>	<u>\$ 14,360</u>	<u>\$ 75,158</u>	<u>\$ 56,513</u>	<u>\$ 23,152</u>	<u>\$ 44,467</u>	<u>\$ 47,945</u>	<u>\$ 583,256</u>
LIABILITIES								
Accounts payable	\$ -	\$ 1,066	\$ 6,090	\$ -	\$ 600	\$ -	\$ 652	\$ 1,228
Salaries and benefits payable	-	-	3,193	-	432	-	-	3,063
Advances from other funds	-	-	-	-	21,875	-	-	-
Refundable deposits	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,066</u>	<u>9,283</u>	<u>-</u>	<u>22,907</u>	<u>-</u>	<u>652</u>	<u>4,291</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	-	-	-	-	861	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>861</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	16,000	13,294	65,875	56,513	245	43,606	47,293	578,965
Committed	-	-	-	-	-	-	-	-
Total fund balances	<u>16,000</u>	<u>13,294</u>	<u>65,875</u>	<u>56,513</u>	<u>245</u>	<u>43,606</u>	<u>47,293</u>	<u>578,965</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,000</u>	<u>\$ 14,360</u>	<u>\$ 75,158</u>	<u>\$ 56,513</u>	<u>\$ 23,152</u>	<u>\$ 44,467</u>	<u>\$ 47,945</u>	<u>\$ 583,256</u>

(continued)

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018**

	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	\$ 20	\$ 9,415	\$ 897	\$ 376	\$ 2,835	\$ 7,011	\$ 39,286	\$ 284,776
Cash held by outside agent	-	-	-	-	-	-	-	33,877
Pooled investments	196	91,329	8,699	3,633	27,500	68,010	381,070	2,758,539
Receivables:								
Property taxes	-	-	-	-	-	22,006	127,042	149,048
Other taxes	-	-	-	-	-	-	-	6,492
Interest	-	-	-	20	-	-	-	5,043
Loans	-	-	-	-	-	-	-	671,416
Other	-	1,110	-	-	-	-	-	62,308
Receivables from other governments	-	-	-	42,635	-	-	-	153,783
Prepaid items	-	-	-	-	-	-	-	2,847
Total assets	\$ 216	\$ 101,854	\$ 9,596	\$ 46,664	\$ 30,335	\$ 97,027	\$ 547,398	\$ 4,128,129
LIABILITIES								
Accounts payable	\$ -	\$ 41	\$ 128	\$ -	\$ -	\$ -	\$ -	\$ 39,723
Salaries and benefits payable	-	-	2,254	-	-	-	-	13,781
Advances from other funds	-	-	-	-	-	-	-	21,875
Refundable deposits	-	-	-	-	-	-	-	11,957
Total liabilities	-	41	2,382	-	-	-	-	87,336
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	-	30	-	36,755	-	22,006	127,042	940,394
Total deferred inflows of resources	-	30	-	36,755	-	22,006	127,042	940,394
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	2,847
Restricted	216	-	7,214	9,909	30,335	75,021	420,356	2,969,720
Committed	-	101,783	-	-	-	-	-	127,832
Total fund balances	216	101,783	7,214	9,909	30,335	75,021	420,356	3,100,399
Total liabilities, deferred inflows of resources and fund balances	\$ 216	\$ 101,854	\$ 9,596	\$ 46,664	\$ 30,335	\$ 97,027	\$ 547,398	\$ 4,128,129

**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, 2018**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,574	\$ -
Intergovernmental revenues	460,104	-	-	-	-	-	-	92,319
Special Assessments	-	-	-	-	-	-	-	-
Charges for services	-	-	-	148,428	-	-	-	-
Fines, licenses and permits	-	-	-	-	-	-	-	-
Investment income	3,789	-	1,183	-	15,977	-	-	-
Miscellaneous receipts and reimbursements	-	-	-	1,878	-	-	-	-
Total revenues	<u>463,893</u>	<u>-</u>	<u>1,183</u>	<u>150,306</u>	<u>15,977</u>	<u>-</u>	<u>103,574</u>	<u>92,319</u>
EXPENDITURES:								
Current:								
Community development	163,829	-	-	-	-	-	101,928	-
Community environment	-	-	-	-	-	-	-	-
Health	-	-	-	225,682	153	-	-	-
Judicial	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Street repairs and maintenance	-	-	-	-	-	-	-	-
Capital outlay	299,841	-	-	-	-	-	-	105,683
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	<u>463,670</u>	<u>-</u>	<u>-</u>	<u>225,682</u>	<u>153</u>	<u>-</u>	<u>101,928</u>	<u>105,683</u>
Excess (deficiency) of revenues over (under) expenditures	<u>223</u>	<u>-</u>	<u>1,183</u>	<u>(75,376)</u>	<u>15,824</u>	<u>-</u>	<u>1,646</u>	<u>(13,364)</u>
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	100,000	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	223	-	1,183	24,624	15,824	-	1,646	(13,364)
Fund balances, beginning of year	<u>181,305</u>	<u>12</u>	<u>55,842</u>	<u>153,078</u>	<u>768,408</u>	<u>100</u>	<u>4,828</u>	<u>96,519</u>
Fund balances, end of year	<u>\$ 181,528</u>	<u>\$ 12</u>	<u>\$ 57,025</u>	<u>\$ 177,702</u>	<u>\$ 784,232</u>	<u>\$ 100</u>	<u>\$ 6,474</u>	<u>\$ 83,155</u>

(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, 2018**

	CRA	Drug Law Enforcement	E-911 Wireless	Enforcement & Education	F.E.M.A. Grant	Fire Loss Security	Health Department Building Lease	H.O.M.E. Program Income	Indigent Driver Alcohol Treatment
REVENUES:									
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	46,610	-	-	-	-	-	-
Special Assessments	1,425	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines, licenses and permits	-	7,123	-	2,830	-	-	-	-	16,797
Investment income	-	-	-	-	-	-	-	16,657	-
Miscellaneous receipts and reimbursements	-	-	-	-	-	47,123	23,502	-	-
Total revenues	<u>1,425</u>	<u>7,123</u>	<u>46,610</u>	<u>2,830</u>	<u>-</u>	<u>47,123</u>	<u>23,502</u>	<u>16,657</u>	<u>16,797</u>
EXPENDITURES:									
Current:									
Community development	2,065	-	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	4,275	-	-
Judicial	-	-	-	-	-	-	-	-	16,000
Police	-	8,206	34,791	936	-	-	-	-	-
Street repairs and maintenance	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	46,321	67,503	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>2,065</u>	<u>8,206</u>	<u>34,791</u>	<u>936</u>	<u>-</u>	<u>-</u>	<u>50,596</u>	<u>67,503</u>	<u>16,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(640)</u>	<u>(1,083)</u>	<u>11,819</u>	<u>1,894</u>	<u>-</u>	<u>47,123</u>	<u>(27,094)</u>	<u>(50,846)</u>	<u>797</u>
OTHER FINANCING SOURCES:									
Transfers in	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(640)	(1,083)	11,819	1,894	-	47,123	(27,094)	(50,846)	797
Fund balances, beginning of year	<u>4,980</u>	<u>23,118</u>	<u>127,175</u>	<u>6,256</u>	<u>9</u>	<u>57,787</u>	<u>53,143</u>	<u>64,133</u>	<u>24,975</u>
Fund balances, end of year	<u>\$ 4,340</u>	<u>\$ 22,035</u>	<u>\$ 138,994</u>	<u>\$ 8,150</u>	<u>\$ 9</u>	<u>\$ 104,910</u>	<u>\$ 26,049</u>	<u>\$ 13,287</u>	<u>\$ 25,772</u>

(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, 2018**

	Indigent Driver Alcohol Treatment Surplus	Indigent Driver Interlock & Alcohol Monitoring	Justice Reinvestment Grant	Law Enforcement	Law Enforcement Diversion Grant	Mausoleum Maintenance	Municipal Court Computer	Municipal Court Special Projects
REVENUES:								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	268,675	3,495	25,309	-	-	-
Special Assessments	-	-	-	-	-	-	-	-
Charges for services	-	13,616	-	-	-	892	44,068	155,001
Fines, licenses and permits	-	-	-	4,622	-	-	-	-
Investment income	-	-	-	-	-	1,156	-	-
Miscellaneous receipts and reimbursements	16,000	-	-	3,225	7	-	-	5,265
Total revenues	16,000	13,616	268,675	11,342	25,316	2,048	44,068	160,266
EXPENDITURES:								
Current:								
Community development	-	-	-	-	-	-	-	-
Community environment	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Judicial	-	7,361	202,800	-	-	-	38,026	97,270
Police	-	-	-	14,320	25,071	-	-	-
Street repairs and maintenance	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	1,228
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total expenditures	-	7,361	202,800	14,320	25,071	-	38,026	98,498
Excess (deficiency) of revenues over (under) expenditures	16,000	6,255	65,875	(2,978)	245	2,048	6,042	61,768
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Net change in fund balance	16,000	6,255	65,875	(2,978)	245	2,048	6,042	61,768
Fund balances, beginning of year	-	7,039	-	59,491	-	41,558	41,251	517,197
Fund balances, end of year	\$ 16,000	\$ 13,294	\$ 65,875	\$ 56,513	\$ 245	\$ 43,606	\$ 47,293	\$ 578,965

(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, 2018**

	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	\$ -	\$ -	\$ -	\$ -	\$ 5,209	\$ 22,134	\$ 124,334	\$ 255,251
Intergovernmental revenues	-	-	77,867	74,250	-	-	-	1,048,629
Special Assessments	-	-	-	-	-	-	-	1,425
Charges for services	-	-	-	-	-	-	-	362,005
Fines, licenses and permits	-	25,111	-	-	-	-	-	56,483
Investment income	-	-	-	794	-	-	-	39,556
Miscellaneous receipts and reimbursements	-	-	1,011	-	-	-	-	98,011
Total revenues	-	25,111	78,878	75,044	5,209	22,134	124,334	1,861,360
EXPENDITURES:								
Current:								
Community development	-	-	-	-	1,042	2,000	21,667	292,531
Community environment	-	20,850	-	-	-	-	-	20,850
Health	-	-	-	-	-	-	-	230,110
Judicial	-	-	74,144	-	-	-	-	435,601
Police	-	-	-	-	-	-	-	83,324
Street repairs and maintenance	-	-	-	71,884	-	-	-	71,884
Capital outlay	-	-	-	-	-	-	-	520,576
Debt service:								
Principal	-	-	-	-	-	10,000	45,000	55,000
Interest	-	-	-	-	-	7,175	16,600	23,775
Total expenditures	-	20,850	74,144	71,884	1,042	19,175	83,267	1,733,651
Excess (deficiency) of revenues over (under) expenditures	-	4,261	4,734	3,160	4,167	2,959	41,067	127,709
OTHER FINANCING SOURCES:								
Transfers in	-	-	-	-	-	-	-	100,000
Total other financing sources	-	-	-	-	-	-	-	100,000
Net change in fund balance	-	4,261	4,734	3,160	4,167	2,959	41,067	227,709
Fund balances, beginning of year	216	97,522	2,480	6,749	26,168	72,062	379,289	2,872,690
Fund balances, end of year	\$ 216	\$ 101,783	\$ 7,214	\$ 9,909	\$ 30,335	\$ 75,021	\$ 420,356	\$ 3,100,399

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.

Sidney Water Park 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.

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.

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

**CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2018**

	Airport	Concession Stand	Sidney Water Park	Solid Waste	Transportation	Enterprise Funds Totals
ASSETS						
Current assets:						
Pooled cash	\$ 15,981	\$ 307	\$ 3,795	\$ 16,730	\$ 36,237	73,050
Pooled investments	155,011	2,977	36,813	162,277	351,490	708,568
Receivables:						
Accounts	205	-	210	123,361	36,987	160,763
Receivables from other governments	-	-	-	-	69,941	69,941
Inventory	23,621	-	-	-	-	23,621
Prepaid items	1,765	75	68	-	645	2,553
Total current assets	<u>196,583</u>	<u>3,359</u>	<u>40,886</u>	<u>302,368</u>	<u>495,300</u>	<u>1,038,496</u>
Noncurrent assets:						
Capital assets:						
Capital assets not subject to depreciation:						
Land	1,004,352	-	-	-	55,000	1,059,352
Construction in progress	13,596	-	-	-	-	13,596
Capital assets net of accumulated depreciation	<u>4,360,759</u>	<u>3,081</u>	<u>772,928</u>	<u>-</u>	<u>1,423,642</u>	<u>6,560,410</u>
Total noncurrent assets	<u>5,378,707</u>	<u>3,081</u>	<u>772,928</u>	<u>-</u>	<u>1,478,642</u>	<u>7,633,358</u>
Total assets	<u>\$ 5,575,290</u>	<u>\$ 6,440</u>	<u>\$ 813,814</u>	<u>\$ 302,368</u>	<u>\$ 1,973,942</u>	<u>\$ 8,671,854</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension	940	2,464	18,437	1,471	118,056	141,368
OPEB	189	495	3,704	295	23,712	28,395
Total deferred outflows of resources	<u>1,129</u>	<u>2,959</u>	<u>22,141</u>	<u>1,766</u>	<u>141,768</u>	<u>169,763</u>
Total assets & deferred outflows of resources and net position	<u>\$ 5,576,419</u>	<u>\$ 9,399</u>	<u>\$ 835,955</u>	<u>\$ 304,134</u>	<u>\$ 2,115,710</u>	<u>\$ 8,841,617</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 31,371	\$ 26	\$ 509	\$ 129,440	\$ 4,672	166,018
Salaries and benefits payable	114	1	9	186	13,491	13,801
Compensated absences	-	-	-	42	2,916	2,958
Refundable deposits	290	-	-	-	-	290
Unearned revenue	9,765	-	-	211,999	-	221,764
Total current liabilities	<u>41,540</u>	<u>27</u>	<u>518</u>	<u>341,667</u>	<u>21,079</u>	<u>404,831</u>
Noncurrent liabilities:						
Net Pension liability	3,672	9,618	71,967	5,739	460,807	551,803
Net OPEB liability	2,561	6,708	50,197	4,003	321,413	384,882
Compensated absences	76	-	-	1,464	41,322	42,862
Total noncurrent liabilities	<u>6,309</u>	<u>16,326</u>	<u>122,164</u>	<u>11,206</u>	<u>823,542</u>	<u>979,547</u>
Total liabilities	<u>47,849</u>	<u>16,353</u>	<u>122,682</u>	<u>352,873</u>	<u>844,621</u>	<u>1,384,378</u>
DEFERRED INFLOWS OF RESOURCES						
Pension	927	2,428	18,169	1,449	116,340	139,313
OPEB	200	523	3,912	312	25,047	29,994
Total deferred inflows of resources	<u>1,127</u>	<u>2,951</u>	<u>22,081</u>	<u>1,761</u>	<u>141,387</u>	<u>169,307</u>
NET POSITION						
Net investment in capital assets	5,372,553	3,081	772,928	-	1,478,142	7,626,704
Unrestricted	154,890	(12,986)	(81,736)	(50,500)	(348,440)	(338,772)
Total net position	<u>5,527,443</u>	<u>(9,905)</u>	<u>691,192</u>	<u>(50,500)</u>	<u>1,129,702</u>	<u>7,287,932</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,576,419</u>	<u>\$ 9,399</u>	<u>\$ 835,955</u>	<u>\$ 304,134</u>	<u>\$ 2,115,710</u>	<u>\$ 8,841,617</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, 2018

	Airport	Concession Stand	Sidney Water Park	Solid Waste	Transportation	Non-major Enterprise Funds Totals
OPERATING REVENUES:						
Charges for services	\$ 342,884	\$ 19,556	\$ 60,530	\$ 1,696,429	\$ 199,638	\$ 2,319,037
Other revenue	<u>17,880</u>	<u>252</u>	<u>1,488</u>	<u>106</u>	<u>8,274</u>	<u>28,000</u>
Total operating revenues	<u>360,764</u>	<u>19,808</u>	<u>62,018</u>	<u>1,696,535</u>	<u>207,912</u>	<u>2,347,037</u>
OPERATING EXPENSES:						
Personal services	4,739	12,825	86,605	8,592	617,207	729,968
Operations and maintenance	435,700	13,491	238,942	1,675,287	287,513	2,650,933
Depreciation	<u>220,384</u>	<u>167</u>	<u>31,840</u>	<u>-</u>	<u>138,797</u>	<u>391,188</u>
Total operating expenses	<u>660,823</u>	<u>26,483</u>	<u>357,387</u>	<u>1,683,879</u>	<u>1,043,517</u>	<u>3,772,089</u>
Operating loss	<u>(300,059)</u>	<u>(6,675)</u>	<u>(295,369)</u>	<u>12,656</u>	<u>(835,605)</u>	<u>(1,425,052)</u>
NONOPERATING REVENUE:						
Intergovernmental	-	-	-	-	479,324	479,324
Contributions	-	-	4,024	-	175	4,199
Gain on disposal of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,205</u>	<u>5,205</u>
Total nonoperating revenue	<u>-</u>	<u>-</u>	<u>4,024</u>	<u>-</u>	<u>484,704</u>	<u>488,728</u>
Loss before transfers	<u>(300,059)</u>	<u>(6,675)</u>	<u>(291,345)</u>	<u>12,656</u>	<u>(350,901)</u>	<u>(936,324)</u>
Capital grants & contributions	10,339	-	-	-	261,084	271,423
Transfers in	<u>60,000</u>	<u>-</u>	<u>227,000</u>	<u>-</u>	<u>150,000</u>	<u>437,000</u>
Change in net position	(229,720)	(6,675)	(64,345)	12,656	60,183	(227,901)
Net position - beginning (restated)	<u>5,757,163</u>	<u>(3,230)</u>	<u>755,537</u>	<u>(63,156)</u>	<u>1,069,519</u>	<u>7,515,833</u>
Net position - ending	<u>\$ 5,527,443</u>	<u>\$ (9,905)</u>	<u>\$ 691,192</u>	<u>\$ (50,500)</u>	<u>\$ 1,129,702</u>	<u>\$ 7,287,932</u>

**CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Airport	Concession Stand	Sidney Water Park	Solid Waste	Transportation	Non-major Enterprise Funds Totals
Cash flows from operating activities:						
Receipts from customers and users	\$ 366,099	\$ 19,808	\$ 62,018	\$ 1,703,976	\$ 245,177	\$ 2,397,078
Receipts from interfund services	-	2	(194)	-	-	(192)
Payments to suppliers	(393,113)	(9,163)	(47,466)	(1,531,633)	(64,714)	(2,046,089)
Payments to employees	(4,187)	(10,634)	(79,589)	(6,970)	(539,605)	(640,985)
Payments for interfund services provided (used)	(25,142)	(4,302)	(191,462)	(138,062)	(221,509)	(580,477)
Net cash provided by (used for) operating activities	(56,343)	(4,289)	(256,693)	27,311	(580,651)	(870,665)
Cash flows from noncapital financing activities:						
Transfers in	60,000	-	227,000	-	150,000	437,000
Intergovernmental	-	-	-	-	479,324	479,324
Contributions	-	-	4,024	-	175	4,199
Net cash provided by noncapital financing activities	60,000	-	231,024	-	629,499	920,523
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets	-	-	-	-	5,205	5,205
Acquisition of capital assets	(165,128)	-	-	-	(220,854)	(385,982)
Capital contributions	10,339	-	-	-	261,084	271,423
Net cash provided by (used for) capital and related financing activities	(154,789)	-	-	-	45,435	(109,354)
Cash flows from investing activities:						
Purchase of investments	112,414	3,310	18,210	(36,340)	(107,876)	(10,282)
Net cash provided by investing activities	112,414	3,310	18,210	(36,340)	(107,876)	(10,282)
Net decrease in pooled cash	(38,718)	(979)	(7,459)	(9,029)	(13,593)	(69,778)
Pooled cash, beginning of year	54,699	1,286	11,254	25,759	49,830	142,828
Pooled cash, end of year	\$ 15,981	\$ 307	\$ 3,795	\$ 16,730	\$ 36,237	\$ 73,050
Reconciliation of operating loss to net cash used by operating activities:						
Operating income (loss)	\$ (300,059)	\$ (6,675)	\$ (295,369)	\$ 12,656	\$ (835,605)	\$ (1,425,052)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:						
Depreciation	220,384	167	31,840	-	138,797	391,188
Change in assets and deferred outflows:						
Accounts receivable	990	-	-	11,314	7,435	19,739
Other receivables	1	2	(194)	1	29,830	29,640
Prepaid items	354	-	(8)	-	464	810
Inventory	5,734	-	-	-	-	5,734
Deferred outflows - Pension	901	5,027	30,588	1,821	162,026	200,363
Deferred outflows - OPEB	(154)	(392)	(2,920)	(236)	(19,037)	(22,739)
Change in liabilities and deferred inflows:						
Accounts payable	11,357	26	22	5,592	826	17,823
Salaries and benefits payable and compensated absences	22	1	9	1,022	9,889	10,943
Unearned revenue	4,344	-	-	(3,874)	-	470
Net pension liability	(1,431)	(5,586)	(44,204)	(2,875)	(227,016)	(281,112)
Net OPEB liability	166	434	3,253	259	20,830	24,942
Deferred inflows - Pension	848	2,184	16,378	1,319	105,863	126,592
Deferred inflows - OPEB	200	523	3,912	312	25,047	29,994
Net cash provided by (used for) operating activities	\$ (56,343)	\$ (4,289)	\$ (256,693)	\$ 27,311	\$ (580,651)	\$ (870,665)
Noncash investing, capital and related financing activities:						
Purchase of equipment on account	\$ 6,154	\$ -	\$ -	\$ -	\$ 500	\$ 6,654

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 Operations 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, 2018

	Garage/ Fleet Operations	Information Technology	Revenue Collections	Self Insurance	Service Center Building	Internal Service Totals
ASSETS						
Current assets:						
Pooled cash	\$ 3,053	\$ 39,103	\$ 6,209	\$ -	\$ 1,950	\$ 50,315
Cash				612,283	-	612,283
Pooled investments	29,609	379,293	60,222	-	18,912	488,036
Inventory	14,815	1,023	-	-	-	15,838
Prepaid items	2,308	81,528	834	-	493	85,163
Total current assets	<u>49,785</u>	<u>500,947</u>	<u>67,265</u>	<u>612,283</u>	<u>21,355</u>	<u>1,251,635</u>
Noncurrent assets:						
Capital assets, net of accumulated depreciation	<u>24,104</u>	<u>213,193</u>	<u>2,065</u>	<u>-</u>	<u>440,592</u>	<u>679,954</u>
Total noncurrent assets	<u>24,104</u>	<u>213,193</u>	<u>2,065</u>	<u>-</u>	<u>440,592</u>	<u>679,954</u>
Total assets	<u>\$ 73,889</u>	<u>\$ 714,140</u>	<u>\$ 69,330</u>	<u>\$ 612,283</u>	<u>\$ 461,947</u>	<u>\$ 1,931,589</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension	51,878	69,009	90,481	-	-	211,368
OPEB	10,420	13,862	18,175	-	-	42,457
Total deferred outflows of resources	<u>\$ 62,298</u>	<u>\$ 82,871</u>	<u>\$ 108,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 253,825</u>
Total assets & deferred outflows of resources and net position	<u>\$ 136,187</u>	<u>\$ 797,011</u>	<u>\$ 177,986</u>	<u>\$ 612,283</u>	<u>\$ 461,947</u>	<u>\$ 2,185,414</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 11,983	\$ 41,142	\$ 6,092	\$ -	\$ 3,610	\$ 62,827
Salaries and benefits payable	6,245	8,988	13,946	-	-	29,179
Claims payable	-	-	-	231,538	-	231,538
Compensated absences	1,171	1,261	2,580	-	-	5,012
Total current liabilities	<u>19,399</u>	<u>51,391</u>	<u>22,618</u>	<u>231,538</u>	<u>3,610</u>	<u>328,556</u>
Noncurrent liabilities:						
Net pension liability	202,490	269,365	353,174	-	-	825,029
Net OPEB liability	141,237	187,882	246,339	-	-	575,458
Compensated absences	28,718	18,565	77,513	-	-	124,796
Total noncurrent liabilities	<u>372,445</u>	<u>475,812</u>	<u>677,026</u>	<u>-</u>	<u>-</u>	<u>1,525,283</u>
Total liabilities	<u>391,844</u>	<u>527,203</u>	<u>699,644</u>	<u>231,538</u>	<u>3,610</u>	<u>1,853,839</u>
DEFERRED INFLOWS OF RESOURCES						
Pension	51,123	68,006	89,166	-	-	208,295
OPEB	11,007	14,642	19,197	-	-	44,846
Total deferred inflows of resources	<u>62,130</u>	<u>82,648</u>	<u>108,363</u>	<u>-</u>	<u>-</u>	<u>253,141</u>
NET POSITION						
Net investment in capital assets	24,104	207,536	2,065	-	440,592	674,297
Unrestricted	<u>(341,891)</u>	<u>(20,376)</u>	<u>(632,086)</u>	<u>380,745</u>	<u>17,745</u>	<u>(595,863)</u>
Total net position	<u>(317,787)</u>	<u>187,160</u>	<u>(630,021)</u>	<u>380,745</u>	<u>458,337</u>	<u>78,434</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 136,187</u>	<u>\$ 797,011</u>	<u>\$ 177,986</u>	<u>\$ 612,283</u>	<u>\$ 461,947</u>	<u>\$ 2,185,414</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Garage/Fleet Operations	Information Technology	Revenue Collections	Self Insurance	Service Center Building	Internal Service Totals
OPERATING REVENUES:						
Charges for services	\$ 699,353	\$ 780,576	\$ 593,473	\$ 2,291,104	\$ 105,989	\$ 4,470,495
Other revenue	<u>10,124</u>	<u>4,542</u>	<u>6,015</u>	<u>-</u>	<u>-</u>	<u>20,681</u>
Total operating revenues	<u>709,477</u>	<u>785,118</u>	<u>599,488</u>	<u>2,291,104</u>	<u>105,989</u>	<u>4,491,176</u>
OPERATING EXPENSES:						
Personal services	298,448	392,988	517,854	-	-	1,209,290
Operations and maintenance	455,563	399,392	146,738	601,386	61,167	1,664,246
Claims	-	-	-	1,820,070	-	1,820,070
Depreciation	<u>8,692</u>	<u>58,813</u>	<u>1,336</u>	<u>-</u>	<u>53,777</u>	<u>122,618</u>
Total operating expenses	<u>762,703</u>	<u>851,193</u>	<u>665,928</u>	<u>2,421,456</u>	<u>114,944</u>	<u>4,816,224</u>
Operating income (loss)	<u>(53,226)</u>	<u>(66,075)</u>	<u>(66,440)</u>	<u>(130,352)</u>	<u>(8,955)</u>	<u>(325,048)</u>
NONOPERATING REVENUES:						
Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,283</u>	<u>-</u>	<u>6,283</u>
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,283</u>	<u>-</u>	<u>6,283</u>
Income (loss) before capital contributions and transfers	(53,226)	(66,075)	(66,440)	(124,069)	(8,955)	(318,765)
Change in net position	(53,226)	(66,075)	(66,440)	(124,069)	(8,955)	(318,765)
Net position - beginning (restated)	<u>(264,561)</u>	<u>253,235</u>	<u>(563,581)</u>	<u>504,814</u>	<u>467,292</u>	<u>397,199</u>
Net position - ending	<u>\$ (317,787)</u>	<u>\$ 187,160</u>	<u>\$ (630,021)</u>	<u>\$ 380,745</u>	<u>\$ 458,337</u>	<u>\$ 78,434</u>

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	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	\$ 10,124	\$ 95,811	\$ 6,015	\$ -	\$ -	\$ 111,950
Receipts from interfund services	699,390	689,361	593,536	2,291,104	105,989	4,379,380
Payments to suppliers	(432,115)	(375,641)	(89,397)	(1,052,844)	(53,552)	(2,003,549)
Payments to employees	(272,000)	(339,297)	(445,144)	-	-	(1,056,441)
Payments for claims	-	-	-	(1,758,810)	-	(1,758,810)
Payments for interfund services used	(32,676)	(1,328)	(57,634)	-	(7,350)	(98,988)
Net cash provided by operating activities	<u>(27,277)</u>	<u>68,906</u>	<u>7,376</u>	<u>(520,550)</u>	<u>45,087</u>	<u>(426,458)</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	(83,875)	-	-	(97,910)	(181,785)
Net cash used for capital and related financing activities	<u>-</u>	<u>(83,875)</u>	<u>-</u>	<u>-</u>	<u>(97,910)</u>	<u>(181,785)</u>
Cash flows from investing activities:						
Proceeds from sales and maturities of investments				-		-
Purchase of investments	20,152	(19,516)	(11,195)	-	42,261	31,702
Interest on investments	-	-	-	6,283	-	6,283
Net cash provided by investing activities	<u>20,152</u>	<u>(19,516)</u>	<u>(11,195)</u>	<u>6,283</u>	<u>42,261</u>	<u>37,985</u>
Net decrease in pooled cash	(7,125)	(34,485)	(3,819)	(514,267)	(10,562)	(570,258)
Pooled cash, beginning of year	10,178	73,588	10,028	1,126,550	12,512	1,232,856
Pooled cash, end of year	<u>\$ 3,053</u>	<u>\$ 39,103</u>	<u>\$ 6,209</u>	<u>\$ 612,283</u>	<u>\$ 1,950</u>	<u>\$ 662,598</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (53,226)	\$ (66,075)	\$ (66,440)	\$ (130,352)	\$ (8,955)	\$ (325,048)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	8,691	58,813	1,336	-	53,777	122,617
Change in assets and deferred outflows:						
Other receivables	37	54	63	-	-	154
Prepaid items	(297)	8,984	(270)	-	268	8,685
Inventory	(6,381)	(203)	-	-	-	(6,584)
Deferred outflows - Pension	64,422	111,862	105,612	-	-	281,896
Deferred outflows - OPEB	(8,352)	(11,092)	(14,737)	-	-	(34,181)
Change in liabilities and deferred inflows:						
Accounts & claims payable	(2,549)	13,642	(23)	(451,458)	(3)	(440,391)
Salaries and benefits payable and compensated absences	5,666	2,857	15,570	61,260	-	85,353
Net pension liability	(101,987)	(138,713)	(150,503)	-	-	(391,203)
Net OPEB liability	9,153	12,176	15,965	-	-	37,294
Deferred inflows - Pension	46,539	61,959	81,606	-	-	190,104
Deferred inflows - OPEB	11,007	14,642	19,197	-	-	44,846
Net cash provided by operating activities	<u>\$ (27,277)</u>	<u>\$ 68,906</u>	<u>\$ 7,376</u>	<u>\$ (520,550)</u>	<u>\$ 45,087</u>	<u>\$ (426,458)</u>
Noncash investing, capital and related financing activities:						
Purchase of equipment on account	\$ -	\$ 5,657	\$ -	\$ -	\$ -	\$ 5,657
Prior year purchase of equipment on account	\$ -	\$ 72,401	\$ -	\$ -	\$ -	\$ 72,401

CITY OF SIDNEY, OHIO

Fund Descriptions – Fiduciary Funds

Custodial Funds

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

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

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
CUSTODIAL FUNDS
DECEMBER 31, 2018

	Municipal Court	Port Jefferson	River Clean-Up	Unclaimed Funds	Custodial Funds Totals
ASSETS					
Pooled cash	\$ -	\$ 802	\$ 3,119	\$ 1,770	\$ 5,691
Cash held by outside agent	230,575	-	-	-	230,575
Pooled investments	-	7,775	30,251	17,170	55,196
Accounts Receivable	-	14,804	-	-	14,804
	<u>-</u>	<u>14,804</u>	<u>-</u>	<u>-</u>	<u>14,804</u>
 Total assets	 <u>\$ 230,575</u>	 <u>\$ 23,381</u>	 <u>\$ 33,370</u>	 <u>\$ 18,940</u>	 <u>\$ 306,266</u>
LIABILITIES					
Accounts payable	\$ -	\$ 5,967	\$ -	\$ -	\$ 5,967
Payable to other governments	109,108	-	-	-	109,108
	<u>109,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,108</u>
 Total liabilities	 <u>\$ 109,108</u>	 <u>\$ 5,967</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 115,075</u>
NET POSITION					
Restricted for:					
Individuals & organizations & other governments	\$ 121,467	\$ 17,414	\$ 33,370	\$ 18,940	\$ 191,191
	<u>121,467</u>	<u>17,414</u>	<u>33,370</u>	<u>18,940</u>	<u>191,191</u>
 Total Net position	 <u>\$ 121,467</u>	 <u>\$ 17,414</u>	 <u>\$ 33,370</u>	 <u>\$ 18,940</u>	 <u>\$ 191,191</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CHANGES IN NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Municipal Court	Port Jefferson	River Clean-Up	Unclaimed Funds	Custodial Funds Totals
ADDITIONS					
Charges for services	\$ -	\$ 66,694	\$ -	\$ -	\$ 66,694
Court costs & fines	2,434,522	-	-	-	2,434,522
Contributions	-	-	11,947	-	11,947
Unclaimed refunds	-	-	-	10,104	10,104
Total Additions	<u>2,434,522</u>	<u>66,694</u>	<u>11,947</u>	<u>10,104</u>	<u>2,523,267</u>
DEDUCTIONS					
Judgement costs & bond reimbursements	1,120,251	-	-	-	1,120,251
Payments to other governments	1,313,771	73,698	-	-	1,387,469
Claimed refunds	-	-	-	1,140	1,140
Clean-up expenses	-	-	13,098	-	13,098
Total Deductions	<u>2,434,022</u>	<u>73,698</u>	<u>13,098</u>	<u>1,140</u>	<u>2,521,958</u>
Change in net position	500	(7,004)	(1,151)	8,964	1,309
Net position, beginning of year	<u>120,967</u>	<u>24,418</u>	<u>34,521</u>	<u>9,976</u>	<u>189,882</u>
Net position, end of year	<u>\$ 121,467</u>	<u>\$ 17,414</u>	<u>\$ 33,370</u>	<u>\$ 18,940</u>	<u>\$ 191,191</u>

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2018**

	<u>B. Bennett Flower Trust</u>	<u>C.Truster Flower Trust</u>	<u>Ike Family Mausoleum Trust</u>	<u>Private-Purpose Trust Funds Totals</u>
ASSETS				
Pooled cash	\$ 178	\$ 257	\$ 414	\$ 849
Pooled investments	1,710	2,490	3,997	8,197
Interest receivable	<u>10</u>	<u>14</u>	<u>22</u>	<u>46</u>
Total assets	<u>\$ 1,898</u>	<u>\$ 2,761</u>	<u>\$ 4,433</u>	<u>\$ 9,092</u>
LIABILITIES				
Accounts payable	<u>307</u>	<u>-</u>	<u>-</u>	<u>307</u>
Total liabilities	<u>\$ 307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307</u>
NET POSITION				
Restricted for:				
Individuals & organizations & other governments	<u>1,591</u>	<u>2,761</u>	<u>4,433</u>	<u>8,785</u>
Total Net position	<u>\$ 1,591</u>	<u>\$ 2,761</u>	<u>\$ 4,433</u>	<u>\$ 8,785</u>

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CHANGES IN NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	B. Bennett Flower Trust	C. Truster Flower Trust	Ike Family Mausoleum Trust	Private-Purpose Trust Funds Totals
ADDITIONS				
Investment income	\$ 44	\$ 60	\$ 97	\$ 201
Total Additions	<u>44</u>	<u>60</u>	<u>97</u>	<u>201</u>
DEDUCTIONS				
Purchase of flowers	<u>613</u>	<u>-</u>	<u>-</u>	<u>613</u>
Total Deductions	<u>613</u>	<u>-</u>	<u>-</u>	<u>613</u>
Change in net position	(569)	60	97	(412)
Net position, beginning of year	<u>2,160</u>	<u>2,701</u>	<u>4,336</u>	<u>9,197</u>
Net position, end of year	<u>\$ 1,591</u>	<u>\$ 2,761</u>	<u>\$ 4,433</u>	<u>\$ 8,785</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 12,687,559	\$ 14,674,197	\$ 1,986,638
Intergovernmental revenues	587,718	586,667	(1,051)
Special assessments	246,500	253,305	6,805
Charges for services	1,144,556	1,282,154	137,598
Fines, licenses and permits	389,532	434,866	45,334
Investment income	100,000	241,040	141,040
Miscellaneous receipts and reimbursements	1,743,723	1,953,029	209,306
	<u>16,899,588</u>	<u>19,425,258</u>	<u>2,525,670</u>
EXPENDITURES:			
Current:			
General Government			
City Council			
Personal services	73,866	73,039	827
Contractual, materials and other	43,858	38,185	5,673
City Administration			
Personal services	298,690	295,408	3,282
Contractual, materials and other	29,193	27,551	1,642
Finance			
Personal services	398,006	394,925	3,081
Contractual, materials and other	150,887	145,027	5,860
Law Director			
Personal services	113,090	111,976	1,114
Contractual, materials and other	14,887	13,955	932
Personnel			
Personal services	197,580	197,049	531
Contractual, materials and other	244,028	222,130	21,898
County Auditor Deductions			
Contractual, materials and other	116,930	113,665	3,265
Purchasing			
Personal services	21,125	20,771	354
Contractual, materials and other	14,113	8,476	5,637
City Hall			
Contractual, materials and other	141,139	126,513	14,626
Miscellaneous			
Personal services	250,000	158,281	91,719
Contractual, materials and other	934,076	882,169	51,907
	<u>3,041,468</u>	<u>2,829,120</u>	<u>212,348</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
Police			
Police Services			
Personal services	5,158,543	4,976,744	181,799
Contractual, materials and other	926,894	824,474	102,420
Street Lighting Department			
Contractual, materials and other	215,695	211,348	4,347
Total police	<u>6,301,132</u>	<u>6,012,566</u>	<u>288,566</u>
Fire			
Fire Services			
Personal services	4,388,600	4,317,183	71,417
Contractual, materials and other	786,071	701,648	84,423
Total fire	<u>5,174,671</u>	<u>5,018,831</u>	<u>155,840</u>
Judicial			
Municipal Court			
Personal services	1,065,150	1,042,181	22,969
Contractual, materials and other	310,119	300,005	10,114
Total judicial	<u>1,375,269</u>	<u>1,342,186</u>	<u>33,083</u>
Community Environment			
Building Inspection			
Personal services	97,590	96,988	602
Contractual, materials and other	15,666	11,995	3,671
Engineering			
Personal services	298,199	295,240	2,959
Contractual, materials and other	79,928	70,516	9,412
Code Enforcement			
Personal services	89,790	80,897	8,893
Contractual, materials and other	42,928	37,231	5,697
Total community environment	<u>624,101</u>	<u>592,867</u>	<u>31,234</u>
Community Development			
Community Planning & Development			
Personal services	176,964	175,920	1,044
Contractual, materials and other	30,179	25,165	5,014
Community Service Program			
Personal services	71,085	47,072	24,013
Contractual, materials and other	26,900	3,293	23,607
Total community development	<u>305,128</u>	<u>251,450</u>	<u>53,678</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
Parks and recreation			
Parks & Recreation - Administration			
Personal services	118,590	117,302	1,288
Contractual, materials and other	32,575	29,090	3,485
Parks & Recreation - Programs			
Personal services	96,690	94,955	1,735
Contractual, materials and other	60,656	55,213	5,443
Parks & Public Grounds			
Personal services	633,690	629,089	4,601
Contractual, materials and other	299,496	282,550	16,946
Urban Forest			
Contractual, materials and other	62,657	62,653	4
Senior Center			
Contractual, materials and other	32,036	29,498	2,538
Total parks and recreation	<u>1,336,390</u>	<u>1,300,350</u>	<u>36,040</u>
Total expenditures	<u>18,158,159</u>	<u>17,347,370</u>	<u>810,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,258,571)</u>	<u>2,077,888</u>	<u>3,336,459</u>
OTHER FINANCING SOURCES (USES):			
Cash advance in	-	21,875	21,875
Transfers out	(712,339)	(697,000)	15,339
Total other financing uses	<u>(712,339)</u>	<u>(675,125)</u>	<u>37,214</u>
Net change in fund balance	<u>(1,970,910)</u>	<u>1,402,763</u>	<u>3,373,673</u>
Fund Balances, beginning of year restated	9,528,479	9,528,479	-
Prior Year Encumbrances	268,789	268,789	-
Fund Balances, end of year	<u>\$ 7,826,358</u>	<u>\$ 11,200,031</u>	<u>\$ 3,373,673</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 967,620	\$ 1,013,181	\$ 45,561
Charges for services	-	1,884	1,884
Investment Income	3,000	9,731	6,731
Miscellaneous receipts and reimbursements	71,984	80,204	8,220
Total revenues	1,042,604	1,105,000	62,396
EXPENDITURES:			
Current:			
Street repair & maintenance			
Personal services	607,696	570,171	37,525
Contractual, materials and other	975,283	912,022	63,261
Total expenditures	1,582,979	1,482,193	100,786
Deficiency of revenues under expenditures	(540,375)	(377,193)	163,182
OTHER FINANCING SOURCES (USES):			
Transfers in	160,000	160,000	-
Total other financing sources	160,000	160,000	-
Net change in fund balance	(380,375)	(217,193)	163,182
Fund Balances, beginning of year	447,695	447,695	-
Prior Year Encumbrances	118,408	118,408	-
Fund Balances, end of year	<u>\$ 185,728</u>	<u>\$ 348,910</u>	<u>\$ 163,182</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 355,720	\$ 355,720	\$ -
Investment income	2,977	3,769	792
Total revenues	<u>358,697</u>	<u>359,489</u>	<u>792</u>
EXPENDITURES:			
Current:			
Community development			
Personal services	-	-	-
Contractual, materials and other	686,959	686,959	-
Total expenditures	<u>686,959</u>	<u>686,959</u>	<u>-</u>
Deficiency of revenues under expenditures	(328,262)	(327,470)	792
Fund Balances, beginning of year	135,608	135,608	-
Prior Year Encumbrances	74,662	74,662	-
Fund Balances, end of year	<u>\$ (117,992)</u>	<u>\$ (117,200)</u>	<u>\$ 792</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 400	\$ 1,218	\$ 818
Total revenues	<u>400</u>	<u>1,218</u>	<u>818</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	50,000	-	50,000
Total expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues over (under) expenditures	(49,600)	1,218	50,818
Fund Balances, beginning of year	55,875	55,875	-
Fund Balances, end of year	<u>\$ 6,275</u>	<u>\$ 57,093</u>	<u>\$ 50,818</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:	-	-	-
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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 112,257	\$ 147,570	\$ 35,313
Miscellaneous receipts and reimbursements	-	1,878	1,878
Total revenues	<u>112,257</u>	<u>149,448</u>	<u>37,191</u>
EXPENDITURES:			
Current:			
Health			
Personal services	173,480	170,290	3,190
Contractual, materials and other	62,213	56,236	5,977
Total expenditures	<u>235,693</u>	<u>226,526</u>	<u>9,167</u>
Deficiency of revenues under expenditures	<u>(123,436)</u>	<u>(77,078)</u>	<u>46,358</u>
OTHER FINANCING SOURCES:			
Transfers in	100,000	100,000	-
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(23,436)	22,922	46,358
Fund Balances, beginning of year	155,826	155,826	-
Prior Year Encumbrances	1,655	1,655	-
Fund Balances, end of year	<u>\$ 134,045</u>	<u>\$ 180,403</u>	<u>\$ 46,358</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	8,000	16,447	8,447
Total revenues	8,000	16,447	8,447
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	500	201	299
Total expenditures	500	201	299
Excess of revenues over expenditures	7,500	16,246	8,746
Fund Balances, beginning of year	768,996	768,996	-
Fund Balances, end of year	<u>\$ 776,496</u>	<u>\$ 785,242</u>	<u>\$ 8,746</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:	\$ -	\$ -	\$ -
EXPENDITURES:	-	-	-
Net change in fund balance	-	-	-
Fund Balances, beginning of year	100	100	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ -</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CONVENTION AND VISITORS' BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 103,760	\$ 101,928	\$ (1,832)
Total revenues	<u>103,760</u>	<u>101,928</u>	<u>(1,832)</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	112,000	112,000	-
Total expenditures	<u>112,000</u>	<u>112,000</u>	<u>-</u>
Deficiency of revenues under expenditures	(8,240)	(10,072)	(1,832)
Fund Balances, beginning of year	27,001	27,001	-
Fund Balances, end of year	<u>\$ 18,761</u>	<u>\$ 16,929</u>	<u>\$ (1,832)</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 105,683	\$ 92,319	\$ (13,364)
Total revenues	<u>105,683</u>	<u>92,319</u>	<u>(13,364)</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Contractual, materials and other	105,683	105,683	-
Total expenditures	<u>105,683</u>	<u>105,683</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	(13,364)	(13,364)
Fund Balances, beginning of year	94,450	94,450	-
Prior Year Encumbrances	2,069	2,069	-
Fund Balances, end of year	<u>\$ 96,519</u>	<u>\$ 83,155</u>	<u>\$ (13,364)</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, 2018

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Special assessments	\$ 1,215	\$ 1,425	\$ 210
Total Revenues	<u>1,215</u>	<u>1,425</u>	<u>210</u>
EXPENDITURES:			
Current:			
Community development			
Personal services	<u>2,620</u>	<u>2,065</u>	<u>555</u>
Total expenditures	<u>2,620</u>	<u>2,065</u>	<u>555</u>
Deficiency of revenues under expenditures	(1,405)	(640)	765
Fund Balances, beginning of year	4,980	4,980	-
Fund Balances, end of year	<u>\$ 3,575</u>	<u>\$ 4,340</u>	<u>\$ 765</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, 2018

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Fines, licenses and permits	\$ 8,800	\$ 7,123	\$ (1,677)
Total revenues	<u>8,800</u>	<u>7,123</u>	<u>(1,677)</u>
EXPENDITURES:			
Current:			
Police			
Personal services	2,422	-	2,422
Contractual, materials and other	<u>10,000</u>	<u>8,000</u>	<u>2,000</u>
Total expenditures	<u>12,422</u>	<u>8,000</u>	<u>4,422</u>
Deficiency of revenues under expenditures	(3,622)	(877)	2,745
Fund Balances, beginning of year	23,118	23,118	-
Fund Balances, end of year	<u>\$ 19,496</u>	<u>\$ 22,241</u>	<u>\$ 2,745</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 50,000	\$ 56,663	\$ 6,663
Total revenues	<u>50,000</u>	<u>56,663</u>	<u>6,663</u>
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	34,837	34,792	45
Total expenditures	<u>34,837</u>	<u>34,792</u>	<u>45</u>
Excess of revenues over expenditures	15,163	21,871	6,708
Fund Balances, beginning of year	114,657	114,657	-
Fund Balances, end of year	<u>\$ 129,820</u>	<u>\$ 136,528</u>	<u>\$ 6,708</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 3,400	\$ 2,889	\$ (511)
Total revenues	<u>3,400</u>	<u>2,889</u>	<u>(511)</u>
EXPENDITURES:			
Current:			
Police			
Personal services	4,754	936	3,818
Contractual, materials and other	500	-	500
Total expenditures	<u>5,254</u>	<u>936</u>	<u>4,318</u>
Excess (deficiency) of revenues over (under) expenditures	(1,854)	1,953	3,807
Fund Balances, beginning of year	6,147	6,147	-
Fund Balances, end of year	<u>\$ 4,293</u>	<u>\$ 8,100</u>	<u>\$ 3,807</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, 2018

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

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
FIRE LOSS SECURITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 50,000	\$ 47,123	\$ (2,877)
Total Revenues	<u>50,000</u>	<u>47,123</u>	<u>(2,877)</u>
EXPENDITURES:			
Current:			
Fire Services			
Contractual, materials and other	104,910	104,909	1
Total expenditures	<u>104,910</u>	<u>104,909</u>	<u>1</u>
Deficiency of revenues under expenditures	(54,910)	(57,786)	(2,876)
Fund Balances, beginning of year	57,786	57,786	-
Fund Balances, end of year	<u>\$ 2,876</u>	<u>\$ -</u>	<u>\$ (2,876)</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 23,502	\$ 23,502	\$ -
Total revenues	<u>23,502</u>	<u>23,502</u>	<u>-</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	59,730	50,596	9,134
Total expenditures	<u>59,730</u>	<u>50,596</u>	<u>9,134</u>
Deficiency of revenues under expenditures	(36,228)	(27,094)	9,134
Fund Balances, beginning of year	53,143	53,143	-
Fund Balances, end of year	<u>\$ 16,915</u>	<u>\$ 26,049</u>	<u>\$ 9,134</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
H.O.M.E. PROGRAM INCOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 11,750	\$ 16,649	\$ 4,899
Total revenues	<u>11,750</u>	<u>16,649</u>	<u>4,899</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	75,919	67,722	8,197
Total expenditures	<u>75,919</u>	<u>67,722</u>	<u>8,197</u>
Deficiency of revenues under expenditures	(64,169)	(51,073)	13,096
Fund Balances, beginning of year	63,952	63,952	-
Prior Year Encumbrances	219	219	-
Fund Balances, end of year	<u>\$ 2</u>	<u>\$ 13,098</u>	<u>\$ 13,096</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
INDIGENT DRIVER ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 13,000	\$ 16,998	\$ 3,998
Total revenues	<u>13,000</u>	<u>16,998</u>	<u>3,998</u>
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	<u>16,000</u>	<u>16,000</u>	<u>-</u>
Total expenditures	<u>16,000</u>	<u>16,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(3,000)	998	3,998
Fund Balances, beginning of year	24,233	24,233	-
Fund Balances, end of year	<u>\$ 21,233</u>	<u>\$ 25,231</u>	<u>\$ 3,998</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
INDIGENT DRIVER INTERLOCK & ALCOHOL MONITORING FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 17,000	\$ 13,402	\$ (3,598)
Total revenues	<u>17,000</u>	<u>13,402</u>	<u>(3,598)</u>
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	<u>17,000</u>	<u>14,065</u>	<u>2,935</u>
Total expenditures	<u>17,000</u>	<u>14,065</u>	<u>2,935</u>
Excess (deficiency) of revenues over (under) expenditures	-	(663)	(663)
Fund Balances, beginning of year	8,048	8,048	-
Fund Balances, end of year	<u>\$ 8,048</u>	<u>\$ 7,385</u>	<u>\$ (663)</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, 2018

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Miscellaneous receipts and reimbursements	\$ -	\$ 16,000	\$ 16,000
Total revenues	<u>-</u>	<u>16,000</u>	<u>16,000</u>
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	16,000	16,000
Fund Balances, beginning of year	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 16,000</u>	<u>\$ 16,000</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
JUSTICE REINVESTMENT INCENTIVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 167,921	\$ 167,922	\$ 1
Total Revenues	<u>167,921</u>	<u>167,922</u>	<u>1</u>
EXPENDITURES:			
Current:			
Judicial			
Personal services	146,970	133,553	13,417
Contractual, materials and other	<u>101,550</u>	<u>87,902</u>	<u>13,648</u>
Total expenditures	<u>248,520</u>	<u>221,455</u>	<u>27,065</u>
Deficiency of revenues under expenditures	(80,599)	(53,533)	27,066
Fund Balances, beginning of year	100,753	100,753	-
Fund Balances, end of year	<u>\$ 20,154</u>	<u>\$ 47,220</u>	<u>\$ 27,066</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ -	\$ 3,495	\$ 3,495
Fines, licenses and permits	2,000	4,622	2,622
Miscellaneous receipts and reimbursements	<u>-</u>	<u>3,225</u>	<u>3,225</u>
Total Revenues	<u>2,000</u>	<u>11,342</u>	<u>9,342</u>
EXPENDITURES:			
Current:			
Police			
Contractual, materials and other	<u>24,820</u>	<u>14,320</u>	<u>10,500</u>
Total Expenditures	<u>24,820</u>	<u>14,320</u>	<u>10,500</u>
Deficiency of revenues under expenditures	(22,820)	(2,978)	19,842
Fund Balances, beginning of year	59,491	59,491	-
Fund Balances, end of year	<u>\$ 36,671</u>	<u>\$ 56,513</u>	<u>\$ 19,842</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 DIVERSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ -	\$ 21,879	\$ 21,879
Total Revenues	-	21,879	21,879
EXPENDITURES:			
Current:			
Police			
Personal services	20,828	20,828	
Contractual, materials and other	6,000	6,000	-
Total Expenditures	26,828	26,828	-
Deficiency of revenues under expenditures	(26,828)	(4,949)	21,879
OTHER FINANCING SOURCES (USES):			
Cash advance out	-	(21,875)	21,875
Total other financing sources	-	(21,875)	21,875
Net change in fund balance	(26,828)	(26,824)	43,754
Fund Balances, beginning of year, restated	41,964	41,964	-
Fund Balances, end of year	<u>\$ 15,136</u>	<u>\$ 15,140</u>	<u>\$ 43,754</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 2,000	\$ 946	\$ (1,054)
Investment income	450	1,220	770
Total revenues	2,450	2,166	(284)
EXPENDITURES:	-	-	-
Excess of revenues over expenditures	2,450	2,166	(284)
Fund Balances, beginning of year	41,463	41,463	-
Fund Balances, end of year	<u>\$ 43,913</u>	<u>\$ 43,629</u>	<u>\$ (284)</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 39,500	\$ 43,870	\$ 4,370
Total Revenues	39,500	43,870	4,370
EXPENDITURES:			
Current:			
Judicial			
Contractual, materials and other	38,346	38,174	172
Total expenditures	38,346	38,174	172
Excess of revenues over expenditures	1,154	5,696	4,542
Fund Balances, beginning of year	38,718	38,718	-
Fund Balances, end of year	<u>\$ 39,872</u>	<u>\$ 44,414</u>	<u>\$ 4,542</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 132,000	\$ 154,495	\$ 22,495
Miscellaneous receipts and reimbursements	-	5,265	5,265
Total revenues	132,000	159,760	27,760
EXPENDITURES:			
Current:			
Judicial			
Personal services	90,690	78,964	11,726
Contractual, materials and other	87,080	27,026	60,054
Total expenditures	177,770	105,990	71,780
Excess (deficiency) of revenues over (under) expenditures	(45,770)	53,770	99,540
Fund Balances, beginning of year	500,701	500,701	-
Prior Year Encumbrances	7,580	7,580	-
Fund Balances, end of year	<u>\$ 462,511</u>	<u>\$ 562,051</u>	<u>\$ 99,540</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES:			
Current:			
Community development			
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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 24,502	\$ 25,142	\$ 640
Total revenues	24,502	25,142	640
EXPENDITURES:			
Current:			
Community Environment			
Personal services	12,220	6,568	5,652
Contractual, materials and other	24,422	23,356	1,066
Total expenditures	36,642	29,924	6,718
Deficiency of revenues under expenditures	(12,140)	(4,782)	7,358
Fund Balances, beginning of year	96,538	96,538	-
Prior Year Encumbrances	437	437	-
Fund Balances, end of year	<u>\$ 84,835</u>	<u>\$ 92,193</u>	<u>\$ 7,358</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 77,867	\$ 77,867	\$ -
Miscellaneous receipts and reimbursements		1,011	1,011
Total revenues	<u>77,867</u>	<u>78,878</u>	<u>1,011</u>
EXPENDITURES:			
Current:			
Judicial			
Personal services	68,997	68,996	1
Contractual, materials and other	<u>13,965</u>	<u>6,354</u>	<u>7,611</u>
Total expenditures	<u>82,962</u>	<u>75,350</u>	<u>7,612</u>
Excess (deficiency) of revenues over (under) expenditures	(5,095)	3,528	8,623
Fund Balances, beginning of year	2,762	2,762	-
Prior Year Encumbrances	1,653	1,653	-
Fund Balances, end of year	<u>\$ (680)</u>	<u>\$ 7,943</u>	<u>\$ 8,623</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 71,684	\$ 73,666	\$ 1,982
Investment income	<u>200</u>	<u>798</u>	<u>598</u>
Total revenues	<u>71,884</u>	<u>74,464</u>	<u>2,580</u>
EXPENDITURES:			
Current:			
Street repair & maintenance			
Contractual, materials and other	<u>71,884</u>	<u>71,884</u>	<u>-</u>
Total expenditures	<u>71,884</u>	<u>71,884</u>	<u>-</u>
Excess of revenues over expenditures	-	2,580	2,580
Fund Balances, beginning of year	1,444	1,444	-
Fund Balances, end of year	<u>\$ 1,444</u>	<u>\$ 4,024</u>	<u>\$ 2,580</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local Taxes	\$ 5,300	\$ 5,209	\$ (91)
Total revenues	<u>5,300</u>	<u>5,209</u>	<u>(91)</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	1,100	1,042	58
Total expenditures	<u>1,100</u>	<u>1,042</u>	<u>58</u>
Excess of revenues over expenditures	4,200	4,167	(33)
Fund Balances, beginning of year	26,168	26,168	-
Fund Balances, end of year	<u>\$ 30,368</u>	<u>\$ 30,335</u>	<u>\$ (33)</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 22,400	\$ 22,135	\$ (265)
Total revenues	<u>22,400</u>	<u>22,135</u>	<u>(265)</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	19,175	19,175	-
Total expenditures	<u>19,175</u>	<u>19,175</u>	<u>-</u>
Excess of revenues over expenditures	3,225	2,960	(265)
Fund Balances, beginning of year	72,062	72,062	-
Fund Balances, end of year	<u>\$ 75,287</u>	<u>\$ 75,022</u>	<u>\$ (265)</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local Taxes	\$ 124,800	\$ 124,334	\$ (466)
Total revenues	<u>124,800</u>	<u>124,334</u>	<u>(466)</u>
EXPENDITURES:			
Current:			
Community development			
Contractual, materials and other	<u>83,267</u>	<u>83,267</u>	<u>-</u>
Total expenditures	<u>83,267</u>	<u>83,267</u>	<u>-</u>
Excess of revenues over expenditures	41,533	41,067	(466)
Fund Balances, beginning of year	<u>379,289</u>	<u>379,289</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 420,822</u>	<u>\$ 420,356</u>	<u>\$ (466)</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, 2018

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 2,907,738	\$ 3,019,976	\$ 112,238
Intergovernmental revenues	363,400	181,708	(181,692)
Special assessments	70,000	232,664	162,664
Miscellaneous receipts and reimbursements	<u>586,683</u>	<u>98,869</u>	<u>(487,814)</u>
Total revenues	<u>3,927,821</u>	<u>3,533,217</u>	<u>(394,604)</u>
EXPENDITURES:			
Capital Outlay:			
Contractual, materials and other	<u>6,418,215</u>	<u>5,142,746</u>	<u>1,275,469</u>
Total expenditures	<u>6,418,215</u>	<u>5,142,746</u>	<u>1,275,469</u>
Deficiency of revenues under expenditures	<u>(2,490,394)</u>	<u>(1,609,529)</u>	<u>880,865</u>
OTHER FINANCING SOURCES (USES):			
Capital contributions	108,550	80,000	(28,550)
Sale of asset	<u>15,000</u>	<u>17,511</u>	<u>2,511</u>
Total other financing sources	<u>123,550</u>	<u>97,511</u>	<u>(26,039)</u>
Net change in fund balance	(2,366,844)	(1,512,018)	854,826
Fund Balances, beginning of year	1,693,405	1,693,405	-
Prior Year Encumbrances	<u>1,422,346</u>	<u>1,422,346</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 748,907</u>	<u>\$ 1,603,733</u>	<u>\$ 854,826</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, 2018

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Local taxes	\$ 2,487,672	\$ 2,691,663	\$ 203,991
Miscellaneous receipts and reimbursements	<u>-</u>	<u>5,773</u>	<u>5,773</u>
Total revenues	<u>2,487,672</u>	<u>2,697,436</u>	<u>209,764</u>
EXPENDITURES:			
Capital Outlay:			
Contractual, materials and other	<u>3,312,042</u>	<u>3,180,710</u>	<u>131,332</u>
Total expenditures	<u>3,312,042</u>	<u>3,180,710</u>	<u>131,332</u>
Deficiency of revenues under expenditures	(824,370)	(483,274)	341,096
Fund Balances, beginning of year	1,144,881	1,144,881	-
Prior Year Encumbrances	<u>56,534</u>	<u>56,534</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 377,045</u>	<u>\$ 718,141</u>	<u>\$ 341,096</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 FOR FIRE STATION #3 FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Miscellaneous receipts and reimbursements	\$ -	\$ 100,000	\$ 100,000
Total revenues	<u>-</u>	<u>100,000</u>	<u>100,000</u>
EXPENDITURES:			
Capital Outlay:			
Contractual, materials and other	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(50,000)	50,000	100,000
Fund Balances, beginning of year	-	-	-
Fund Balances, end of year	<u>\$ (50,000)</u>	<u>\$ 50,000</u>	<u>\$ 100,000</u>



STATISTICAL SECTION

CITY OF SIDNEY, OHIO
Statistical Section
December 31, 2018

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.

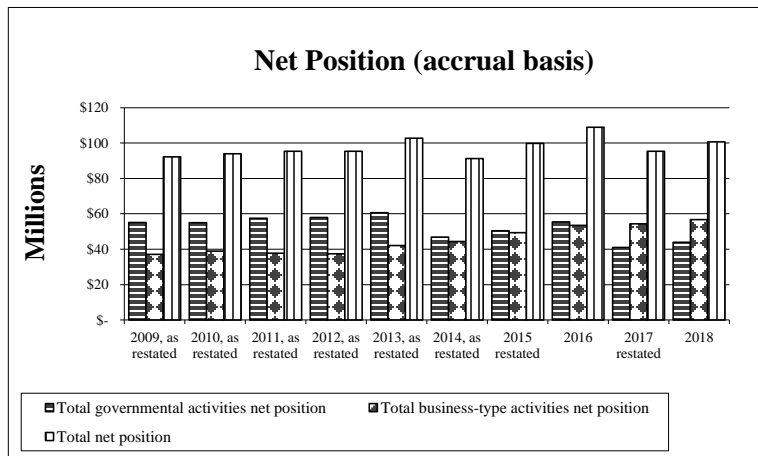
<u>Contents</u>	<u>Page</u>
Financial Trends (Schedules 1 – 4) These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	134 – 138
Revenue Capacity (Schedules 5 – 6) These schedules contain information to help the reader assess the City’s most significant local revenue source, the municipal income tax.	139 – 140
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.	141– 144
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.	145 – 146
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.	147 – 149

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**

	Year Ended December 31,									
	2009, as restated	2010, as restated	2011, as restated	2012, as restated	2013, as restated	2014, as restated	2015 restated	2016	2017 restated	2018
Governmental activities										
Net investments in capital assets	45,610,506	44,608,862	46,814,752	46,484,983	47,228,659	46,471,032	48,421,398	52,535,603	56,673,279	59,060,823
Restricted for:										
Other purposes	1,641,658	1,782,614	3,116,853	3,273,154	3,521,730	3,922,451	6,070,942	6,221,211	5,459,700	5,520,325
Unrestricted	7,917,041	8,591,834	7,609,599	8,197,220	9,917,661	(3,493,089)	(4,047,311)	(3,307,733)	(21,070,199)	(20,656,687)
Total governmental activities net position	<u>55,169,205</u>	<u>54,983,310</u>	<u>57,541,204</u>	<u>57,955,357</u>	<u>60,668,050</u>	<u>46,900,394</u>	<u>50,445,029</u>	<u>55,449,081</u>	<u>41,062,780</u>	<u>43,924,461</u>
Business-type activities										
Net investments in capital assets	31,619,476	34,273,069	33,450,981	32,434,937	36,286,139	37,688,256	39,086,912	40,496,079	41,249,363	45,553,676
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	5,458,953	4,722,342	4,368,997	4,961,412	5,858,713	6,725,423	10,282,346	13,046,114	13,073,721	11,192,470
Total business-type activities net position	<u>37,078,429</u>	<u>38,995,411</u>	<u>37,819,978</u>	<u>37,396,349</u>	<u>42,144,852</u>	<u>44,413,679</u>	<u>49,369,258</u>	<u>53,542,193</u>	<u>54,323,084</u>	<u>56,746,146</u>
Total										
Net investments in capital assets	77,229,982	78,881,931	80,265,733	78,919,920	83,514,798	84,159,288	87,508,310	93,031,682	97,922,642	104,614,499
Restricted for:										
Other purposes	1,641,658	1,782,614	3,116,853	3,273,154	3,521,730	3,922,451	6,070,942	6,221,211	5,459,700	5,520,325
Unrestricted	13,375,994	13,314,176	11,978,596	13,158,632	15,776,374	3,232,334	6,235,035	9,738,381	(7,996,478)	(9,464,217)
Total net position	<u>\$ 92,247,634</u>	<u>\$ 93,978,721</u>	<u>\$ 95,361,182</u>	<u>\$ 95,351,706</u>	<u>\$ 102,812,902</u>	<u>\$ 91,314,073</u>	<u>\$ 99,814,287</u>	<u>\$ 108,991,274</u>	<u>\$ 95,385,864</u>	<u>\$ 100,670,607</u>

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
- Change in accounting principle of GASB Statement No. 75 for 2017, - prior year balances have not been restated

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

Schedule 2

	Year Ended December 31,									
	2009	2010	2011, as restated	2012, as restated	2013, as restated	2014, as restated	2015, as restated	2016	2017 restated	2018
Expenses										
Governmental activities:										
Basic utility services	134,047	73,127	-	54,751	-	101,582	384,464	249,527	62,738	23,450
Community development	339,155	924,429	833,892	690,046	674,110	467,887	533,433	1,005,925	770,341	956,603
Community environment	1,167,276	1,301,521	783,027	704,322	522,557	572,458	568,221	620,135	662,270	752,982
Fire	4,523,985	4,334,589	4,635,651	4,636,484	4,831,041	5,028,715	5,543,595	5,711,785	5,762,909	6,469,069
General government	1,314,285	928,165	822,047	1,043,097	1,280,552	1,222,533	1,135,011	1,112,992	1,404,493	1,281,658
Health	375,100	197,366	188,091	200,968	212,134	211,378	246,323	229,048	316,082	355,460
Judicial	1,636,905	1,563,723	1,638,942	1,574,631	1,644,204	1,701,791	1,652,162	1,851,709	1,854,514	2,375,499
Parks and recreation	1,504,878	1,388,202	1,365,458	1,488,367	1,453,956	1,464,155	1,483,180	1,572,667	1,659,861	1,581,395
Police	6,271,553	6,142,034	5,995,394	5,947,129	5,878,916	6,069,441	6,194,921	6,381,987	6,936,647	7,491,183
Public transportation	-	-	-	5,643	-	-	-	41,509	4,778	-
Street repair & maintenance	3,093,966	3,324,839	3,420,370	3,275,490	3,501,798	3,233,573	3,236,098	3,565,336	3,713,373	4,100,079
Bond issuance cost	-	-	-	-	14,234	-	-	-	-	-
Interest on long-term debt	364,625	353,017	321,257	295,729	291,005	161,053	147,997	134,274	120,023	105,694
Total governmental activities expenses	20,725,775	20,531,012	20,004,129	19,916,657	20,304,507	20,234,566	21,125,405	22,476,894	23,268,029	25,493,072
Business-type activities:										
Sewer	3,864,227	3,724,801	3,631,479	3,473,960	3,915,727	4,139,110	4,163,735	4,211,321	4,896,273	4,855,169
Solid Waste	1,085,937	1,146,766	1,188,726	1,233,201	1,346,774	1,362,006	1,421,630	1,549,248	1,623,902	1,694,718
Stormwater	579,263	561,378	543,603	568,224	491,391	524,541	574,465	588,053	633,629	633,107
Water	3,219,126	3,400,452	3,760,888	3,876,533	3,838,381	3,791,600	3,713,584	3,984,823	4,771,136	5,206,990
Other business-type activities	1,414,485	1,492,936	1,522,638	1,598,795	1,554,138	1,576,068	1,609,157	1,680,619	1,829,707	2,103,450
Total business-type activities expenses	10,163,038	10,326,333	10,647,334	10,750,713	11,146,411	11,393,325	11,482,571	12,014,064	13,754,647	14,493,434
Total Expenses	30,888,813	30,857,345	30,651,463	30,667,370	31,450,918	31,627,891	32,607,976	34,490,958	37,022,676	39,986,506
Program Revenues **										
Governmental activities:										
Basic utility services	-	-	-	-	-	-	-	-	-	-
Community development	125,651	596,581	457,017	405,217	632,825	389,547	350,151	575,384	602,124	485,209
Community environment	105,499	86,795	63,674	89,396	87,860	79,255	96,715	114,174	113,002	121,526
Fire	443,174	751,523	561,125	637,602	555,901	700,607	702,442	767,796	744,983	820,467
General government	-	-	-	1,578	-	-	-	-	4,273	-
Health	101,170	115,009	144,307	133,823	152,802	122,172	145,303	156,342	152,613	197,277
Judicial	867,504	804,453	831,903	883,356	926,900	916,951	932,008	883,270	876,168	1,178,762
Parks and recreation	199,613	259,480	191,588	206,674	119,649	173,419	123,973	233,008	80,931	128,192
Police	379,701	420,134	410,885	404,573	434,230	335,842	352,453	356,665	439,709	379,676
Public safety	-	-	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-	-	-
Street repair & maintenance	3,459,464	1,842,707	3,999,963	1,683,455	3,189,712	1,547,509	1,874,992	3,163,261	3,136,968	1,597,065
Total governmental activities program revenues	5,681,776	4,876,682	6,660,462	4,445,674	6,099,879	4,265,302	4,578,037	6,249,900	6,150,771	4,908,174
Business-type activities:										
Sewer	3,399,951	3,259,769	3,260,279	3,361,223	5,724,273	6,706,435	6,393,250	5,932,595	6,108,605	5,917,083
Solid Waste	974,202	1,094,019	1,140,751	1,205,710	1,325,314	1,388,994	1,457,325	1,556,991	1,629,976	1,696,429
Stormwater	403,100	318,396	345,438	344,723	350,623	378,838	382,292	424,341	402,483	676,332
Water	4,050,081	5,721,059	3,448,378	3,480,586	4,148,898	4,988,388	5,615,833	6,003,745	6,431,529	6,312,677
Other business-type activities	1,925,899	1,302,550	1,213,749	1,641,873	3,564,226	1,491,235	1,497,852	1,532,473	1,180,185	1,377,553
Total business-type activities program revenues	10,753,233	11,695,793	9,408,595	10,034,115	15,113,334	14,953,890	15,346,552	15,450,145	15,752,778	15,980,074

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

Schedule 2

	Year Ended December 31,									
	2009	2010	2011, as restated	2012, as restated	2013, as restated	2014, as restated	2015, as restated	2016	2017 restated	2018
Net (Expense) Revenue ^(a)										
Governmental activities:										
Basic utility services	(134,047)	(73,127)	-	(54,751)	-	(101,582)	(384,464)	(249,527)	(62,738)	(23,450)
Community environment	-	-	-	-	-	(78,340)	(183,282)	-	(168,217)	(471,394)
Community development	(213,504)	(327,848)	(376,875)	(284,829)	(41,285)	-	-	(430,541)	-	-
Community environment	(1,061,777)	(1,214,726)	(719,353)	(614,926)	(434,697)	(493,203)	(471,506)	(505,961)	(549,268)	(631,456)
Fire	(4,080,811)	(3,583,066)	(4,074,526)	(3,998,882)	(4,275,140)	(4,328,108)	(4,841,153)	(4,943,989)	(5,017,926)	(5,648,602)
General government	(1,314,285)	(928,165)	(822,047)	(1,041,519)	(1,280,552)	(1,222,533)	(1,135,011)	(1,112,992)	(1,400,220)	(1,281,658)
Health	(273,930)	(82,357)	(43,784)	(67,145)	(59,332)	(89,206)	(101,020)	(72,706)	(163,469)	(158,183)
Judicial	(769,401)	(759,270)	(807,039)	(691,275)	(717,304)	(784,840)	(720,154)	(968,439)	(978,346)	(1,196,737)
Parks and recreation	(1,305,265)	(1,128,722)	(1,173,870)	(1,281,693)	(1,334,307)	(1,290,736)	(1,359,207)	(1,339,659)	(1,578,930)	(1,453,203)
Public safety	-	-	-	-	-	(5,733,599)	(5,842,468)	-	(6,496,938)	(7,111,507)
Police	(5,891,852)	(5,721,900)	(5,584,509)	(5,542,556)	(5,444,686)	-	-	(6,025,322)	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Public transportation	-	-	-	(5,643)	-	(1,686,064)	(1,361,106)	(41,509)	(4,778)	-
Street repair & maintenance	365,498	(1,482,132)	579,593	(1,592,035)	(312,086)	-	-	(402,075)	(576,405)	(2,503,014)
Bond issuance costs	-	-	-	-	(14,234)	-	-	-	-	-
Interest on long-term debt	(364,625)	(353,017)	(321,257)	(295,729)	(291,005)	(161,053)	(147,997)	(134,274)	(120,023)	(105,694)
Total governmental activities	<u>(15,043,999)</u>	<u>(15,654,330)</u>	<u>(13,343,667)</u>	<u>(15,470,983)</u>	<u>(14,204,628)</u>	<u>(15,969,264)</u>	<u>(16,547,368)</u>	<u>(16,226,994)</u>	<u>(17,117,258)</u>	<u>(20,584,898)</u>
Business-type activities:										
Sewer	(464,276)	(465,032)	(371,200)	(112,737)	1,808,546	2,567,325	2,229,515	1,721,274	1,212,332	1,061,914
Solid Waste	(111,735)	(52,747)	(47,975)	(27,491)	833,923	26,988	882,860	7,743	6,074	1,711
Stormwater	(176,163)	(242,982)	(198,165)	(223,501)	(996,151)	(145,703)	(1,039,338)	(163,712)	(231,146)	43,225
Water	830,955	2,320,607	(312,510)	(395,947)	310,517	1,196,788	1,902,249	2,018,922	1,660,393	1,105,687
Other business-type activities	511,414	(190,386)	(308,889)	43,078	2,010,088	(84,833)	(111,305)	(148,146)	(649,522)	(725,897)
Total business-type activities	<u>590,195</u>	<u>1,369,460</u>	<u>(1,238,739)</u>	<u>(716,598)</u>	<u>3,966,923</u>	<u>3,560,565</u>	<u>3,863,981</u>	<u>3,436,081</u>	<u>1,998,131</u>	<u>1,486,640</u>
Total	<u>(14,453,804)</u>	<u>(14,284,870)</u>	<u>(14,582,406)</u>	<u>(16,187,581)</u>	<u>(10,237,705)</u>	<u>(12,408,699)</u>	<u>(12,683,387)</u>	<u>(12,790,913)</u>	<u>(15,119,127)</u>	<u>(19,098,258)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Income taxes	9,996,527	12,120,834	12,833,355	13,508,264	14,161,506	15,394,876	17,882,075	18,724,943	15,059,777	20,585,439
Property taxes	1,451,435	1,478,089	1,180,084	1,064,514	1,016,383	1,028,049	1,026,383	1,014,356	1,010,769	1,080,414
Payments in lieu of taxes	-	-	-	-	-	131,681	151,114	151,322	151,861	151,677
Lodging taxes	-	-	-	-	-	291,434	377,602	383,691	408,572	414,299
Other taxes	805,708	637,560	810,199	670,257	807,038	1,865	1,534	4,260	1,058	766
Grants and contributions not restricted to specific progr	887,749	977,843	886,421	577,012	582,407	590,138	580,241	553,759	523,678	553,902
Investment earnings	132,406	114,967	126,830	129,953	106,092	88,087	82,194	81,259	213,665	286,686
Gain (loss) on sale/disposal of capital assets	21,017	31,689	56,952	26,069	3,380	41,481	28,540	78,336	46,388	17,511
Miscellaneous	242,371	442,446	282,027	252,167	459,786	484,173	387,378	511,777	1,187,291	792,885
Transfers	(249,300)	(334,993)	(126,500)	(343,100)	(219,271)	(261,955)	(425,058)	(272,657)	(209,616)	(437,000)
Total governmental activities	<u>13,287,913</u>	<u>15,468,435</u>	<u>16,049,368</u>	<u>15,885,136</u>	<u>16,917,321</u>	<u>17,789,829</u>	<u>20,092,003</u>	<u>21,231,046</u>	<u>18,393,443</u>	<u>23,446,579</u>
Business-type activities:										
Miscellaneous	-	117,007	82,131	153,812	431,729	326,562	507,594	300,638	118,205	151,919
Investment earnings	75,652	75,020	199,574	169,073	117,401	121,169	129,961	140,182	205,409	342,298
Gain on sale/disposal of capital assets	-	20,502	5,158	99,280	13,179	1,554	28,985	23,377	24,023	5,205
Transfers	249,300	334,993	126,500	343,100	219,271	261,955	425,058	272,657	209,616	437,000
Total business-type activities	<u>324,952</u>	<u>547,522</u>	<u>413,363</u>	<u>765,265</u>	<u>781,580</u>	<u>711,240</u>	<u>1,091,598</u>	<u>736,854</u>	<u>557,253</u>	<u>936,422</u>
Total	<u>13,612,865</u>	<u>16,015,957</u>	<u>16,462,731</u>	<u>16,650,401</u>	<u>17,698,901</u>	<u>18,501,069</u>	<u>21,183,601</u>	<u>21,967,900</u>	<u>18,950,696</u>	<u>24,383,001</u>
Change in Net Position										
Governmental activities	(1,756,086)	(185,895)	2,705,818	414,153	2,712,693	1,820,565	3,544,635	5,004,052	646,834	2,861,681
Business-type activities	915,147	1,916,982	(825,376)	48,667	4,748,503	4,271,805	4,955,579	4,172,935	2,555,384	2,423,062
Total	<u>(840,939)</u>	<u>1,731,087</u>	<u>1,880,442</u>	<u>462,820</u>	<u>7,461,196</u>	<u>6,092,370</u>	<u>8,500,214</u>	<u>9,176,987</u>	<u>3,202,218</u>	<u>5,284,743</u>

^(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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved for:										
Inventory	\$ 51,953	\$ 65,312								
Prepaid items	33,350	30,918								
Encumbrances	69,040	112,982								
Unreserved	<u>3,884,890</u>	<u>4,374,198</u>								
Total general fund	<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	\$ 136,211	\$ 142,934
Restricted			-	-	-	-	-	-	-	-
Committed			275,349	64,415	243,392	266,555	283,076	487,015	691,339	839,123
Assigned			190,981	163,878	227,709	1,794,171	1,541,086	1,781,863	1,215,516	1,410,053
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>	<u>6,627,441</u>	<u>8,510,983</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>	<u>\$ 8,670,507</u>	<u>\$ 10,903,093</u>
All Other Governmental Funds										
Reserved for:										
Inventory	\$ 65,994	\$ 72,438								
Prepaid items	9,930	10,962								
Long-term loans receivable	-	-								
Encumbrances	751,599	983,927								
Unreserved, reported in:										
Special revenue funds	2,626,063	2,464,455								
Capital projects funds	<u>514,015</u>	<u>865,409</u>								
Total all other governmental funds	<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	\$ 52,798	\$ 158,720
Restricted			2,263,940	2,391,836	2,633,111	2,958,466	4,415,458	4,761,567	4,641,682	4,360,810
Committed			226,106	237,336	251,594	270,599	286,167	130,107	150,665	192,837
Assigned			1,354,486	1,523,668	1,999,039	2,544,935	1,791,894	2,672,195	2,991,639	3,128,186
Unassigned			<u>(148,369)</u>	<u>(44,845)</u>	<u>(46,169)</u>	<u>(621)</u>	<u>-</u>	<u>-</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>	<u>\$ 7,836,784</u>	<u>\$ 7,840,553</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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Local taxes	12,110,032	14,203,412	14,201,437	14,439,662	15,745,801	16,073,066	19,038,142	20,938,347	17,507,260	21,213,052
Intergovernmental revenues	4,913,153	3,605,456	5,907,208	3,052,245	4,735,720	2,757,853	2,861,655	4,451,519	4,189,493	2,856,464
Special assessments	261,408	249,283	296,942	263,184	295,537	272,883	277,698	411,921	361,138	483,722
Charges for services	1,524,444	1,761,900	1,641,677	1,687,672	1,684,689	1,692,992	1,549,281	1,418,766	1,484,580	1,651,246
Fines, licenses and permits	385,620	188,665	181,183	200,370	187,880	183,193	466,068	425,103	455,146	492,020
Investment income	173,504	145,895	135,882	140,156	123,001	118,525	93,084	101,842	200,321	271,345
Miscellaneous receipts and reimbursements	348,460	623,442	501,423	683,974	795,786	815,675	664,376	957,639	835,662	1,032,694
Total revenues	<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>	<u>25,033,600</u>	<u>28,000,543</u>
EXPENDITURES:										
Current:										
General government	1,241,283	994,747	761,594	833,851	928,871	1,076,602	1,089,085	1,023,670	62,738	23,450
Police	5,726,015	5,736,959	5,600,738	5,644,443	5,448,768	5,665,204	5,688,921	5,644,312	538,082	547,567
Fire	4,309,081	4,112,147	4,435,691	4,387,264	4,524,242	4,688,533	5,040,271	4,853,625	584,777	610,280
Judicial	1,487,055	1,421,674	1,544,293	1,470,021	1,539,963	1,569,513	1,537,304	1,659,057	5,025,757	4,987,059
Health	358,851	193,334	161,354	164,201	176,073	172,049	156,677	153,071	1,165,897	1,120,798
Public transportation	-	-	-	5,643	-	-	-	41,509	214,528	230,110
Street repair & maintenance	1,359,318	1,443,553	1,404,900	1,304,441	1,395,150	1,231,476	1,295,723	1,314,103	1,547,911	1,774,843
Community development	289,206	450,990	253,872	324,004	379,275	286,358	454,971	495,918	1,310,504	1,269,492
Community environment	1,117,688	1,080,338	798,625	704,250	510,050	575,576	565,701	604,071	5,984,805	6,112,150
Parks and recreation	1,273,062	1,186,393	1,172,055	1,260,922	1,187,370	1,196,673	1,240,974	1,287,955	4,778	-
Basic utility services	44,872	14,127	-	61,779	-	-	-	74,027	1,237,158	1,333,368
Capital outlay	4,691,407	2,333,585	5,656,047	2,933,601	4,301,811	2,544,470	5,286,644	7,957,500	7,523,290	6,510,925
Debt service:										
Principal	445,000	1,360,000	838,714	585,000	5,405,000	650,000	670,000	685,000	692,850	712,850
Bond issuance costs	-	-	-	-	86,666	-	-	-	-	-
Interest and other charges	371,902	360,066	323,888	302,424	305,447	166,982	153,982	140,307	126,057	111,807
Total expenditures	<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>	<u>26,019,132</u>	<u>25,344,699</u>
Excess (deficiency) of revenues over (under) expenditures	(2,998,119)	90,140	(266,019)	485,419	(2,620,272)	2,090,751	1,770,051	2,771,012	(985,532)	2,655,844
OTHER FINANCING SOURCES (USES):										
Transfers in	2,312,307	25,000	235,000	225,000	196,000	215,000	438,265	1,015,000	190,000	260,000
Bonds/Loans issued	900,000	945,000	1,605,000	-	4,947,432	-	-	-	157,000	-
Payment to refunding agent	-	-	(1,263,463)	-	-	-	-	-	-	-
Premium on bonds	-	17,238	27,176	-	-	-	-	-	-	-
Capital contributions	-	-	-	95,000	-	-	-	-	-	-
Sale of capital assets	21,017	56,389	56,952	29,635	7,868	55,124	28,187	95,866	46,388	17,511
Transfers out	(2,561,607)	(160,000)	(361,500)	(470,500)	(369,671)	(427,178)	(805,028)	(1,287,657)	(399,616)	(697,000)
Total other financing sources (uses)	<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>	<u>(6,228)</u>	<u>(419,489)</u>
Net change in fund balances	<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>	<u>\$ (991,760)</u>	<u>\$ 2,236,355</u>
Debt service as a percentage of noncapital expenditures	4.4%	8.9%	6.4%	4.9%	3.3% *	4.5%	4.4%	4.3%	4.3%	4.1%

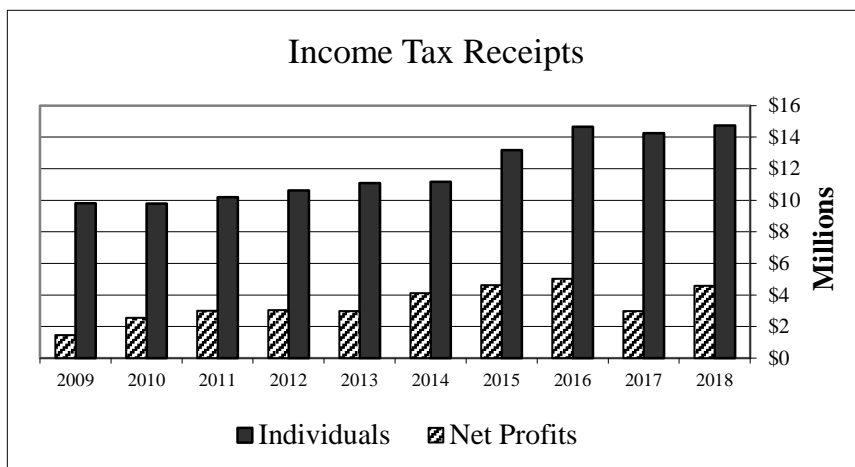
* For 2013 the bonds issued for the current refunding have been subtracted from debt service.

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

Year	Individuals			Total	Income Tax Rate
	Withheld by Employer	Paid by Taxpayer	Net Profits		
2018	\$ 13,610,025	\$ 1,137,042	\$ 4,577,846	\$ 19,324,912	1.75%
2017	\$ 13,349,548	\$ 905,940	\$ 2,973,156	\$ 17,228,644	1.75%
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%

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)

Schedule 6

<u>2018</u>			<u>2009</u>		
<u>Rank</u>	<u>Name</u>		<u>Rank</u>	<u>Name</u>	
1	Emerson Climate Technologies		1	Emerson Climate Technologies	
2	Wilson Memorial Hospital		2	Honda of America Manufacturing, Inc.	
3	Honda of America Manufacturing, Inc.		3	Wilson Memorial Hospital	
4	Superior Metal Products		4	Sidney Board of Education	
5	Advanced Composites		5	NK Parts Industries, Inc.	
6	Sidney Board of Education		6	Cargill, Inc	
7	Cargill, Inc		7	Superior Metal Products	
8	Norcold Inc		8	Shelby County Auditors' Office	
9	Shelby County Auditors' Office		9	US Foods (formerly Freshway Foods)	
10	US Foods (formerly Freshway Foods)		10	State of Ohio	
Combined percentage of			Combined percentage of		
Total income taxes		25.74%	Total income taxes		33.97%

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	Loans Payable	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	
2018	\$ 3,462,960 *	\$ 141,300	0.32%	\$ 604	\$ 2,804,968 *	\$ 24,438,256	\$ 6,192,439 *	\$ 9,202,016	\$ 46,241,939	4.32%	\$ 2,243	
2017	\$ 4,160,000	\$ 149,150	0.39%	\$ 674	\$ 2,872,000	\$ 25,048,532	\$ 6,835,000	\$ 9,132,062	\$ 48,196,744	4.51%	\$ 2,344	
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	

* In 2018 the City corrected balances to include premiums on bonds. Prior year balances have not been restated.

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

Schedule 8

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Obligation Bonds	\$ 15,330,000	\$ 17,127,000	\$ 16,702,000	\$ 15,597,000	\$ 19,312,000	\$ 17,987,000	\$ 16,632,000	\$ 15,262,000	\$ 13,867,000	\$ 12,460,367 *
Assessed value of taxable property ^(a)	\$ 379,705,390	\$ 379,491,650	\$ 356,004,730	\$ 355,354,130	\$ 355,259,920	\$ 352,538,170	\$ 356,048,730	\$ 360,708,070	\$ 373,693,340	\$ 374,523,810
General Obligation Bonds as percent of total assessed value of taxable property	4.04%	4.51%	4.69%	4.39%	5.44%	5.10%	4.67%	4.23%	3.71%	3.33%
Estimated actual value of taxable property ^(a)	\$ 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	\$ 1,067,695,257	\$ 1,070,068,029
General Obligation Bonds as percent of total estimated actual value of taxable property	1.41%	1.58%	1.64%	1.54%	1.90%	1.79%	1.63%	1.48%	1.30%	1.16%
Population ^(b)	19,944	21,229	21,118	21,031	21,031	21,006	20,905	20,858	20,564	20,614
General Obligation Bonds Per capita	\$ 769	\$ 807	\$ 791	\$ 742	\$ 918	\$ 856	\$ 796	\$ 732	\$ 674	\$ 604
Less debt not subject to limitations										
Self-supporting securities issued for water systems or facilities	\$ (670,000)	\$ (3,357,000)	\$ (3,342,000)	\$ (3,277,000)	\$ (3,212,000)	\$ (3,147,000)	\$ (3,082,000)	\$ (3,017,000)	\$ (2,947,000)	\$ (2,734,968)
Self-supporting securities issued for sanitary sewer systems or facilities	\$ (6,135,000)	\$ (6,605,000)	\$ (6,300,000)	\$ (5,795,000)	\$ (10,055,000)	\$ (9,395,000)	\$ (8,720,000)	\$ (8,045,000)	\$ (7,350,000)	\$ (6,370,000)
Net debt subject to 10-1/2% limitation ^(c)	\$ 8,525,000	\$ 7,165,000	\$ 7,060,000	\$ 6,525,000	\$ 6,045,000	\$ 5,445,000	\$ 4,830,000	\$ 4,200,000	\$ 3,570,000	\$ 3,355,399
Voted and Unvoted Debt Limit -- 10-1/2% of assessed value	\$ 39,869,066	\$ 39,846,623	\$ 37,380,497	\$ 37,312,184	\$ 37,302,292	\$ 37,016,508	\$ 37,385,117	\$ 37,874,347	\$ 39,237,801	\$ 39,325,000
Legal Debt Margin within 10-1/2% Limitation	\$ 31,344,066	\$ 32,681,623	\$ 30,320,497	\$ 30,787,184	\$ 31,257,292	\$ 31,571,508	\$ 32,555,117	\$ 33,674,347	\$ 35,667,801	\$ 35,969,601
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	21.38%	17.98%	18.89%	17.49%	16.21%	14.71%	12.92%	11.09%	9.10%	8.53%
Net debt subject to 5-1/2% limitation ^(d)	\$ 8,525,000	\$ 7,165,000	\$ 7,060,000	\$ 6,525,000	\$ 6,045,000	\$ 5,445,000	\$ 4,830,000	\$ 4,200,000	\$ 3,570,000	\$ 3,355,399
Unvoted Debt Limit -- 5-1/2% of assessed value	\$ 20,883,796	\$ 20,872,041	\$ 19,580,260	\$ 19,544,477	\$ 19,539,296	\$ 19,389,599	\$ 19,582,680	\$ 19,838,944	\$ 20,553,134	\$ 20,598,810
Legal Debt Margin within 5-1/2% Limitation	\$ 12,358,796	\$ 13,707,041	\$ 12,520,260	\$ 13,019,477	\$ 13,494,296	\$ 13,944,599	\$ 14,752,680	\$ 15,638,944	\$ 16,983,134	\$ 17,243,411
Net debt within limitations for Unvoted debt as a percentage of debt limit	40.82%	34.33%	36.06%	33.39%	30.94%	28.08%	24.66%	21.17%	17.37%	16.29%

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

^(b) Source for population: For years 2005 - 2009 & 2011 - 2018, 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.

* In 2018 the City corrected balances to include premiums on bonds. Prior year balances have not been restated.

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

Schedule 9

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sewer										
Net customer revenues	3,354,943	3,180,498	3,251,710	3,289,516	5,690,493	6,706,435	6,358,031	5,932,595	6,108,605	5,867,083
Direct operating expenses	<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>	<u>3,244,413</u>	<u>3,007,533</u>
Net revenue available for debt service	753,069	659,048	702,801	828,882	2,805,794	3,672,389	3,300,818	2,865,056	2,864,192	2,859,550
General obligation debt service requirements	642,611	642,299	636,330	582,906	576,931	878,061	875,761	863,261	870,761	867,861
Revenue obligation debt service requirements	-	-	-	-	-	-	-	-	-	565,798
Debt service coverage ratio	1.17	1.03	1.10	1.42	4.86	4.18	3.77	3.32	3.29	1.99
Water										
Net customer revenues	3,250,037	3,161,735	3,366,141	3,508,224	3,928,167	4,988,388	5,536,495	5,805,611	6,375,636	6,257,749
Direct operating expenses	<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>	<u>3,097,432</u>	<u>3,240,367</u>
Net revenue available for debt service	398,429	199,646	266,999	503,754	919,844	2,031,364	2,620,261	2,685,186	3,278,204	3,017,382
General obligation debt service requirements	-	220,906	212,876	234,125	231,373	228,620	225,868	223,040	225,138	226,963
Revenue obligation debt service requirements	-	235,518	235,518	235,518	232,418	234,743	234,743	234,743	716,659	1,416,301
Debt service coverage ratio	N/A	0.44	0.60	1.07	1.98	4.38	5.69	5.87	3.48	1.84

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, 2018**

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⁾	\$14,580,000	100%	\$14,580,000
Shelby County ⁽²⁾	\$0	42% ⁽³⁾	<u>\$0</u>
Subtotal, overlapping debt			\$14,580,000
City of Sidney direct debt			<u>\$3,604,260</u>
Total direct and overlapping debt			<u><u>\$18,184,260</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 2018 estimated population (20,614) as a percent of Shelby County 2017 estimate population (48,759) is equal to 42%.

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⁾
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
2017	20,564 (1)(a)	\$18,628 (1)(b)	36.1 yrs	3,298	4.1%	\$373,693,340	\$1,067,695,257
2018	20,614 (1)(a)	\$18,628 (1)(b)	36.1 yrs	3,313	3.8%	\$374,523,810	\$1,070,068,029

⁽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

2018*		
<u>Employer</u>	<u>Approximate Number of Employees</u>	<u>Percentage of Total Top 10 Employment</u>
1 Emerson Climate Technologies	1,590	27.42%
2 NK Parts Industries	716	12.35%
3 Wilson Health	706	12.18%
4 Norcold	435	7.50%
5 Sidney Board of Education	425	7.33%
7 American Trim	422	7.16%
6 US Foods (formerly Freshway Foods)	415	7.28%
8 Area Energy & Electric	380	6.55%
10 Schwan's Mama Rosa's	355	6.11%
9 Ferguson Construction Company	354	6.12%
Total	5,798	100.00%

2009			
<u>Employer</u>	<u>Approximate Number of Employees</u>	<u>Percentage of Total Top 10 Employment</u>	
1 Emerson Climate Technologies	1,407	28.44%	
2 Wilson Health	729	14.74%	
3 NK Parts Industries	524	10.59%	
4 Sidney Board of Education	414	8.37%	
5 US Foods (formerly Freshway Foods)	374	7.56%	
6 Superior Metal Products/American Trim	346	6.99%	
7 Cargill, Inc	333	6.73%	
8 Augusta Sportswear	311	6.29%	
9 Wal-Mart Super Center	283	5.72%	
10 Advanced Composites	226	4.57%	
Total	4,947	100.00%	

Source: Sidney Shelby Economic Partnership (SSEP)
 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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	13.45	11.85	10.85	10.85	10.65	9.65	9.15	9.15	9.15	9.15
Police										
Officers	40.00	39.00	37.00	35.00	35.00	36.00	36.00	36.00	38.00	38.00
Civilians	15.84	13.92	13.35	13.35	13.35	12.35	12.35	12.47	12.51	12.80
Fire										
Firefighters and officers	38.00	35.00	35.00	35.00	35.00	35.00	35.00	37.00	37.00	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	16.66	16.66	17.66	17.16	17.66	17.66	18.16	18.35	21.95
Health - cemetery	2.76	2.00	2.00	2.00	2.00	2.00	2.00	2.32	3.32	3.32
Street repair & maintenance	8.88	6.88	6.98	6.98	7.08	7.08	7.08	8.66	7.74	8.66
Community development	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.25	2.25	2.00
Community environment	11.30	10.50	5.60	5.60	5.75	5.75	5.25	5.54	5.54	6.54
Parks and recreation	16.23	15.51	15.51	14.94	13.94	11.70	11.70	12.95	12.91	12.91
Transportation	13.60	13.60	13.60	12.57	12.72	12.72	13.71	14.17	15.04	16.04
Stormwater	4.06	3.60	3.60	3.60	3.80	3.80	3.80	3.80	3.80	3.80
Water	16.03	15.83	15.73	15.73	15.88	15.88	15.88	16.88	17.19	17.86
Sewer	15.55	15.33	15.23	14.23	17.38	17.38	17.38	17.38	17.38	17.61
Solid waste	-	-	-	-	0.05	0.05	0.05	0.05	0.05	0.05
Airport	-	-	-	-	-	-	0.05	0.05	0.05	0.05
Swimming pool	4.21	3.98	3.98	3.98	4.38	4.46	4.24	4.24	4.24	4.24
Concession Stand	-	-	-	-	-	-	0.63	0.63	0.63	0.63
Revenue Collection	6.50	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.67
Service center including city garage	3.50	3.00	3.00	3.00	3.05	3.05	3.05	3.05	3.05	3.05
Information technology	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Total	233.86	218.66	210.09	206.49	209.19	206.53	207.98	215.75	219.20	227.33

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Accounts payable checks processed	5,230	4,276	4,594	4,376	4,595	4,650	4,266	4,557	4,344	4,590
Purchase orders issued	1,479	1,291	1,327	1,231	1,342	1,372	1,386	1,464	1,440	1,396
Police										
Calls for service processed	26,943	25,151	22,508	21,015	26,853	32,812	28,451	28,722	29,679	28,000
9-1-1 calls processed	7,247	7,542	11,661	10,703	17,000	15,846	7,500	15,846	10,437	10,500
Adult & juvenile arrests	1,998	1,321	1,193	1,201	1,428	1,214	1,102	1,045	1,200	1,160
Traffic citations	2,003	1,083	856	805	1,346	1,661	1,476	1,506	1,498	1,800
Fire										
Fire calls	592	502	524	575	719	809	878	931	1,121	1,000
EMS calls	2,638	2,552	2,772	2,729	2,407	2,784	2,977	3,151	3,142	3,100
Municipal Court										
New cases filed	8,478	7,224	7,372	7,928	7,864	7,875	7,819	7,287	7,482	8,750
Cases completed	9,230	9,287	8,471	8,255	8,185	7,924	8,466	8,715	8,940	9,156
Prisoners transported by bailiff	1,242	569	895	618	1,148	1,055	1,000	514	839	1,321
Cemetery										
Burials	69	69	74	102	101	86	92	107	90	90
Grave sales	34	29	35	40	59	65	29	55	84	112
Public Transportation										
Total ridership	43,448	38,636	37,912	41,543	43,756	47,782	48,270	49,180	48,367	51,400
Streets and highways										
Miles of street responsibility	97.5	97.5	97.5	97.5	110.5	110.5	111.0	111	111	111
Traffic signal intersections	52	50	50	48	48	49	50	51	52	52
Planning										
Sign permits issued	37	27	37	40	33	42	40	46	30	41
Zoning occupancy permits issued	17	22	32	34	33	20	35	21	26	18
Building inspection										
Building permits issued	330	491	319	567	467	367	235	550	543	525
Building inspections	612	734	472	404	361	390	322	676	879	490
Engineering										
Sanitary sewer inspections	25	25	25	12	15	13	11	11	14	16
Parks and recreation										
Free clinics organized and directed	24	-	14	12	12	15	10	21	27	32
Free clinics (attendance)	2,560	-	701	399	446	463	329	682	1,428	1,400
Park shelters maintained	37	37	43	43	45	45	45	45	45	45
Trees planted	1	1	16	6	-	-	1	189	9	12
Senior Center members	1,002	945	945	990	1,119	994	1,088	966	902	929
Water										
Gallons of water processed (in millions)	2,994	3,123	3,185	3,277	3,095	2,926	3,012	2,901	3,010	3,100
Lime sludge processed/removed (dry tons)	7,095	7,038	6,291	3,571	6,250	6,100	6,664	6,500	-	7,115
Water main breaks	16	16	24	15	29	23	21	18	15	10
Sewer										
Wastewater processed (million gallons per day)	4.76	5.07	6.40	4.66	5.27	4.79	5.81	4	5	5
Biosolids processed (dry tons)	618.55	650	590	602	635	675	692	616	572	660
Feet of sewer cleaned	90,089	93,327	93,327	87,516	89,997	88,139	83,141	62,608	44,802	100,000
Swimming Pool										
Daily admissions	12,957	14,703	15,103	13,176	9,786	8,289	9,795	9,771	8,158	7,977
Season passes	490	401	492	344	286	317	n/a	n/a	n/a	n/a
Information Technology										
Number of personal computers maintained	210	205	195	205	211	219	311	335	350	350
Service Center - Garage										
Units in fleet	263	250	248	256	258	264	240	236	230	225
Revenue Collections										
Tax returns processed	5,458	9,686	12,315	11,923	11,692	11,406	11,498	11,037	11,477	11,592
Monthly Utility Customers	2,356	2,889	2,985	3,015	3,810	3,724	4,071	4,253	4,475	4,665

Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 2009 - 2017. Estimated statistics for 2018.

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

Schedule 15

<u>Function/Program</u>	<u>Year Ended December 31,</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>	<u>2017</u>	<u>2018</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Street Repair & Maintenance ⁽¹⁾										
Miles of streets	100.46	100.46	110.16	110.16	109.99	110.72	110.72	110.72	110.72	110.72
Basic utility services - stormwater management ⁽¹⁾										
Miles of storm sewers	75.17	75.24	76.20	76.54	76.77	77.07	77.07	77.07	77.11	77.36
Parks and recreation ⁽²⁾										
Acres of parks maintained	430	450	450	450	456	456	456	456	456	456
Acres of public grounds maintained	250	250	250	250	250	250	250	250	250	250
Neighborhood parks	16	16	16	16	16	16	16	16	16	16
Sewer ⁽¹⁾										
Miles of sanitary sewers	120.57	122.07	122.11	125.05	125.46	124.00	125.48	125.48	125.50	125.85
Water ⁽¹⁾										
Miles of water mains	121.02	123.22	123.23	123.23	123.31	123.31	123.31	124.97	124.97	125.26

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

⁽²⁾ Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 2009 - 2017. Estimated statistics for 2018.

**CITY OF SIDNEY
SHELBY COUNTY, OHIO**

SUPPLEMENTAL REPORTS

FOR THE YEAR ENDED
DECEMBER 31, 2018

**CITY OF SIDNEY
SHELBY COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGES</u>
Schedule of Expenditures of Federal Awards and Notes	1 - 2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3 - 4
Independent Auditor's Report on Compliance With Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and the Schedule of Expenditures of Federal Awards Required by the <i>Uniform Guidance</i>	5 - 6
Schedule of Findings 2 <i>CFR</i> § 200.515.....	7

CITY OF SIDNEY
SHELBY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	(A)(B) FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through the Ohio Department Of Education</i>			
<i>Child Nutrition Cluster</i>			
Summer Food Service Program for Children	10.559	N/A	\$ 29,132
Total Child Nutrition Cluster			<u>29,132</u>
Child and Adult Care Food Program	10.558	N/A	<u>2,959</u>
Total U.S. Department of Agriculture			<u>32,091</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-17-2DR-2	<u>193,452</u>
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	A-C-15-2DR-1	10,850
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	A-F-17-2DR-1	5,449
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	A-C-17-2DR-1	222,908
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	A-F-16-2DR-1	48,027
Total Community Development Block Grant/State's Program			<u>287,234</u>
Total U.S. Department of Housing and Urban Development			<u>480,686</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed through the Office of Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JG-LLE-5895	3,595
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-JG-A02-V6088	<u>18,800</u>
Total Edward Byrne Memorial Justice Assistance Grant Program and U.S. Department of Justice			<u>22,395</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed through the Ohio Department Of Transportation</i>			
Formula Grants for Rural Areas	20.509	OH-2017-050	302,073
Formula Grants for Rural Areas	20.509	OH-2016-050	50,501
Formula Grants for Rural Areas	20.509	OH-18-X036	5,057
Total Formula Grants for Rural Areas			<u>357,631</u>
National Infrastructure Investments	20.933	OH-2016-036-00	<u>50,500</u>
Total U.S. Department of Transportation			<u>408,131</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
<i>Passed through the Area Agency on Aging, PSA 2</i>			
<i>Aging Cluster</i>			
Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	N/A	8,400
Total Aging Cluster			<u>8,400</u>
<i>Passed through the Centers for Medicare and Medicaid Services</i>			
<i>Medicaid Cluster</i>			
Medical Assistance Program	93.778	N/A	4,100
Total Medicaid Cluster			<u>4,100</u>
Total U.S. Department of Health & Human Services			<u>12,500</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 955,803</u>

- Continued-

**CITY OF SIDNEY
SHELBY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6) - (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

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) under programs of the federal government for the year ended December 31, 2018. 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 position, 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. 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 not elected 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 no outstanding loans as of December 31, 2018 and received \$0 in principal repayments during 2018. 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 were 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.



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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 and City Manager:

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, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Sidney's basic financial statements and have issued our report thereon dated June 24, 2019, wherein we noted as discussed in Note 18, the City of Sidney adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Sidney's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Sidney'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 of Sidney'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 of Sidney'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 of Sidney's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Sidney's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
June 24, 2019



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Independent Auditor's Report on Compliance With Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

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

To the City Council and City Manager:

Report on Compliance for the Major Federal Program

We have audited the City of Sidney's 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, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City of Sidney's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the City of Sidney's compliance for the City of Sidney'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 of Sidney'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 of Sidney's major program. However, our audit does not provide a legal determination of the City of Sidney'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, 2018.

Report on Internal Control Over Compliance

The City of Sidney'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 of Sidney'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 of Sidney'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.

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, Shelby County, Ohio, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Sidney's basic financial statements. We issued our unmodified report thereon dated June 24, 2019. Our opinion also explained that the City of Sidney adopted *Governmental Accounting Standard No. 75* during the year. We conducted our audit to opine on the City of Sidney'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.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 24, 2019

**CITY OF SIDNEY
SHELBY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii (CFDA #14.228)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

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OHIO AUDITOR OF STATE
KEITH FABER



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
AUGUST 6, 2019**