

**CITY OF SIDNEY
SHELBY COUNTY, OHIO**

SUPPLEMENTAL REPORTS

FOR THE YEAR ENDED
DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

Mayor and City Council
City of Sidney
201 W. Poplar
Sidney, Ohio 45365

We have reviewed the Independent Auditor's Report of the City of Sidney, Shelby County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2003 through December 31, 2003. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

June 10, 2004

This Page is Intentionally Left Blank.

**CITY OF SIDNEY
SHELBY COUNTY, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report on Supplementary Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of Federal Awards.....	2
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	3 - 4
Report on Compliance With Requirements Applicable To Its Major Federal Program and on Internal Control Over Compliance in Accordance With <i>OMB Circular A-133</i>	5 - 6
Schedule of Findings <i>OMB Circular A-133 § .505</i>	7 - 8

This Page is Intentionally Left Blank.

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor’s Report On Supplementary Schedule of Expenditures of Federal Awards

To the Mayor and City Council
City of Sidney
201 W. Poplar
Sidney, Ohio 45365

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City of Sidney as of and for the year ended December 31, 2003. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Trimble, Julian & Grube, Inc.
May 14, 2004

**CITY OF SIDNEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:			
Summer Food Service Program for Children	10.559	N/A	\$ 6,538
Total U.S. Department of Agriculture			<u>6,538</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT OFFICE OF HOUSING AND COMMUNITY PARTNERSHIP			
Community Development Block Grant	14.228	A-C-01-177-1	17,719
Community Development Block Grant	14.228	A-F-01-177-1	13,741
Community Development Block Grant	14.228	A-C-03-177-1	6,440
(B) Total Community Development Block Grant			<u>37,900</u>
HOME Investment Partnerships Program	14.239	A-C-01-177-2	161,699
Total U.S. Department of Housing and Urban Development			<u>199,599</u>
U.S. DEPARTMENT OF JUSTICE PASSED THROUGH THE OHIO OFFICE OF CRIMINAL JUSTICE SERVICE			
Byrne Formula Grant Program	16.579	2002-DG-A01-7125	111,596
Total U.S. Department of Justice			<u>111,596</u>
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION			
Rural Transit Grant Program Operating Project	20.509	RPT-4075-022-031	98,998
Total U.S. Department of Transportation			<u>98,998</u>
DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH THE N/A			
Assistance to Firefighters Grant	97.044	N/A	103,222
Total Federal Financial Assistance			<u>\$ 519,953</u>

(A) This schedule was prepared on a cash basis.

(B) The City received in \$21,356 in repayment of revolving loan funds in the year ended December 31, 2003.

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Mayor and City Council
City of Sidney
201 W. Poplar
Sidney, Ohio 45365

We have audited the basic financial statements of the City of Sidney as of and for the year ended December 31, 2003, and have issued our report thereon dated May 14, 2004. In addition, the City had a change in accounting principle for its threshold for fixed assets. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City’s basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

To the Mayor and City Council
City of Sidney

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Sidney's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the management and Mayor and City Council of the City of Sidney, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.
May 14, 2004

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Report on Compliance With Requirements Applicable To Each Major Federal Program and on Internal Control Over Compliance in Accordance With *OMB Circular A-133*

To the Mayor and City Council
City of Sidney
201 W. Poplar
Sidney, Ohio 45365

Compliance

We have audited the compliance of the City of Sidney with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2003. In addition, the City had a change in accounting principle for its threshold for fixed assets. The City of Sidney's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Sidney's management. Our responsibility is to express an opinion on the City of Sidney's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Sidney's compliance with those requirements.

To the Mayor and City Council
City of Sidney

In our opinion, the City of Sidney complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management and Mayor and City Council of the City of Sidney and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.
May 14, 2004

CITY OF SIDNEY, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2003

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under §.510?	No
<i>(d)(1)(vii)</i>	Major Program:	HOME Investment Partnership Program; CFDA #14.239
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

CITY OF SIDNEY, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2003

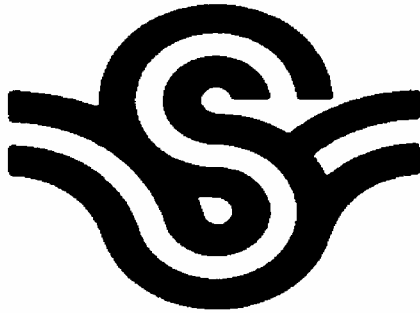
**2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

City of Sidney Ohio



Comprehensive Annual Financial Report

For the Year Ended
December 31, 2003

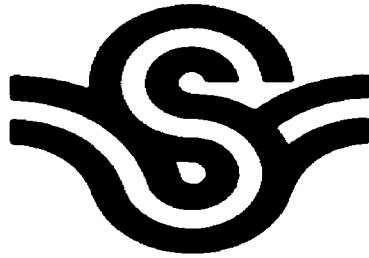
City of Sidney, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2003



Prepared by:
Finance Department
Thomas L. Judy, CPA, Finance Officer

This Page is Intentionally Left Blank.

City of Sidney



Ohio

This Page is Intentionally Left Blank.

TABLE OF CONTENTS

City of Sidney, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2003

	<u>Page</u>
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 - 13
C. BASIC FINANCIAL STATEMENTS	
<u>Government-wide Financial Statements:</u>	
Statement of Net Assets	14
Statement of Activities	15
<u>Fund Statements:</u>	
Balance Sheet - Governmental Funds	16 - 17
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18 - 19
Balance Sheet - Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22 - 23
Statement of Fiduciary Net Assets - Fiduciary Funds	24

	<u>Page</u>
Notes to the Basic Financial Statements	25 - 47
D. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Budgetary (Non-GAAP) Basis – General Fund	48
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis – Street Repair and Maintenance Fund	49
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis – Municipal Income Tax Fund	50
Notes to the Required Supplementary Information	51 - 52
E. SUPPLEMENTAL SECTION	
<u>Fund Descriptions</u>	53 - 56
<u>Combining Statements - Non-Major Funds:</u>	
Combining Balance Sheet - Non-major Governmental Funds	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	58
Combining Balance Sheet - Non-major Special Revenue Funds	59 - 61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Special Revenue Funds	62 - 64
Combining Balance Sheet - Non-major Capital Projects Funds	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Capital Projects Funds	66
Combining Balance Sheet - Non-major Enterprise Funds	67
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Non-major Enterprise Funds	68
Combining Statement of Cash Flows - Non-major Enterprise Funds	69
Combining Balance Sheet - Internal Service Funds	70
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds	71
Combining Statement of Cash Flows - Internal Service Funds	72

	<u>Page</u>
Combining Statement of Fiduciary Net Assets – Fiduciary Funds	73
Combining Statement of Changes in Assets and Liabilities –Agency Funds	74
<u>Budget-To-Actual Schedules – General Fund</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control – General Fund	76 - 78
<u>Budget-To-Actual Schedules - Special Revenue Funds</u>	
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	80
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – At Legal Level of Budgetary Control – Municipal Income Tax Fund	81
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – State Highway Fund	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – County Auto License Fund	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Stormwater Management Fund	83
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Cemetery Fund	84
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Transportation Fund	85
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – C.D.B.G. Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – C.D.B.G. Revolving Loan Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – C.D.B.G. Program Income Fund	87
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – H.O.M.E. Program Income Fund	87
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Parking Meter and Off-Street Parking Fund	88

	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Probation Grant Fund	88
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Convention and Visitors’ Bureau Fund	89
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Health Department Building Lease Fund	89
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – FEMA Grant Fund	90
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Separation Payment Fund	90
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Insurance Fund	91
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Drug Law Enforcement Fund	91
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Law Enforcement Fund	92
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Indigent Driver Alcohol Treatment Fund	92
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Enforcement & Education Fund	93
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – OCJS Grant Fund	93
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Imprest Cash Fund	94
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Fire Loss Security Fund	94
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Cemetery Maintenance Fund	95
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Mausoleum Maintenance Fund	95
 <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 – Capital Improvement Fund	97
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Capital Investment Fund	97

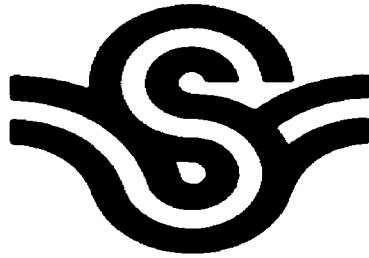
	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Special Assessment Fund	98
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – Monumental Building Renovation Fund	98

III STATISTICAL SECTION

Table 1: General Governmental Expenditures by Function – Last Ten Years	99
Table 2: General Governmental Revenues by Source – Last Ten Tears	100
Table 3: Property Tax Levies and Collections - Real Property and Public Utility Property - Last Ten years	101
Table 4: Property Tax Levies and Collections – Tangible Personal Property – Last Ten Years	102
Table 5: Assessed and Estimated Actual Value of Tangible Property – Last Ten Years	103
Table 6: Property Tax Rates - Direct and Overlapping Governments – Last Ten Years	104
Table 7: Special Assessments and Collections - Last Ten Years	105
Table 8: Computation of 5-1/2% Legal Debt Margin for Unvoted Debt	106
Table 9: Computation of 10-1/2% Legal Debt Margin for Voted and Unvoted Debt	107
Table 10: Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita – Last Ten Years	108
Table 11: Ratio of Annual Debt Service Expenditures of General Bonded Debt to General Governmental Expenditures – Last Ten Years	109
Table 12: Computation of Direct and Overlapping General Obligation Debt	110
Table 13: Demographic Statistics - Last Ten Years	111
Table 14: Property Value and New Construction - Last Ten Years	112
Table 15: Principal Taxpayers (Property Tax)	113
Table 16: Miscellaneous Statistics	114

This Page is Intentionally Left Blank.

City of Sidney



Ohio

**CITY OF SIDNEY, OHIO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2003**

CITY COUNCIL MEMBERS

Frank Mariano, Mayor

Rick Sims, Vice-Mayor

Merrill Asher

Mark Barga

Mark Copeland

Thomas Miller

Terry Pellman

CITY MANAGER

Steve Stilwell

SENIOR DIRECTORS

Jon S. Crusey	Assistant City Manager
Thomas L. Judy	Finance Officer
R. Stanley Crosley	Fire Chief
Steven Wearly	Police Chief
William Gosciewski	Public Works Director
Michael Smith	Law Director
Jerry Alexander	Transportation / Contract Administration Director
Robert New	Parks & Recreation Director
Jocele Fahnestock	City Clerk



City of Sidney

Letter of Transmittal for 2003 Comprehensive Annual Financial Report

May 14, 2004

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

The Comprehensive Annual Financial Report of the City of Sidney, Ohio for the year ended December 31, 2003, is hereby submitted for your review. This report 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 is responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. We believe that the data presented in this report is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City. Further, we believe that all disclosures necessary to enable the reader to gain an understanding of the City of Sidney's activities have been included.

This Comprehensive Annual Financial Report incorporates financial reporting standards established by Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Statement No. 34 was developed to make annual financial reports of governments more comprehensive and easier to understand and use. All required elements of Statement No. 34, except for the requirement to retroactively report general infrastructure assets, were implemented in the 2000 CAFR, three years before the required implementation date. Retroactive restatement of general infrastructure assets, though not required until the report for the year ending December 31, 2007, was completed as of December 31, 2002.

This report is presented in three sections:

1. The Introductory Section includes this letter of transmittal, the City's organizational chart, a listing of principal City officials and the Certificate of Achievement for Excellence in Financial Reporting. This section is unaudited.
2. The Financial Section of the report is structured in the form of a "financial reporting pyramid" that allows the reader to move from less detailed financial reports to more detailed reports. The financial section includes the Independent Auditors' Report, the Management's Discussion and Analysis (unaudited), the Basic Financial Statements including the Notes to the Basic Financial Statements, and Required Supplementary Information. Finally, the supplemental financial section contains specific combining statements of individual funds for the reader who desires more detailed financial statements.
3. The Statistical Section presents selected financial and demographic data, generally presented on a multi-year basis. This section is unaudited.

Audit

The independent accounting firm Trimble, Julian & Grube, Inc. audited the basic financial statements of the City of Sidney, included in this report. The financial statements have received an “unqualified opinion” indicating that, in all material respects, the City’s basic financial statements are presented fairly and in conformity with accounting principles generally accepted in the United States of America. The audit was also designed to meet the requirements of the federal Single Audit Act and the related U.S. Office of Management and Budget’s Circular A-133. Auditors in conducting the engagement used auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office’s *Government Auditing Standards*. The auditors’ report on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

THE CITY OF SIDNEY

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

The City of Sidney, named after Sir Philip Sidney, a well-known poet and member of British Parliament, was originally a 70-acre parcel of land located along the west side of the Great Miami River. This land was donated by Charles Starrett to be used as the site of a new town that was to become the county seat of Shelby County. The area around Sidney was once the richly-forested hunting ground of the Shawnee and Miami Indian nations. This fertile area was developed as agricultural lands over time.

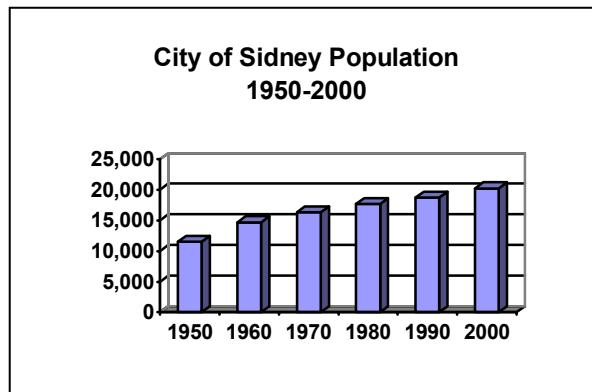
The area upon which the City of Sidney is located was part of Montgomery County upon the admittance of Ohio to the Union in 1803. In 1807, it fell into the jurisdiction of Miami County, where it remained until 1819 when Shelby County was established. At that time, Shelby County included the land of present-day Auglaize and Allen counties. The Village of Hardin served as the original county seat.

The City was laid out in 1819 in a grid pattern plat, comprised of a 15-block area and 113 lots. Sidney was incorporated in 1820 and designated as the permanent county seat of Shelby County. The first frame building was built in 1820 and the first brick building about ten years later. The original courthouse and jail facility was constructed in 1822. A log cabin schoolhouse was built in 1823.

By 1860, the population of Sidney had reached 1,997, an increase of nearly 350 percent from the mid-1830’s. With the growing community came a need for community services such as establishment of a municipal water service in 1873, police patrol beginning in 1893, a sewer system in 1901, and a paid city fire department in 1903.

The City’s population growth trend averaged 12.2% per decade from 1950 to 2000. Although the growth rate has slowed somewhat in recent decades, steady growth continues.

The 2000 Census reported a total population of 20,211, an increase of 8.0% over the 1990 census.



Municipal Services and Facilities

The City is a total service community providing a broad range of services for the citizens of Sidney, including: police and fire protection; emergency medical / ambulance services; water treatment and distribution; sanitary sewer and waste water treatment services; storm water management; street

construction and maintenance; refuse / garbage collection and disposal; parks and recreation facilities and programs; operation and maintenance of a municipal cemetery; and operation and maintenance of a municipal airport.

Governmental Organization

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

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

The chief executive and administrative officer of the City is the City Manager, who is appointed for an indefinite term and serves at the pleasure of Council. The City Manager has the authority to appoint and remove all City employees, subject to civil service regulations, except the Law Director and City Clerk. The City Manager directs the administration of all City departments except as provided by Charter and is the contracting officer of the City.

The Finance Officer, who is appointed by the City Manager, is the chief fiscal officer of the City. The Finance Officer exercises the powers otherwise granted to the City Auditor and City Treasurer positions under the laws of the State of Ohio. As such, the Finance Officer is charged with the responsibility of receiving, disbursing, and maintaining custody of all funds of the City. Also, the Finance Officer advises the City Manager and Council concerning financial matters and assists the City Manager in the preparation of the budget.

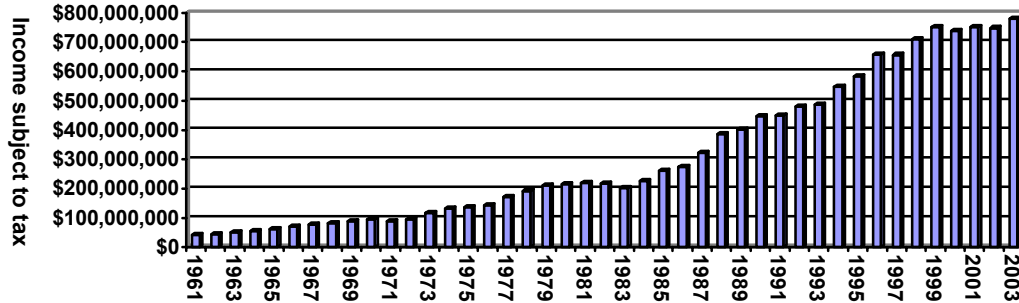
ECONOMIC CONDITIONS AND OUTLOOK

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. Approximately 1,200 workers relocated to the area for the construction of the railroad. Sidney is still served by these railroad lines today. The construction of I-75 through Sidney in 1962 was another major event in the City’s development. Creating a transportation link between Michigan and Florida, the interstate sparked an inflow of automobile-related factories, as well as warehouse and distribution facilities. Today, Sidney has four interchanges on Interstate 75, providing quick and convenient access for both commercial and industrial users.

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

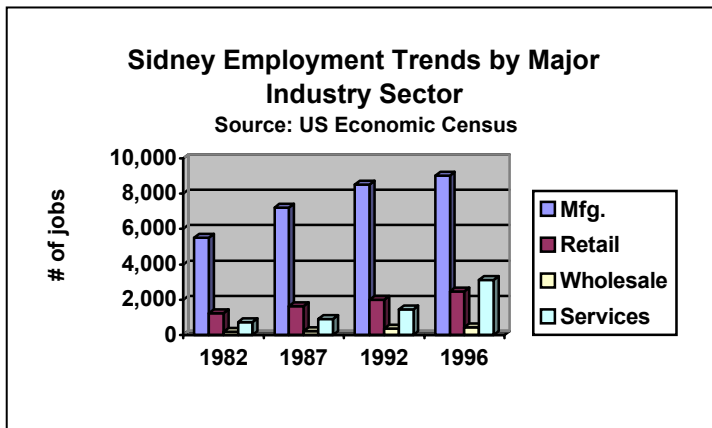
**City of Sidney Income Tax
Taxable Income 1961-2003**



Since 1999, gross annual income tax collections have shown little growth due to the economic slowdown. This is chiefly attributable to large decreases in direct collections from taxpayers, which consist primarily of taxes on business net profits. On the other hand, collections of amounts withheld by employers from employees' wages have shown moderate growth since 1999, indicating an apparently stable employment base.

Income tax cash collections net of refunds, decreased 2.4% in 2000, and increased by about 1.9% per year from 2001 through 2003.

Manufacturing jobs in Sidney increased by 64% from 1982 to 1996. During that period, retail jobs increased by 98%, wholesale by 154%, and services employment by 318%. In addition to the job growth within the City, there has been significant growth in surrounding areas, due in large part to the major auto engine plant operated by Honda of America, Inc. just a few miles outside the City.



Economic Environment – Today

The City of Sidney is an attractive location for industrial development. Sidney was number 52 in *Site Selection* Magazine's Top 100 Small Towns for new and expanded manufacturing facilities for the period 2001 to 2003.

The City of Sidney has a strong industrial base that is diversified and not totally dependent upon one sector of the economy. The ten largest employers operating within the City in 2003 were:

<u>Employer</u>	<u>Primary Business</u>	<u>Ave. no. of employees</u>
Copeland Corporation	Air compressor manufacturing	2,200
NK Parts, Inc.	Test, assemble, and ship auto parts	1,200
Stolle Products	Auto & appliance stamping	800
Wilson Memorial Hospital	Acute care facility	775
Wal-Mart Super Center	Discount retail	600
Con Agra	Pizzas (fresh & frozen), subs, lasagna	484
Sidney Board of Education	Public education	459
Alcoa Home Exteriors	Vinyl & aluminum siding and accessories	450
Ross Aluminum Foundries	Aluminum castings, wood & metal patterns	425
Cargill, Inc.	Soybean refining, meal & oil	373

Source: West Ohio Development Council

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

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

2003 Economic Activity and Outlook for the Future

Economic activity in Sidney continued to be slow in 2003, reflective of the sluggish national economy. One way that the sagging economy impacted the City of Sidney was the continued decrease in collections of income taxes on business net profits. Primarily because of that source, total income tax cash collections have shown little growth since 1999. On the positive side, the portion of income tax collections withheld by employers from their employees' wages has increased at about the rate of inflation in recent years, indicating stability in local employment.

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

One factor that contributes to the growth and stability in Sidney is a spirit of cooperation between the public and private sectors. The West Ohio Development Council (WODC) is a non-profit corporation organized to create more employment opportunities and retain the existing employment base in the Sidney and Shelby County area. Even though economic activity was less in 2003 than in some previous years, the WODC reports that there was still some new development activity in Sidney in 2003:

- Advanced Composites invested \$8.5 million in machinery and equipment, creating about 25 new jobs.
- Derby Fabricating, Inc. made a \$2.3 million investment in machinery and equipment, resulting in 25 additional jobs.
- Bensar constructed a 20,000 square foot warehouse facility on North Vandemark Road at a cost of about \$14.8 million.

- Lear Corporation created about 70 new jobs by investing about \$14.8 million in a 20,000 square foot building addition as well as additional machinery and equipment.

The Shelby County unemployment rate at the end of the year was 4.9%, up from 4.6% at the end of 2002. The statewide rate was 6.1%.

Certainly the issues that have negatively impacted the national economy in the last couple of years have been felt in Sidney as well. However, the underlying strength of the local economy has minimized the effects and there has been little impact upon the City's ability to provide quality services. As the national economy rebounds, historical trends tell us that the local economy will likewise improve. The factors that have made Sidney an attractive industrial site for many years - such as its favorable location, strong relationships between business and local government, and an expanding population base - remain in place.

MAJOR INITIATIVES

For the Year

Several projects were undertaken in 2003 to meet the growing infrastructure needs of local industry:

- An ongoing initiative is to reduce the amount of storm water that infiltrates the sanitary sewer system. Toward that end, approximately 26,000 feet of sanitary sewer lines were seal grouted at a cost of about \$187,000.
- Another phase of the replacement of the sewer main on Main Avenue from Russell Road to Parkwood Street was completed in 2003. The final phases of this project are scheduled for 2004. This work has been partially funded by state Issue II grant funding.
- Several improvements were made to the water treatment / distribution system, including the replacement of the existing 6-inch water main on Folkerth Avenue from the Days Inn area to the south side of State Route 47.
- The planned construction of a new police facility became closer to reality in 2003 as the architectural firm Horne and King began design of the building. The building is to be built just to the southwest of the existing municipal building. In 2003, the City completed the acquisition of the properties on the planned building site. Construction is scheduled to commence in 2004.



Computer generated picture of proposed police facility (left); existing City Hall (right)

Lagging tax revenues over the past several years have made it necessary for City Council to consider alternate sources of funding for City services. Effective July 1, 2003, the City of Sidney implemented a fee for emergency medical services (EMS) provided by the Sidney Department of Fire and Emergency Services. This fee is expected to generate about \$500,000 per year for General Fund operations. The revenue will be collected almost exclusively from insurance and Medicare. City residents with insurance or Medicare will not be billed for their co-payments, nor will uninsured residents be billed.

Future Plans

The City of Sidney's five-year capital improvement plan for 2004 – 2008 identified and scheduled several projects that will have an immediate effect on the quality of life in the community.

Construction is scheduled to begin in 2004 on the construction of the new police facility. The total project is estimated to cost \$7.6 million and be funded by the issuance of general obligation bonds. The bonds will be repaid over 20 years from revenues of the Capital Improvement Fund, primarily collections from the municipal income tax.

Consistent with the Comprehensive Plan objectives, the Five-Year Plan provides for the widening of a portion of Russell Road in an effort to improve the east-west flow of traffic in the City. Scheduled for 2005, Russell Road will be widened from the railroad to a point just west of Sixth Avenue. These improvements, projected to cost approximately \$3 million, will be partially funded by grants of about \$1 million from the State of Ohio.

The municipal swimming pool will benefit from the construction of a 150-foot tube slide, a wave slide, and other water features. The slides are to be installed in the autumn of 2004 at a cost of about \$250,000.

Efforts will continue in 2004 to reduce the infiltration of storm water into the sanitary sewer and to alleviate the flooding of residential basements during high-water events. Toward that end, in 2004, the City of Sidney will divert a section of sewer in the Franklin Avenue area (estimated cost \$186,000), as well as continue the seal grouting and smoke testing of sanitary sewer lines. The Five-Year Plan calls for the replacement of sanitary sewer lines in the Foraker Avenue area in 2005, a project that is expected to further alleviate the potential for sewer backups and basement flooding issues.

Phase III of the water supply study will be undertaken in 2004 evaluate ground water sources outside the City's corporate limits. This study is part of an ongoing effort to identify a potential reservoir or other secondary source of water.

FINANCIAL INFORMATION

Accounting / Budgetary Control System

Internal Controls. To provide reasonable assurance of the reliability of the information underlying the City of Sidney's financial statements, management of the City is responsible for the establishment and maintenance of an internal control system that provides reasonable, but not absolute, assurance that:

1. The City's assets are protected against loss and unauthorized use or disposition; and
2. Adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

As a recipient of federal and state financial assistance, it is the City's responsibility to ensure that adequate controls are in place to ensure and document compliance with applicable laws and regulations related to these programs.

Budgetary Controls. City Council approves an annual budget for all funds and approves subsequent amendments to that budget as needed. 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.

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.

RISK MANAGEMENT

The City of Sidney insures its business risk through Miami Valley Risk Management Association, Inc., (MVRMA). This organization is a consortium of municipalities located in southwest Ohio which, beginning in 1988, formed an association under Section 2744.081 of the Ohio Revised Code to act collectively in addressing its members’ risk management and risk financing needs. MVRMA provides a combination of self-insurance and commercial re-insurance for its members’ property and casualty exposures, administers a claims / litigation program and provides extensive safety / loss control consulting and training.

The City of Sidney joined MVRMA in 1993. The 2003 membership consisted of nineteen Ohio cities.

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, 2002. 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 five consecutive years. We believe that our current comprehensive annual financial report 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.

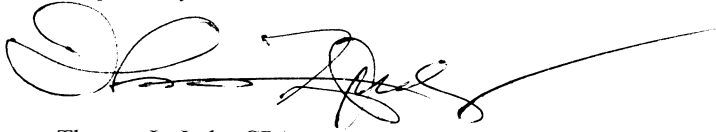
Distinguished Budget Presentation Award. The City received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for 2003, the fourth consecutive year that the City has received this award. In order to qualify for the Distinguished Budget Presentation Award, the City’s budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. The 2004 budget document was submitted to the GFOA and we believe that it meets the criteria for another award.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the efforts of the members of the Finance Department. Special recognition is extended to Accounting Manager Ginger Adams, CPA, for her skillful preparation of the financial statements.

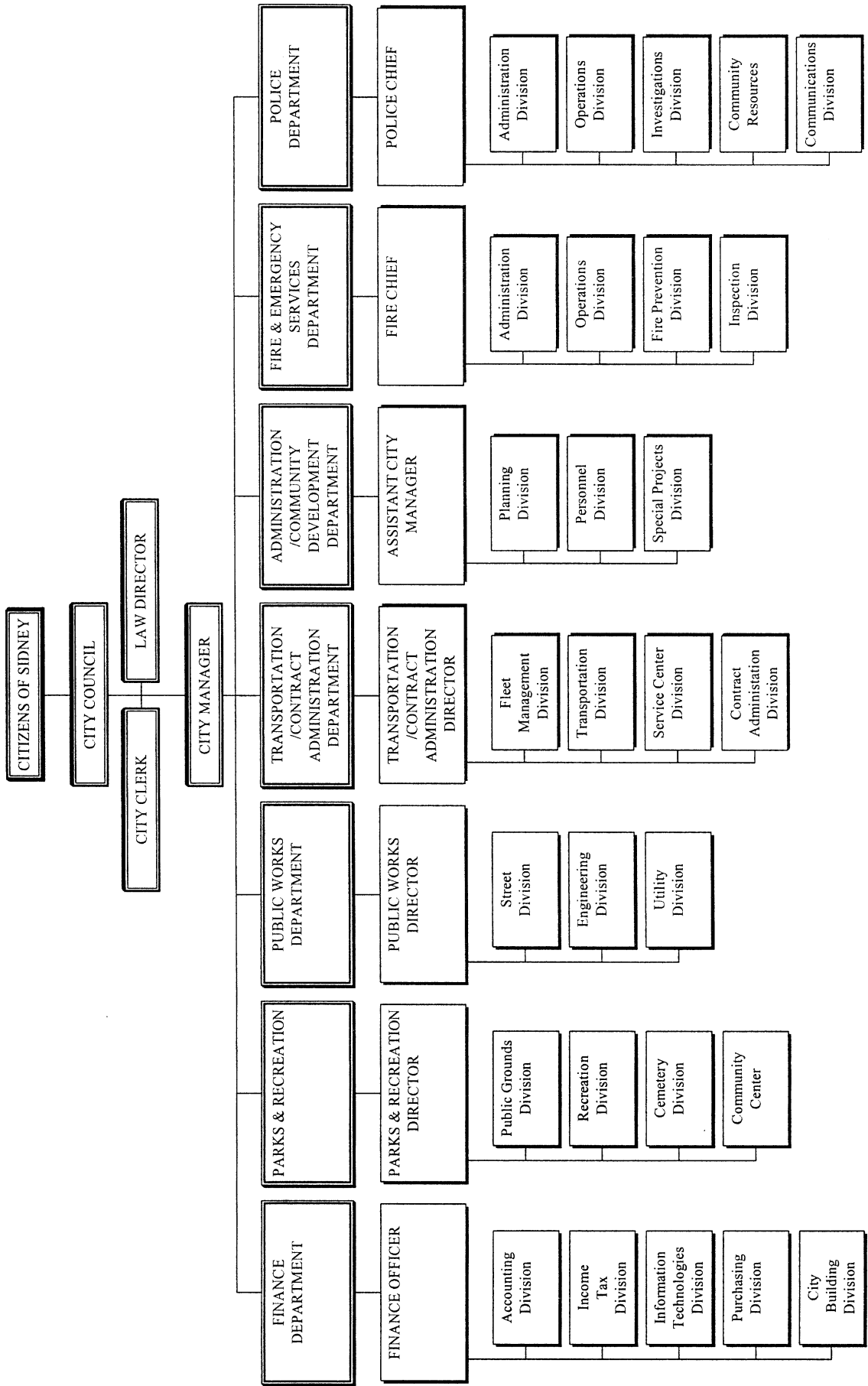
Finally, a special thanks is extended to Mayor Frank Mariano and all other members of City Council whose support enables the City of Sidney to strive for excellence in its financial reporting and to maintain high standards of financial integrity.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Thomas L. Judy', with a long horizontal flourish extending to the right.

Thomas L. Judy, CPA
Finance Officer

CITY OF SIDNEY, OHIO
ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sidney,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

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



President

Executive Director

This Page is Intentionally Left Blank.



FINANCIAL SECTION

This Page is Intentionally Left Blank.

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

To the Mayor and City Council
City of Sidney
201 W. Poplar
Sidney, Ohio 45365

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney, Shelby County, Ohio, (the “City”), as of and for the year ended December 31, 2003, which collectively comprise the City’s basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City’s management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic 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, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 10 to the financial statements, the City had a change in accounting principle for its threshold for fixed assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2004, on our consideration of the City’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Independent Auditor's Report
City of Sidney, Ohio

The accompanying required supplementary information, such as management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 47 through 53 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Trimble, Julian & Grube, Inc.

Trimble, Julian & Grube, Inc.
May 14, 2004

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
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, 2003. Readers should also review the basic financial statements on pages 14 – 24 to further enhance their understanding of the City's financial performance.

Using this Annual Financial Report

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

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

Reporting on the City of Sidney as a Whole

Statement of Net Assets and Statement of Activities

These government-wide statements answer the question, "How did the City as a whole do financially during 2003?" They are prepared on the accrual basis of accounting, much the same way as for a private enterprise. This basis of accounting includes all assets and liabilities and takes into account all of the reporting year's revenues and expenses regardless of when the cash was received or paid.

- *The Statement of Net Assets.* This statement (page 14) reports all assets and liabilities of the City as of December 31, 2003. The difference between total assets and total liabilities is reported as "net assets". Increases in net assets generally indicate an improvement in financial position while decreases may indicate a deterioration of financial position.
- *The Statement of Activities.* This statement (page 15) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the City for the year ended December 31, 2003. Changes in net assets are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the City's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

Reporting on the City of Sidney's Most Significant Funds

Fund financial statements

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

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 and Maintenance Fund, Municipal Income Tax Fund, Capital Improvement Fund, Water Fund, Sewer Fund and Solid Waste Fund. The creation of some funds is mandated by law and others are created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental funds.* Governmental funds are used to account for "governmental-type" activities. Unlike the government-wide financial statements, governmental fund statements use a "flow of financial resources" measurement focus. That is to say, the operating statement of a governmental fund attempts to answer the question "Are there more or less resources that can be spent in the near future as a result of events and transactions of the reporting period?" Increases in spendable resources are reported in the operating statement as "revenues" or "other financing sources." Decreases in spendable resources are reported as "expenditures" or "other financing uses." We describe the differences between governmental funds and governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) in reconciliations presented beside the governmental fund financial statements on pages 16 - 19.

The City of Sidney maintains 32 separate governmental funds. The governmental fund financial statements on pages 16 through 19 separately display the governmental funds considered to be major funds. All other governmental funds - the "non-major" funds - are combined into a single column. Detailed financial data for each of the non-major governmental funds is provided in combining statements in the supplementary information section of this report.

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

The City of Sidney's Water Fund, Sewer Fund and Solid Waste Fund are all considered to be major funds and are displayed separately in the proprietary fund statements on pages 20 through 23. The City has two other proprietary funds, the activities of which are combined into one column for non-major funds.

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

The City of Sidney's three internal service funds are combined into a single column in the proprietary fund financial statements. Detailed financial data for those funds

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

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.

A Fiduciary fund statement is on page 24 of this report.

Other Information

Notes to the basic financial statements.

The notes provide additional and explanatory data. They are an integral part of the basic financial statements.

Required supplementary information.

In addition to the basic financial statements and notes, this report also contains required supplementary information (RSI). RSI includes budgetary schedules for the general fund and major special revenue funds. This data is on pages 48 to 50 of this report.

The City of Sidney as a Whole

The following table presents condensed information on net assets as of December 31, 2003 and 2002.

	<u>Net Assets</u>					
	<u>December 31, 2003 and 2002</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002, as restated</u>	<u>2003</u>	<u>2002, as restated</u>	<u>2003</u>	<u>2002, as restated</u>
<u>Assets:</u>						
Current and other assets	\$ 16,152,924	\$ 15,769,136	\$ 6,026,022	\$ 6,945,174	\$ 22,178,946	\$ 22,714,310
Capital assets	<u>44,190,468</u>	<u>44,051,478</u>	<u>29,515,502</u>	<u>28,710,621</u>	<u>73,705,970</u>	<u>72,762,099</u>
Total assets	<u>60,343,392</u>	<u>59,820,614</u>	<u>35,541,524</u>	<u>35,655,795</u>	<u>95,884,916</u>	<u>95,476,409</u>
<u>Liabilities:</u>						
Long-term liabilities	3,541,200	3,678,764	9,638,643	10,433,404	13,179,843	14,112,168
Other liabilities	<u>3,336,404</u>	<u>3,424,484</u>	<u>1,333,489</u>	<u>1,837,611</u>	<u>4,669,893</u>	<u>5,262,095</u>
Total liabilities	<u>6,877,604</u>	<u>7,103,248</u>	<u>10,972,132</u>	<u>12,271,015</u>	<u>17,849,736</u>	<u>19,374,263</u>
<u>Net Assets:</u>						
Invested in capital assets, net of debt	41,850,468	41,586,478	19,460,644	19,338,974	61,311,112	60,925,452
Restricted	1,374,427	1,607,694	-	-	1,374,427	1,607,694
Unrestricted	<u>10,240,893</u>	<u>9,523,194</u>	<u>5,108,748</u>	<u>4,045,806</u>	<u>15,349,641</u>	<u>13,569,000</u>

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Total net assets	<u>\$ 53,465,788</u>	<u>\$ 52,717,366</u>	<u>\$ 24,569,392</u>	<u>\$ 23,384,780</u>	<u>\$ 78,035,180</u>	<u>\$ 76,102,146</u>
------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

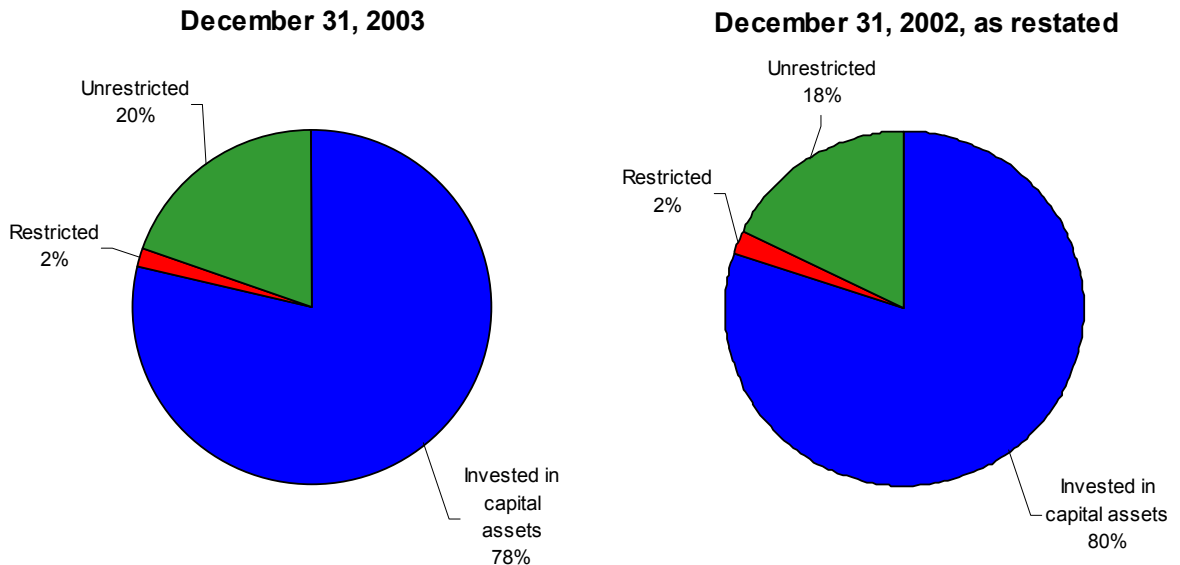
The net assets and capital assets at December 31, 2002 have been restated to reflect the change in threshold for recording capital assets from \$2,500 to \$5,000. This restatement decreased capital assets and its corresponding net assets, invested in capital assets, net of debt by \$166,233 for governmental activities and \$70,459 for business-type activities. A more detailed explanation of this restatement is found in note 10 on pages 44 - 45 of the Notes to the Basic Financial Statements.

In total, net assets increased \$1.9 million from \$76.1 million to \$78.0 million in 2003. The majority of this increase, \$1.7 million, was attributable to unrestricted net assets. Unrestricted net assets are available for future use as directed by City Council. This category increased 12.5% from \$13.6 million at December 31, 2002 to \$15.3 million at December 31, 2003. Unrestricted net assets of the City's governmental activities increased \$0.6 million while unrestricted net assets of the business-type activities increased \$1.1 million. Increases in net assets generally indicate an improvement in financial position.

The component, "invested in capital assets, net of related debt," increased \$0.4 million from \$60.9 million at December 31, 2002 to \$61.3 million at December 31, 2003. Generally, this means capital asset additions and bond principal repayments were greater than depreciation expense and net book value of disposals by \$0.4 million.

Restricted net assets are subject to external restrictions as to their use. This category decreased approximately \$0.2 million from \$1.6 million at December 31, 2002 to \$1.4 million at December 31, 2003.

The following pie charts graphically illustrate these year-to-year changes in the components of net assets.



CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

The following table presents condensed information on the changes in net assets for the years ended December 31, 2003 and 2002.

Changes in Net Assets
For the Years Ended December 31, 2003 and 2002

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2003</u>	<u>2002, as restated</u>	<u>2003</u>	<u>2002, as restated</u>	<u>2003</u>	<u>2002, as restated</u>
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 1,881,380	\$ 1,541,010	\$ 7,488,701	\$ 7,377,984	\$ 9,370,081	\$ 8,918,994
Operating grants and contributions	1,552,472	1,475,005	-	20,000	1,552,472	1,495,005
Capital grants and Contributions	881,001	1,024,623	78,395	109,451	959,396	1,134,074
General revenues:						
Income taxes	11,180,689	10,952,386	-	-	11,180,689	10,952,386
Property taxes	1,250,527	1,266,026	-	-	1,250,527	1,266,026
Other taxes	618,180	505,464	-	-	618,180	505,464
Grants and other contributions not restricted to specific programs	1,201,516	1,273,415	-	-	1,201,516	1,273,415
Investment earnings	171,516	447,751	76,870	135,481	248,386	583,232
Gain on sale of capital assets	9,300	(68,845)	5,369	800	14,669	(68,045)
Miscellaneous	88,705	67,249	-	-	88,705	67,249
Total revenues	<u>18,835,286</u>	<u>18,484,084</u>	<u>7,649,335</u>	<u>7,643,716</u>	<u>26,484,621</u>	<u>26,127,800</u>
<u>Expenses</u>						
General government	1,782,921	1,905,469	-	-	1,782,921	1,905,469
Public safety and judicial	9,878,689	9,888,848	-	-	9,878,689	9,888,848
Health	295,910	270,727	-	-	295,910	270,727
Transportation	2,569,392	2,318,094	-	-	2,569,392	2,318,094
Community environment	1,313,960	1,379,329	-	-	1,313,960	1,379,329
Parks and recreation	1,400,906	1,338,190	-	-	1,400,906	1,338,190
Basic utility services	378,706	370,166	-	-	378,706	370,166
Interest on long-term debt	114,958	115,448	-	-	114,958	115,448
Water	-	-	2,657,083	2,599,989	2,657,083	2,599,989
Sewer	-	-	2,791,159	2,286,024	2,791,159	2,286,024
Solid Waste	-	-	1,003,765	1,012,932	1,003,765	1,012,932
Other business-type activities	-	-	364,138	324,786	364,138	324,786
Total expenses	<u>17,735,442</u>	<u>17,586,271</u>	<u>6,816,145</u>	<u>6,223,731</u>	<u>24,551,587</u>	<u>23,810,002</u>
Excess before transfers	1,099,844	897,813	833,190	1,419,985	1,933,034	2,317,798
Transfers	<u>(351,422)</u>	<u>(620,419)</u>	<u>351,422</u>	<u>620,419</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ 748,422</u>	<u>\$ 277,394</u>	<u>\$ 1,184,612</u>	<u>\$ 2,040,404</u>	<u>\$ 1,933,034</u>	<u>\$ 2,317,798</u>

The expenses at December 31, 2002 have been restated to reflect the depreciation expense of capital assets written off as a result of the change in threshold from \$2,500 to \$5,000. See note 10 on pages 44 - 45 of the Notes to the Basic Financial Statements for more information on this restatement. This restatement decreased total expenses by \$32,210 for governmental activities and \$15,546 for business-type activities.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

The change in net assets was \$1.9 million for the year ended December 31, 2003 as compared to \$2.3 million for the prior year. Total revenues increased approximately \$357,000, or 1.4%. Total expenses increased approximately \$742,000, or 3.1%.

While total revenues for governmental activities increased only 1.9%, the components of total revenues did fluctuate more widely. Charges for services increased approximately \$340,000 due to the introduction of two new fees: a cable franchise fee and an EMS fee. Other taxes increased \$113,000 because of inheritance taxes, which tends to fluctuate from year to year. These increases were offset by decreases in program-related capital grants and investment earnings. When private developers donate streets to the City, the value of the streets is reported as capital grants revenue for the Transportation activities. These amounts decreased from \$575,000 in 2002 to \$309,000 in 2003. However, the receipt of a Federal Emergency Management Agency (FEMA) grant for fire department equipment brought the decrease in program-related capital grants to only \$144,000. Investment earnings declined nearly \$276,000 as interest rates have continued to decline.

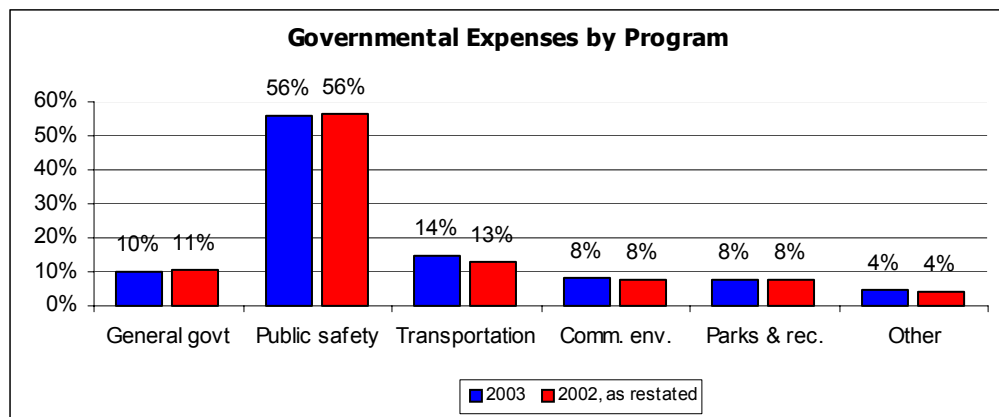
The City's single largest revenue source, municipal income tax revenue, increased by 2.1% in 2003. This is compared to a 2.2% increase for the year ended December 31, 2002.

Governmental activities

Governmental net assets increased approximately \$748,000, or 1.4%, from \$52.7 million to \$53.5 million. Net assets invested in capital assets, net of related debt, increased about \$264,000, or 0.6%, and unrestricted net assets increased approximately \$718,000, or 7.5%, while restricted net assets decreased by \$233,000, or 14.5%.

The decline in the restricted net assets was largely due to losses in the restricted net assets of the Transportation Fund and the Street Repair & Maintenance Fund. Unrestricted net assets in the General Fund generally subsidize these two funds to the extent that collections are insufficient to meet the costs of operation. No subsidy was required during 2003 due to sufficient net assets in these two funds.

Expenses of governmental activities break down as follows:



Total governmental expenses increased 0.9%, or \$149,000. In addition, the composition of the expenses by program remained stable from 2002 to 2003. Public safety and judicial - consisting mainly of police, fire, and municipal court activities - comprises about 56% of governmental activities' expenses. Transportation, which consists of street repair and maintenance activities and

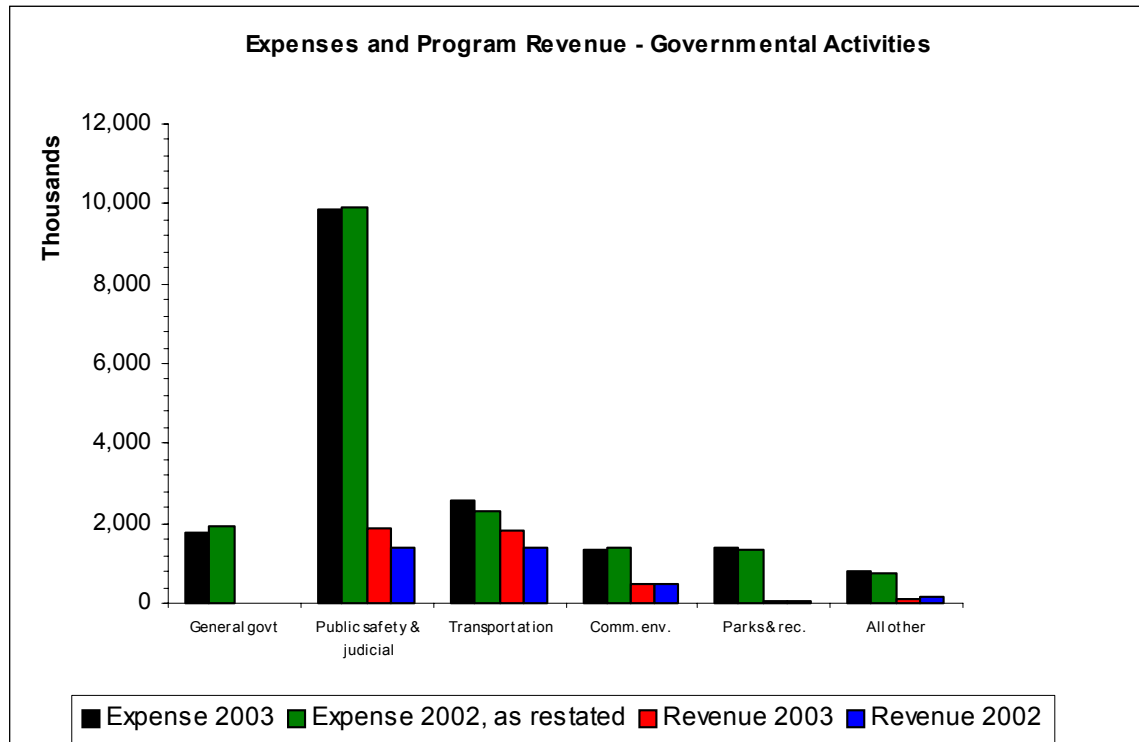
CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

the Dial-a-Ride transportation system, accounts for about 13% to 14% of expenses. The community environment program, which consists of activities such as community planning, engineering, and code enforcement, makes up about 8% of expenses. The parks and recreation program is responsible for 8% of governmental expenses.

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

Expenses and Program Revenue – Governmental Activities

	<u>Year Ended December 31, 2003</u>			<u>Year Ended December 31, 2002</u>		
	<u>Expense</u>	<u>Program revenue</u>	<u>Net program cost</u>	<u>Expense, as restated</u>	<u>Program revenue</u>	<u>Net program cost, as restated</u>
General government	\$ 1,782,921	\$ -	\$ (1,782,921)	\$ 1,905,469	\$ -	\$ (1,905,469)
Public safety and judicial	9,878,689	1,850,965	(8,027,724)	9,888,848	1,399,883	(8,488,965)
Transportation	2,569,392	1,799,891	(769,501)	2,318,094	1,944,035	(374,059)
Community environment	1,313,960	483,702	(830,258)	1,379,329	494,836	(884,493)
Parks and recreation	1,400,906	65,267	(1,335,639)	1,338,190	28,670	(1,309,520)
All others	789,574	115,028	(674,546)	756,341	173,214	(583,127)
Total governmental activities	<u>\$ 17,735,442</u>	<u>\$ 4,314,853</u>	<u>\$ (13,420,589)</u>	<u>\$ 17,586,271</u>	<u>\$ 4,040,638</u>	<u>\$ (13,545,633)</u>



CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

Overall, the net program cost of governmental activities decreased by \$125,000 or 0.9%. Public safety's net program cost decreased by nearly \$461,000 over 2002. This was accomplished by maintaining the same level of expenses while generating additional revenues through the newly implemented EMS fees and a grant received from FEMA. Transportation's net program cost increased by approximately \$396,000. Transportation expenses increased \$251,000, primarily due to unusually large winter maintenance expenses (i.e. snowplowing overtime and salt costs). Transportation revenues declined \$145,000 because of the decline in infrastructure donated to the City by developers.

Program expenses showed little change from 2002. However, in 2003, there was an interfund reimbursement of \$250,000 received from business-type activities, which is recorded as a reduction of the governmental activities' expenses. This reimbursement was not in place during 2002.

Program revenue increased almost \$0.3 million from \$4.0 million to \$4.3 million. Increases in revenue were due to the newly implemented EMS fee, the cable franchise fee and a grant received from FEMA. These increases were partially offset by declines in infrastructure donated by developers.

Business-type activities

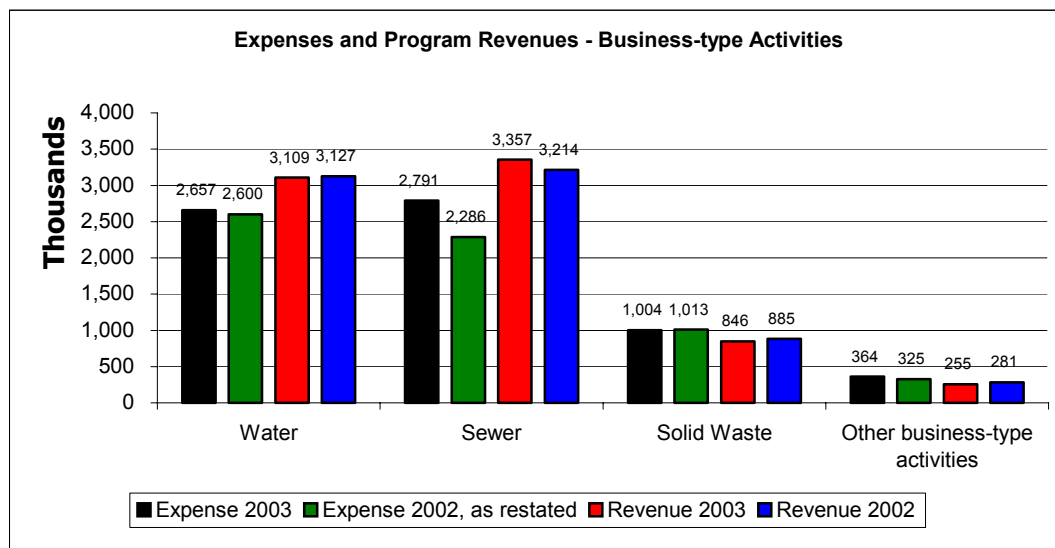
Business-type activities' net assets increased \$1.2 million from \$23.4 million to \$24.6 million. Nearly all of this increase was in the unrestricted net assets.

It is the City's policy that revenues of some of the City's business-type activities (water, sewer and residential waste pickup in the Solid Waste Fund) are expected to cover all program costs. The revenues of other business-type activities cover specified portions of program costs. The following table and graph summarize the expenses and program revenues for business-type activities:

Expenses and Program Revenue – Business-type Activities

	<u>For Year Ended December 31, 2003</u>			<u>For Year Ended December 31, 2002</u>		
	<u>Expense</u>	<u>Program revenue</u>	<u>Net program cost</u>	<u>Expense, as restated</u>	<u>Program revenue</u>	<u>Net program cost</u>
Water	\$ 2,657,083	\$ 3,109,280	\$ 452,197	\$ 2,599,989	\$ 3,127,229	\$ 527,240
Sewer	2,791,159	3,357,205	566,046	2,286,024	3,213,919	927,895
Solid Waste	1,003,765	845,898	(157,867)	1,012,932	884,872	(128,060)
Other business-type activities	<u>364,138</u>	<u>254,713</u>	<u>(109,425)</u>	<u>324,786</u>	<u>281,415</u>	<u>(43,371)</u>
Total business-type activities	<u>\$ 6,816,145</u>	<u>\$ 7,567,096</u>	<u>\$ 750,951</u>	<u>\$ 6,223,731</u>	<u>\$ 7,507,435</u>	<u>\$ 1,283,704</u>

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited



Program revenue for business-type activities remained consistent from last year, while program expenses increased from \$6.2 million to \$6.8 million. An interfund reimbursement for \$250,000 was charged to the Sewer activities during 2003. This reimbursement was not charged in 2002. Another \$250,000 increase was in the Sewer activities' interest expense. Interest expense related to the wastewater treatment plant upgrade was capitalized during 2002. This capital project was completed in early 2003, thus ending the capitalization of interest costs and leading to an increase in interest expense.

The operating deficit in the Solid Waste Fund was created because there is no user fee for yard waste pickup. A cash subsidy of \$180,000, from the General Fund covered the cost of the yard waste program for 2003. The City's five-year financial plan, updated by City Council in 2003, provides for annual rate increases in this fund to keep pace with the cost of providing the service. The yard waste program will continue to be subsidized by the General Fund; however, the cost of the program will be significantly lower in future years due to the privatization of this service effective June 1, 2004.

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, 2003 was \$9.0 million as compared to \$9.3 million at December 31, 2002. (See the governmental funds' balance sheets on pages 16 – 17.)

The General Fund is the primary operating fund of the City of Sidney, accounting for such activities as police and fire protection, emergency medical services, and parks and recreation. The General Fund balance decreased only \$7,000 for the year ended December 31, 2003. Total general fund revenues decreased \$32,000 or 0.7%. Declines in investment income were offset by

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

increases in charges for services, primarily the newly implemented EMS fees and cable franchise fees. General fund expenditures increased 0.9%, or \$121,000.

The Street Repair & Maintenance Fund, used to account for the state-levied gasoline tax and motor vehicle registration fees, is restricted for street maintenance and repair. Although revenues increased approximately 6% from \$917,000 to \$975,000, extraordinary snowplowing overtime and salt costs during the harsh winter caused expenditures to increase nearly 20% from \$938,000 to \$1,122,000. In addition, the General Fund's subsidy was not made since this fund has sufficient cash balances. As a result, the fund balances declined \$147,000.

The collection of the City's income tax is recorded in the Municipal Income Tax Fund. Income tax revenues, on the fund's financial statement, declined 1.7% from \$11.1 million to \$10.9 million. In the discussion of income tax revenues on the government-wide basis, found on page 8, municipal income tax revenue *increased* by 2.1%. This is because the governmental fund statements measure only current financial resources, while the government-wide financial statements measure total economic resources. Therefore, timing differences under the two measurement focuses may create slightly different results from year to year.

Capital asset and debt administration

Capital asset activity

Significant capital activity for the year included:

- ✓ The renovation of the wastewater treatment plant, which began in late 2001, was completed during early 2003. The total capitalized cost for the project was \$6.7 million, comprised of \$5.6 million of buildings and improvements and \$1.1 million of machinery and equipment. Of the \$6.7 million total cost, \$0.5 million was capitalized during 2003.
- ✓ Approximately \$402,000 was added to construction in progress for the construction of the new police facility that is expected to begin in 2004. Activity in 2003 consisted primarily of property acquisition and design costs. The new police facility is expected to cost up to \$7.6 million and be funded with the issuance of general obligation bonds.
- ✓ Design costs totaling \$219,000 were added to construction in progress for the Russell Road expansion project to take place over the next few years.
- ✓ Developers donated streets to the City with a total estimated cost of approximately \$224,000.
- ✓ Sewer infrastructure improvements totaling approximately \$456,000 were made to reduce excessive inflow and infiltration.
- ✓ Another \$270,000 of water infrastructure improvements were completed to replace existing water mains and to install motor operated watertight gates at the Tawawa Creek water intake.

Additional detail on the capital asset activity for the year ended December 31, 2003 is presented in the Notes to the Basic Financial Statements in note 5 on pages 36 – 37.

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. Certain debt with a repayment source other than general tax revenues, is excluded from the definition of net indebtedness. Under that definition, the City has approximately \$2.3 million of net indebtedness as of December 31, 2003, leaving a legal debt margin for unvoted debt of approximately \$22 million.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2003
Unaudited

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 \$46.4 million, leaving a total debt margin of approximately \$44.1 million.

A summary of debt outstanding at December 31, 2003 and 2002 is as follows:

	<u>General Obligation Bonds</u>	
	<u>December 31, 2003</u>	<u>December 31, 2002</u>
Governmental activities	\$ 2,340,000	\$ 2,465,000
Business-type activities	<u>10,115,000</u>	<u>10,925,000</u>
Total	<u>\$ 12,455,000</u>	<u>\$ 13,390,000</u>

Additional detailed data for all debt of the City of Sidney is presented in the Notes to the Basic Financial Statements in note 8 on pages 41 - 43 and in Tables 8 and 9 in the Statistical Section of this report.

During 2004, it is expected that general obligation bonds up to \$7.6 million will be issued to finance the construction of the new police facility.

Contacting the City's management

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

CITY OF SIDNEY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2003

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 9,318,652	\$ 4,197,272	\$ 13,515,924
Restricted cash and cash equivalents	-	60,142	60,142
Cash held by outside agent	23,272	-	23,272
Receivables (net):			
Income taxes	3,208,236	-	3,208,236
Property taxes	1,410,237	-	1,410,237
Other taxes	268,969	-	268,969
Accounts	-	1,461,094	1,461,094
Interest	69,322	27,350	96,672
Loans	95,191	-	95,191
Special assessments	122,355	-	122,355
Other	453,423	9,699	463,122
Internal balances	72,842	(72,842)	-
Receivables from other governments	818,972	-	818,972
Inventory	172,381	220,435	392,816
Prepaid items	119,072	122,872	241,944
Capital assets:			
Capital assets not subject to depreciation:			
Land	6,528,135	526,604	7,054,739
Construction in progress	1,134,281	4,000	1,138,281
Capital assets net of accumulated depreciation	<u>36,528,052</u>	<u>28,984,898</u>	<u>65,512,950</u>
 Total assets	 <u>\$ 60,343,392</u>	 <u>\$ 35,541,524</u>	 <u>\$ 95,884,916</u>
LIABILITIES			
Accounts payable	\$ 1,115,669	\$ 178,598	\$ 1,294,267
Salaries and benefits payable	720,851	114,881	835,732
Other accrued liabilities	1,185	-	1,185
Deferred revenue	1,283,377	144,572	1,427,949
Accrued interest payable	9,222	55,438	64,660
Noncurrent liabilities:			
Due within one year	206,100	840,000	1,046,100
Due in more than one year	<u>3,541,200</u>	<u>9,638,643</u>	<u>13,179,843</u>
 Total liabilities	 <u>6,877,604</u>	 <u>10,972,132</u>	 <u>17,849,736</u>
NET ASSETS			
Invested in capital assets, net of related debt	41,850,468	19,460,644	61,311,112
Restricted for:			
Other purposes - externally imposed restrictions	1,374,427	-	1,374,427
Unrestricted	<u>10,240,893</u>	<u>5,108,748</u>	<u>15,349,641</u>
 Total net assets	 <u>53,465,788</u>	 <u>24,569,392</u>	 <u>78,035,180</u>
 Total liabilities and net assets	 <u>\$ 60,343,392</u>	 <u>\$ 35,541,524</u>	 <u>\$ 95,884,916</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 1,782,921	\$ -	\$ -	\$ -	\$ (1,782,921)		\$ (1,782,921)
Public safety and judicial	9,878,689	1,386,202	266,093	198,670	(8,027,724)		(8,027,724)
Health	295,910	115,028	-	-	(180,882)		(180,882)
Transportation	2,569,392	95,512	1,278,918	425,461	(769,501)		(769,501)
Community environment	1,313,960	260,931	500	222,271	(830,258)		(830,258)
Parks and recreation	1,400,906	23,707	6,961	34,599	(1,335,639)		(1,335,639)
Basic utility services	378,706	-	-	-	(378,706)		(378,706)
Interest on long-term debt	114,958	-	-	-	(114,958)		(114,958)
Total governmental activities	<u>17,735,442</u>	<u>1,881,380</u>	<u>1,552,472</u>	<u>881,001</u>	<u>(13,420,589)</u>		<u>(13,420,589)</u>
Business-type activities:							
Water	2,657,083	3,109,280	-	-		\$ 452,197	452,197
Sewer	2,791,159	3,278,810	-	78,395		566,046	566,046
Solid Waste	1,003,765	845,898	-	-		(157,867)	(157,867)
Other business-type activities	<u>364,138</u>	<u>254,713</u>	<u>-</u>	<u>-</u>		<u>(109,425)</u>	<u>(109,425)</u>
Total business-type activities	<u>6,816,145</u>	<u>7,488,701</u>	<u>-</u>	<u>78,395</u>		<u>750,951</u>	<u>750,951</u>
Total	<u>\$ 24,551,587</u>	<u>\$ 9,370,081</u>	<u>\$ 1,552,472</u>	<u>\$ 959,396</u>	<u>(13,420,589)</u>	<u>750,951</u>	<u>(12,669,638)</u>
General revenues:							
Taxes:							
Income taxes					11,180,689	-	11,180,689
Property taxes					1,250,527	-	1,250,527
Other taxes					618,180	-	618,180
Grants and contributions not restricted to specific programs					1,201,516	-	1,201,516
Investment earnings					171,516	76,870	248,386
Gain on sale of capital assets					9,300	5,369	14,669
Miscellaneous					88,705	-	88,705
Transfers					(351,422)	351,422	-
Total general revenues and transfers					<u>14,169,011</u>	<u>433,661</u>	<u>14,602,672</u>
Change in net assets					748,422	1,184,612	1,933,034
Net assets - beginning, as restated					<u>52,717,366</u>	<u>23,384,780</u>	<u>76,102,146</u>
Net assets - ending					<u>\$ 53,465,788</u>	<u>\$ 24,569,392</u>	<u>\$ 78,035,180</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003**

	<u>General Fund</u>	<u>Street Repair & Maintenance Fund</u>	<u>Municipal Income Tax Fund</u>	<u>Capital Improvement Fund</u>
ASSETS				
Pooled cash and investments	\$ 3,209,886	\$ 459,359	\$ 920,824	\$ 1,455,066
Cash held by outside agent	-	-	-	-
Receivables (net):				
Income taxes	-	-	3,208,236	-
Property taxes	1,410,237	-	-	-
Other taxes	265,241	-	-	-
Interest	58,034	-	-	-
Loans	-	-	-	-
Special assessments	115,771	-	-	-
Other	266,052	1,928	-	-
Due from other funds	220,805	-	-	94,391
Due from agency fund	37,389	-	-	-
Receivables from other governments	168,874	590,234	-	-
Inventory	42,560	62,842	-	-
Prepaid items	<u>41,776</u>	<u>304</u>	<u>1,059</u>	<u>48,389</u>
 Total assets	 <u>\$ 5,836,625</u>	 <u>\$ 1,114,667</u>	 <u>\$ 4,130,119</u>	 <u>\$ 1,597,846</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 104,984	\$ 26,913	\$ 479,385	\$ 198,301
Salaries and benefits payable	619,127	35,385	7,080	-
Other accrued liabilities	-	-	-	1,185
Due to other funds	21,029	44,426	274,738	-
Deferred revenue	<u>2,135,731</u>	<u>536,222</u>	<u>2,135,492</u>	<u>-</u>
 Total liabilities	 <u>2,880,871</u>	 <u>642,946</u>	 <u>2,896,695</u>	 <u>199,486</u>
Fund Balances:				
Reserved for:				
Inventory	42,560	62,842	-	-
Prepaid items	41,776	304	1,059	48,389
Long-term loans receivable	-	-	-	-
Encumbrances	106,148	-	-	880,167
Unreserved, reported in:				
General fund	2,765,270	-	-	-
Special revenue funds	-	408,575	1,232,365	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>469,804</u>
 Total fund balances	 <u>2,955,754</u>	 <u>471,721</u>	 <u>1,233,424</u>	 <u>1,398,360</u>
 Total liabilities and fund balances	 <u>\$ 5,836,625</u>	 <u>\$ 1,114,667</u>	 <u>\$ 4,130,119</u>	 <u>\$ 1,597,846</u>

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

Non-major Governmental Funds	Total Governmental Funds		
		Total governmental fund balances	\$ 9,006,346
\$ 2,887,658	\$ 8,932,793		
23,272	23,272	<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
-	3,208,236	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,594,922
-	1,410,237	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
3,728	268,969	Income taxes receivable	2,135,492
10,065	68,099	Other taxes and intergovernmental receivables	870,320
95,191	95,191	Other receivables	644,080
6,584	122,355		
34,910	302,890	Internal service funds are used to charge the costs of certain activities, such as the central garage, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	908,722
12,400	327,596	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds:	
1,061	38,450	Bonds payable	(2,340,000)
59,864	818,972	Compensated absences	(970,787)
25,813	131,215	Unfunded police and fire pension liability	(374,085)
692	92,220	Accrued interest on long-term debt	(9,222)
<u>\$ 3,161,238</u>	<u>\$ 15,840,495</u>		
\$ 49,052	\$ 858,635	Net assets of governmental activities	<u>\$ 53,465,788</u>
34,693	696,285		
-	1,185		
4,582	344,775		
<u>125,824</u>	<u>4,933,269</u>		
214,151	6,834,149		
25,813	131,215		
692	92,220		
95,191	95,191		
136,577	1,122,892		
-	2,765,270		
2,268,726	3,909,666		
<u>420,088</u>	<u>889,892</u>		
<u>2,947,087</u>	<u>9,006,346</u>		
<u>\$ 3,161,238</u>	<u>\$ 15,840,495</u>		

**CITY OF SIDNEY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund	Capital Improvement Fund	Non-major Governmental Funds
REVENUES:					
Local taxes	\$ 1,557,358	\$ -	\$ 10,924,897	\$ -	\$ 61,429
Intergovernmental revenues	1,390,523	876,047	-	215,880	892,352
Special assessments	207,443	-	-	-	20,162
Charges for services	839,519	-	-	-	129,760
Fines, licenses and permits	212,599	-	-	-	74,812
Investment income	184,466	-	-	-	84,417
Miscellaneous receipts and reimbursements	146,188	98,468	213	-	58,376
Total revenues	<u>4,538,096</u>	<u>974,515</u>	<u>10,925,110</u>	<u>215,880</u>	<u>1,321,308</u>
EXPENDITURES:					
Current:					
General government	1,578,802	-	183,860	-	74,746
Public safety and judicial	8,928,996	-	-	-	371,077
Health	83,711	-	-	-	175,938
Transportation	-	1,121,901	-	-	382,353
Community environment	898,295	-	-	-	115,290
Parks and recreation	1,246,529	-	-	-	-
Basic utility services	-	-	-	-	222,810
Capital outlay	30,302	-	-	1,985,818	432,977
Debt service:					
Principal	-	-	-	105,000	20,000
Interest and other charges	-	-	-	110,867	4,655
Total expenditures	<u>12,766,635</u>	<u>1,121,901</u>	<u>183,860</u>	<u>2,201,685</u>	<u>1,799,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,228,539)</u>	<u>(147,386)</u>	<u>10,741,250</u>	<u>(1,985,805)</u>	<u>(478,538)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	8,743,982	-	-	2,206,032	370,000
Sale of capital assets	12,600	-	-	-	1,800
Transfers out	<u>(535,000)</u>	<u>-</u>	<u>(10,929,978)</u>	<u>-</u>	<u>(30,036)</u>
Total other financing sources (uses)	<u>8,221,582</u>	<u>-</u>	<u>(10,929,978)</u>	<u>2,206,032</u>	<u>341,764</u>
Net change in fund balances	(6,957)	(147,386)	(188,728)	220,227	(136,774)
Fund balances, beginning of year	<u>2,962,711</u>	<u>619,107</u>	<u>1,422,152</u>	<u>1,178,133</u>	<u>3,083,861</u>
Fund balances, end of year	<u>\$ 2,955,754</u>	<u>\$ 471,721</u>	<u>\$ 1,233,424</u>	<u>\$ 1,398,360</u>	<u>\$ 2,947,087</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, 2003**

	Net change in fund balances - total governmental funds	\$ (259,618)
Total Governmental Funds	<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
\$ 12,543,684	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:	
3,374,802	Capital asset additions	1,851,808
227,605	Current year depreciation	(1,804,346)
969,279		
287,411	Governmental funds only report the sale of assets to the extent proceeds are received. In the Statement of Activities, gains are reported in General revenues and losses are included in Expenses of Governmental Activities.	
268,883	Net book value of assets sold at a gain (proceeds were \$9,300)	-
303,245	Net book value of assets sold at a loss (proceeds were \$5,100)	(15,595)
<u>17,974,909</u>		
1,837,408	Governmental funds do not report transfers of capital assets to or from proprietary funds. In the Statement of Activities, these are reported as transfers.	
9,300,073	Net book value of transfers:	
259,649	From proprietary funds to governmental funds	-
1,504,254	From governmental funds to proprietary funds	(151,422)
1,013,585		
1,246,529	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
222,810	Income taxes	255,792
2,449,097	Investment income	(50,880)
125,000	Other revenue	407,723
<u>115,522</u>	Contribution of capital assets	309,100
18,073,927		
<u>(99,018)</u>	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	125,000
11,320,014		
14,400	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.	
<u>(11,495,014)</u>	Vacation and sick leave benefits	11,178
(160,600)	Interest payable	564
(259,618)	Unfunded pension liability	5,594
<u>9,265,964</u>		
\$ 9,006,346	Internal service funds are used by management to charge the costs of certain activities, such as the central garage, to individual funds. The net revenue (expense) of the internal service funds related to governmental activities is reported with governmental activities.	<u>63,524</u>
	Change in net assets of governmental activities	<u>\$ 748,422</u>

**CITY OF SIDNEY, OHIO
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2003**

	Business-type Activities					Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds	Totals	
ASSETS						
Current assets:						
Pooled cash and investments	\$ 1,470,540	\$ 2,231,872	\$ 410,443	\$ 84,417	\$ 4,197,272	\$ 385,859
Restricted cash and cash equivalents	-	60,142	-	-	60,142	-
Receivables (net):						
Accounts	592,800	701,268	158,642	8,384	1,461,094	-
Interest	11,223	16,127	-	-	27,350	1,223
Other	2,214	1,250	-	6,235	9,699	112,083
Inventory	171,715	31,177	-	17,543	220,435	41,166
Due from other funds	-	-	-	-	-	20,731
Prepaid items	17,565	103,083	-	2,224	122,872	26,852
Total current assets	<u>2,266,057</u>	<u>3,144,919</u>	<u>569,085</u>	<u>118,803</u>	<u>6,098,864</u>	<u>587,914</u>
Noncurrent assets:						
Capital assets:						
Capital assets not subject to depreciation:						
Land	143,179	62,820	11,340	309,265	526,604	-
Construction in progress	-	-	-	4,000	4,000	-
Capital assets net of accumulated depreciation	<u>6,980,232</u>	<u>20,166,620</u>	<u>72,248</u>	<u>1,765,798</u>	<u>28,984,898</u>	<u>595,546</u>
Total noncurrent assets	<u>7,123,411</u>	<u>20,229,440</u>	<u>83,588</u>	<u>2,079,063</u>	<u>29,515,502</u>	<u>595,546</u>
Total assets	<u>\$ 9,389,468</u>	<u>\$ 23,374,359</u>	<u>\$ 652,673</u>	<u>\$ 2,197,866</u>	<u>\$ 35,614,366</u>	<u>\$ 1,183,460</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 53,266	\$ 44,500	\$ 65,475	\$ 13,528	\$ 176,769	\$ 257,034
Salaries and benefits payable	64,160	42,033	8,150	538	114,881	24,566
Due to other funds	1,371	854	312	1,015	3,552	-
Due to agency fund	1,829	-	-	-	1,829	-
Current portion of long term debt	250,000	590,000	-	-	840,000	-
Deferred revenue	-	-	141,589	2,983	144,572	-
Accrued interest payable	5,078	50,360	-	-	55,438	-
Total current liabilities	<u>375,704</u>	<u>727,747</u>	<u>215,526</u>	<u>18,064</u>	<u>1,337,041</u>	<u>281,600</u>
Noncurrent liabilities:						
Noncurrent portion of long term debt	500,000	8,775,000	-	-	9,275,000	-
Compensated absences	261,512	96,785	5,346	-	363,643	62,428
Total noncurrent liabilities	<u>761,512</u>	<u>8,871,785</u>	<u>5,346</u>	<u>-</u>	<u>9,638,643</u>	<u>62,428</u>
Total liabilities	<u>1,137,216</u>	<u>9,599,532</u>	<u>220,872</u>	<u>18,064</u>	<u>10,975,684</u>	<u>344,028</u>
NET ASSETS						
Invested in capital assets, net of related debt	6,373,411	10,924,582	83,588	2,079,063	19,460,644	595,546
Unrestricted	<u>1,878,841</u>	<u>2,850,245</u>	<u>348,213</u>	<u>100,739</u>	<u>5,178,038</u>	<u>243,886</u>
Total net assets	<u>8,252,252</u>	<u>13,774,827</u>	<u>431,801</u>	<u>2,179,802</u>	<u>24,638,682</u>	<u>839,432</u>
Total liabilities and net assets	<u>\$ 9,389,468</u>	<u>\$ 23,374,359</u>	<u>\$ 652,673</u>	<u>\$ 2,197,866</u>	<u>\$ 35,614,366</u>	<u>\$ 1,183,460</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(69,290)	
Total net assets from above					<u>24,638,682</u>	
Net assets of business-type activities					<u>\$ 24,569,392</u>	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 2,916,803	\$ 3,275,972	\$ 845,512	\$ 246,750	\$ 7,285,037	\$ 2,540,717
Other revenue	192,477	2,838	386	7,963	203,664	208,549
Total operating revenues	<u>3,109,280</u>	<u>3,278,810</u>	<u>845,898</u>	<u>254,713</u>	<u>7,488,701</u>	<u>2,749,266</u>
OPERATING EXPENSES:						
Personal services	1,345,277	881,694	125,897	60,015	2,412,883	467,458
Operations and maintenance	957,742	930,066	865,448	244,055	2,997,311	2,125,395
Depreciation	286,431	614,952	8,500	59,227	969,110	50,551
Total operating expenses	<u>2,589,450</u>	<u>2,426,712</u>	<u>999,845</u>	<u>363,297</u>	<u>6,379,304</u>	<u>2,643,404</u>
Operating income (loss)	<u>519,830</u>	<u>852,098</u>	<u>(153,947)</u>	<u>(108,584)</u>	<u>1,109,397</u>	<u>105,862</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income	32,676	44,194	-	-	76,870	696
Intergovernmental	-	78,395	-	-	78,395	-
Gain (loss) on disposal of assets	2,000	1,200	269	1,900	5,369	-
Interest expense	(79,557)	(375,316)	-	-	(454,873)	-
Total nonoperating revenues (expenses)	<u>(44,881)</u>	<u>(251,527)</u>	<u>269</u>	<u>1,900</u>	<u>(294,239)</u>	<u>696</u>
Income (loss) before contributions and transfers	474,949	600,571	(153,678)	(106,684)	815,158	106,558
Capital contributions	8,732	-	-	142,690	151,422	-
Transfers out	(15,000)	-	-	-	(15,000)	(25,000)
Transfers in	-	-	180,000	35,000	215,000	-
Change in net assets	468,681	600,571	26,322	71,006	1,166,580	81,558
Total net assets - beginning of year, as restated	<u>7,783,571</u>	<u>13,174,256</u>	<u>405,479</u>	<u>2,108,796</u>		<u>757,874</u>
Total net assets - end of year	<u>\$ 8,252,252</u>	<u>\$ 13,774,827</u>	<u>\$ 431,801</u>	<u>\$ 2,179,802</u>		<u>\$ 839,432</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					18,032	
Change in net assets of business-type activities					<u>\$ 1,184,612</u>	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

(continued)

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds		
Cash flows from operating activities:						
Receipts from customers and users	\$ 2,910,998	\$ 3,221,644	\$ 827,108	\$ 267,933	\$ 7,227,683	\$ 207,055
Receipts from interfund services	158,560	-	-	-	158,560	2,447,905
Payments to suppliers	(912,887)	(1,280,504)	(754,938)	(240,381)	(3,188,710)	(2,095,773)
Payments to employees	(1,349,669)	(881,552)	(129,515)	(59,853)	(2,420,589)	(474,330)
Payments for interfund services used	(76,085)	(368,754)	(110,055)	(4,636)	(559,530)	(48,226)
Net cash provided (used) by operating activities	730,917	690,834	(167,400)	(36,937)	1,217,414	36,631
Cash flows from noncapital financing activities:						
Transfers in	-	-	180,000	35,000	215,000	-
Transfers out	(15,000)	-	-	-	(15,000)	(25,000)
Intergovernmental	-	78,395	-	-	78,395	-
Net cash provided (used) by noncapital financing activities	(15,000)	78,395	180,000	35,000	278,395	(25,000)
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(325,516)	(964,771)	-	-	(1,290,287)	-
Proceeds from sale of capital assets	-	1,200	269	1,900	3,369	-
Principal paid on capital debt	(250,000)	(560,000)	-	-	(810,000)	-
Interest paid on capital debt	(81,250)	(452,095)	-	-	(533,345)	-
Net cash provided (used) by capital and related financing activities	(656,766)	(1,975,666)	269	1,900	(2,630,263)	-
Cash flows from investing activities:						
Interest on investments	49,152	77,379	-	-	126,531	2,259
Net unrealized gain on investments	(10,391)	(19,470)	-	-	(29,861)	(2,447)
Net cash provided by investing activities	38,761	57,909	-	-	96,670	(188)
Net increase (decrease) in cash and cash equivalents	97,912	(1,148,528)	12,869	(37)	(1,037,784)	11,443
Cash and cash equivalents, beginning of year (including \$1,553,353 of restricted cash equivalents in the Sewer Fund)	1,372,628	3,440,542	397,574	84,454	5,295,198	374,416
Cash and cash equivalents, end of year (including \$60,142 of restricted cash equivalents in the Sewer Fund)	\$ 1,470,540	\$ 2,292,014	\$ 410,443	\$ 84,417	\$ 4,257,414	\$ 385,859

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 519,830	\$ 852,098	\$ (153,947)	\$ (108,584)	\$ 1,109,397	\$ 105,862
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	286,431	614,952	8,500	59,227	969,110	50,551
Change in assets and liabilities:						
Accounts receivable	(37,508)	(57,116)	(22,981)	9,979	(107,626)	-
Other receivables	(2,214)	(50)	-	258	(2,006)	(61,995)
Due from other funds	-	-	-	-	-	7,098
Prepaid items	(5,196)	16,161	-	(950)	10,015	1,810
Inventory	(5,652)	(1,820)	-	(2,416)	(9,888)	(771)
Accounts payable	(19,362)	(731,864)	2,422	1,412	(747,392)	(10,763)
Salaries and benefits payable and compensated absences	(4,392)	142	(3,618)	162	(7,706)	(6,871)
Due to other funds	(1,020)	(1,669)	(1,967)	992	(3,664)	-
Deferred revenue	-	-	4,191	2,983	7,174	(48,290)
Net cash provided (used) by operating activities	<u>\$ 730,917</u>	<u>\$ 690,834</u>	<u>\$ (167,400)</u>	<u>\$ (36,937)</u>	<u>\$ 1,217,414</u>	<u>\$ 36,631</u>
Noncash investing, capital and financing activities:						
Contributions of capital assets from governmental funds	<u>\$ 8,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,690</u>	<u>\$ 151,422</u>	<u>\$ -</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2003**

	<u>Agency Funds</u>
ASSETS	
Pooled cash and investments	\$ 7,407
Municipal Court checking account	105,817
Accounts receivable	5,181
Due from other funds	<u>1,829</u>
Total assets	<u>\$ 120,234</u>
LIABILITIES	
Due to employees	\$ 1,925
Due to other funds	38,450
Due to other governments	41,135
Undistributed monies	<u>38,724</u>
Total liabilities	<u>\$ 120,234</u>

See Notes to the Basic Financial Statements

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

1. Summary of Significant Accounting Policies:

A. Reporting Entity

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

The City was incorporated in 1820, and has a Council-Manager form of government. The City provides the following services: public safety (police and fire), highways and streets, water, sewer, sanitation, recreation, public 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 Governmental Accounting Standards Board (GASB) Statement No. 14 criteria for determining the entity and component units. Under the provisions of GASB Statement No. 14, the City of Sidney is the primary government, since it is a special 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, 2003.

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

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

B. Basis of Presentation

Government-wide financial statements

The statement of net assets and the statement of activities display information about the City as a whole. These statements distinguish between activities that are governmental in nature, which are normally supported by taxes and intergovernmental revenues; and business-type

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

activities, which rely to a significant extent upon fees and charges for support. Interfund and internal service fund activities are generally eliminated to avoid the “doubling-up” effect on revenues and expenses. The government-wide financial statements do not include the assets and liabilities of the City’s agency funds.

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

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

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

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

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary 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 proprietary funds.

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with financial-related legal and contractual provisions.

Governmental Funds

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

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

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

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

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

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

Proprietary (Business-type) Funds

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

Internal service funds – Account for services, such as information management, vehicle maintenance and health insurance, provided to other departments of the City on a cost-reimbursement basis.

Agency funds – Generally are used to account for assets held in a fiduciary capacity on behalf of others. The City holds assets for three other entities: (1) municipal court, (2) City employees' medical reimbursement plan, and (3) Village of Port Jefferson's sewer bills.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

C. Basis of Accounting

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

The modified accrual basis of accounting is used for all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues available if they are collected within 30 days after year end. Expenditures are recorded generally when the related fund liability is incurred. Principal and interest of general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

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

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

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

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

Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

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

D. Budgets and Budgetary Accounting

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

- (1) The County Budget Commission has suspended the requirement to prepare a tax budget. In lieu of the tax budget, about January 1 of each year, the City will submit to the Budget Commission a report of estimated revenue and actual unencumbered cash balances by fund. Thereafter, the County Budget Commission will issue an Official Certificate of Estimated Resources (OCER).
- (2) Unencumbered appropriations lapse at year-end. No contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Director of Finance 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 is 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 functional expense lines, through the passage of supplemental ordinances. Management can amend appropriations below this level without council approval. Supplemental appropriations to the original appropriations ordinance were made during the year, but were not material in relation to the original appropriations.

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

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

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis for the general fund and major special revenue funds are presented on the budgetary basis in the Required Supplementary Information to provide a meaningful

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

E. Cash and Cash Equivalents

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

- Municipal Court, an agency fund, maintains its deposits in a separate checking account.
- Bond proceeds from the 2001 issuance of general obligation bonds are being held separately. These proceeds are being used to pay for the expansion of the wastewater treatment plant.
- An outside agency, Shelby County, is holding cash deposits for the County Auto License Fund.

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

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. Certain investments that were reported at cost in previous years may now be reported at fair value. Interest earnings from investments are allocated to the General Fund except for funds derived from contract, trust agreement, grant terms or City ordinance which require crediting otherwise.

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

F. Inventory and Prepaid Items

Inventory is valued at cost using the first-in/first out (FIFO) method. The proprietary funds' inventories are recorded as expenses when used. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are offset by a fund balance reserve, which indicates they do not constitute "available spendable resources," and are not available for appropriations.

Payments made to vendors for services that will benefit periods beyond December 31, 2003 are recorded as prepaid items using the consumption method by recording a current asset for the

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

G. Insurance and Risk

The City of Sidney covers most of its risks of loss through commercial insurance. Effective January 1, 1990, the City began a partially self-funded health plan. The City funds the maximum liability, which is equal to the City's aggregate stop loss plus the insurance companies' premium and administrative costs. During 2003, the City incurred claims of \$1,047,675. The City plans to use any excess funds to contain health coverage costs.

H. Capital Assets

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

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

All capital assets are valued at historical cost, or estimated historical cost, if actual cost is not available. Donated capital assets are valued at their estimated fair market value at the time received. Interest on constructed capital assets is capitalized.

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

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

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

I. Bond Issuance Costs

Bond issuance costs are deferred and amortized over the terms of the bonds using methods that approximate the effective interest method. Issuance costs at December 31, 2003 amounted to \$148,189 net of accumulated amortization of \$145,282. These costs are included in prepaid items in the accompanying financial statements.

J. 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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

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 type employees, an expenditure is recorded in the governmental funds' statements for only the portion of vested vacation and sick leave that is expected to be liquidated with expendable available resources in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board – Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

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

K. Pensions

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

L. Reserves and Designations

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

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

M. Grants and Other Intergovernmental Revenues

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

N. Interfund Activity

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

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

O. Financial Disclosure

Private-sector standards of accounting and reporting issued on or before November 30, 1989,

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

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

P. Estimates

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

2. Cash and Cash Equivalents:

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

- Municipal Court, an agency fund, maintains its deposits in a separate checking account.
- Bond proceeds from the 2001 issuance of general obligation bonds are being held separately. These proceeds are being used to pay for the expansion of the wastewater treatment plant.
- An outside agency, Shelby County, is holding cash deposits for the County Auto License Fund.

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

At December 31, 2003, the carrying amount of the City's deposits was \$5,315,748 and the bank balance was \$5,799,549. Of the bank balance:

1. \$620,735 was covered by federal depository insurance;
2. \$800,000 was covered by collateral held by a financial institution as permitted by Section 135.18(B) of the Ohio Revised Code (ORC);
3. \$200,000 was covered by a surety bond as permitted by Section 135.18(B)(10) of the ORC; and
4. \$4,178,814 was covered by single financial institution collateralized pools held in the financial institution's name as specified by Section 135.181 of the ORC.

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

The ORC, the City's charter, and the City's investment policy authorize the City to invest in the State Treasury Asset Reserve of Ohio (STAROhio), certificates of deposit, repurchase agreements,

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

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, fund types and component units. All deposits are made to authorized public depositories and contracts with such institutions are in accordance with the ORC and the City's charter. All investments are reported at fair value which is based on quoted market prices. The City invests in STAROhio, an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940. The State operates the pool in accordance with ORC Section 135.45. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2003.

The City's Pooled cash and investments consisted of the following at December 31, 2003:

	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>	<u>% of Total Pool</u>
Cash and cash equivalents	\$ 2,123,680	N/A	15.7%
U.S. Treasuries	201,312	0.25	1.5%
U.S. agencies and government-sponsored corporations	7,998,171	1.21	59.1%
Certificates of deposit	<u>3,200,168</u>	0.67	<u>23.7%</u>
Total pooled cash and investments	<u>\$ 13,523,331</u>		<u>100.00%</u>

Portfolio weighted average maturity 1.02

The bond proceeds from the 2001 issuance of general obligation bonds is held in STAROhio and is on the line item Restricted Cash and Cash Equivalents. STAROhio is rated AAAM by Standard & Poor's and its weighted average maturity as of December 31, 2003 was 55 days.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than two years. In calculating this weighted average maturity, the City assumes that its callable investments will be called. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. As of December 31, 2003, the City's investments in U.S. agencies (not explicitly guaranteed by the U.S. government) and government-sponsored corporations were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk. To avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities), the City has established the following maximum allocations:

U.S. government agencies and government-sponsored corporations	60%
Certificates of Deposit	40%
Commercial Paper and Banker Acceptances	25%
Repurchase agreements, money market funds, STAR Ohio, and NOW accounts	50%

Investments in any one issuer that represent 5% or more of the total investments (excluding cash

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

and cash equivalents) at December 31, 2003 include:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
U.S. Government-Sponsored Corporations:		
Federal Farm Credit	\$ 903,000	7.9%
Federal Home Loan Bank	\$ 3,621,770	31.8%
Federal Home Loan Mortgage Corporation	\$2,194,915	19.3%
Federal National Mortgage Corporation	\$1,278,487	11.2%
Certificates of Deposit:		
Fifth Third Bank	\$1,200,089	10.5%
Minster Bank	\$900,000	7.9%

3. Income Taxes:

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

4. Property Taxes:

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

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

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

Real property and public utility taxes collected during 2003 were levied on December 31, 2002 on assessed values listed as of January 1, 2002, the lien date. One-half of these taxes were due on February 14, 2003, with the remaining balance due on July 20, 2003.

Tangible personal property taxes collected during 2003 had a levy date of December 31, 2002. One-half of these taxes were due between February 14, 2003, and April 30, 2003, with the remaining balance due on October 20, 2003.

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

adjustments in the third year following reappraisal. The last revaluation was completed in 1999. Public utility property taxes are assessed on tangible personal property as well as land and improvements at true value (50% of cost). Tangible personal property assessments are 25% of true value. The assessed value for 2002 upon which the 2003 levy was based was approximately \$440,544,340. The assessed value for 2003 upon which the 2004 levy will be based is approximately \$442,272,291.

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

5. Capital Assets:

Capital asset activity for the year ended December 31, 2003 was as follows:

Governmental activities:

	Beginning Balance, as <u>Restated</u>	<u>Additions</u>	<u>Disposals</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 6,452,990	\$ 75,145	\$ -	\$ -	\$ 6,528,135
Construction in progress	513,936	620,345	-	-	1,134,281
Subtotal	<u>6,966,926</u>	<u>695,490</u>	<u>-</u>	<u>-</u>	<u>7,662,416</u>
Capital assets being depreciated:					
Buildings and improvements	9,453,546	91,652	-	-	9,545,198
Machinery and equipment	7,281,465	321,665	(186,525)	(26,154)	7,390,451
General infrastructure	<u>33,747,453</u>	<u>909,407</u>	<u>-</u>	<u>-</u>	<u>34,656,860</u>
Subtotal	<u>50,482,464</u>	<u>1,322,724</u>	<u>(186,525)</u>	<u>(26,154)</u>	<u>51,592,509</u>
Totals at historical cost	<u>57,449,390</u>	<u>2,018,214</u>	<u>(186,525)</u>	<u>(26,154)</u>	<u>59,254,925</u>
Less accumulated depreciation for:					
Buildings and improvements	2,002,387	220,866	-	-	2,223,253
Machinery and equipment	4,060,020	651,160	(170,930)	(17,422)	4,522,828
General infrastructure	<u>7,335,505</u>	<u>982,871</u>	<u>-</u>	<u>-</u>	<u>8,318,376</u>
Total accumulated depreciation	<u>13,397,912</u>	<u>1,854,897</u>	<u>(170,930)</u>	<u>(17,422)</u>	<u>15,064,457</u>
Net capital assets	<u>\$ 44,051,478</u>	<u>\$ 163,317</u>	<u>\$ (15,595)</u>	<u>\$ (8,732)</u>	<u>\$ 44,190,468</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

Depreciation was charged to governmental activities as follows:

General government	\$ 53,383
Public Safety	487,899
Health	20,298
Transportation	980,778
Community environment	27,739
Parks and recreation	128,087
Basic utility services	<u>146,066</u>
Total governmental activities depreciation expense	<u>\$ 1,844,250</u>

Portion of internal service funds' depreciation included above allocable to business-type activities	<u>10,647</u>
Total additions to accumulated depreciation of governmental activities	<u>\$ 1,854,897</u>

Business-type activities:

	Beginning Balance, as <u>Restated</u>	<u>Additions</u>	<u>Disposals</u>	<u>Net Transfers</u>	Ending <u>Balance</u>
Capital assets not being depreciated:					
Land	\$ 526,604	\$ -	\$ -	\$ -	\$ 526,604
Construction in progress	<u>6,172,060</u>	<u>4,000</u>	<u>-</u>	<u>(6,172,060)</u>	<u>4,000</u>
Subtotal	<u>6,698,664</u>	<u>4,000</u>	<u>-</u>	<u>(6,172,060)</u>	<u>530,604</u>
Capital assets being depreciated:					
Buildings, improvements and Infrastructure	32,767,842	1,444,917	-	5,082,060	39,294,819
Machinery and equipment	<u>6,362,731</u>	<u>316,342</u>	<u>(67,858)</u>	<u>1,116,154</u>	<u>7,727,369</u>
Subtotal	<u>39,130,573</u>	<u>1,761,259</u>	<u>(67,858)</u>	<u>6,198,214</u>	<u>47,022,188</u>
Totals at historical cost	<u>45,829,237</u>	<u>1,765,259</u>	<u>(67,858)</u>	<u>26,154</u>	<u>47,552,792</u>
Less accumulated depreciation for:					
Buildings, improvements and infrastructure	12,097,274	711,247	-	-	12,808,521
Machinery and equipment	<u>5,021,342</u>	<u>257,863</u>	<u>(67,858)</u>	<u>17,422</u>	<u>5,228,769</u>
Total accumulated depreciation	<u>17,118,616</u>	<u>969,110</u>	<u>(67,858)</u>	<u>17,422</u>	<u>18,037,290</u>
Net capital assets	<u>\$28,710,621</u>	<u>\$ 796,149</u>	<u>\$ -</u>	<u>\$ 8,732</u>	<u>\$29,515,502</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 286,431
Sewer	614,952
Solid waste	8,500
Airport	29,510
Swimming Pool	<u>29,717</u>
Total additions to accumulated depreciation of business-type activities	<u>\$ 969,110</u>

Portion of internal service funds' depreciation allocable to business-type activities	<u>10,647</u>
---	---------------

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

Total business-type activities depreciation expense \$ 979,757

6. Pension Plans:

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

Ohio Public Employees Retirement System

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2003, the member and employer contribution rates were consistent across all three plans (TP, MD and CO). The 2003 member contribution rates were 8.5%.

The 2003 employer contribution rate was 13.55% of covered payroll. The City's contributions, representing 100% of employer' contributions for the years ended December 31, 2003, 2002, and 2001 were \$864,304, \$817,695, and \$703,560, respectively.

Ohio Police and Fire Pension Fund

The City of Sidney contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined pension plan. OP&F provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to OP&F for the years ended December 31, 2003, 2001 and 2000 were \$896,310, \$883,366, and \$846,536, respectively, equal to the required contribution for each year.

The City also makes payments to OP&F for its portion of past service cost determined at the time the fund was established in the mid-1930's. As of December 31, 2003, the unfunded liability is payable, including principal and interest, in annual installments of \$21,672 through the year 2035. The principal balance of \$374,085 is accounted for as a noncurrent liability in the governmental activities column of the Statement of Net Assets. The State of Ohio assumed the liability for past service cost at the time PERS was established.

7. Postemployment Benefits:

A. Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Pension Plan (TP) – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the 2003 rate was 13.55% of covered payroll, and 5% was used to fund health care for the year

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

Actuarial Review: The following assumptions and calculations were based on OPERS' latest Actuarial Review performed as of December 31, 2002.

Funding Method: An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation Method: All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

Investment Return: The investment assumption rate for 2002 was 8%.

Active Employee Total Payroll: An annual increase of 4% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4% base increase, were assumed to range from 0.5% to 6.3%.

Health Care: Health care costs were assumed to increase 4% annually.

The OPEB's are advance-funded on an actuarially determined basis. At year-end 2003, the number of active contributing participants in the Traditional and Combined Plans totaled 364,881. The portion of City's contributions that were used to fund postemployment benefits was \$318,928. \$10.0 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2002. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of health care. The Choices Plan will be offered to all persons newly hired in an OPERS covered-position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

In response to the adverse investment returns experienced by OPERS from 2000 through 2002 and the continued staggering rate of health care inflation, the OPERS Board, during 2003, considered extending "Choices" type cost cutting measures to all active members and benefit recipients. As of this date, the Board has not determined the exact changes that will be made to the health care plan. However, changes to the plan are expected to be approved by the summer of 2004.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides access to postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen whether or not the child is attending school or under the age of twenty-two if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll.

Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2002 and in 2003. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The statewide number of participants eligible to receive health care benefits as of December 31, 2002, the date of the last actuarial valuation available, was 13,527 for police and 10,396 for firefighters. The City's annual contribution for 2003 that were used to fund postemployment benefits was \$161,088 for police and \$158,446 for firefighters. The fund's total health care expenses for the year ended December 31, 2002 was \$141,028,006, which was net of members' contributions of \$12,623,875.

8. Noncurrent Liabilities:

The following is a summary of changes for noncurrent liabilities of the City for the year ended December 31, 2003:

	Balance January 1, 2003	Additions	Reductions	Balance December 31, 2003	Due Within One Year
Governmental activities:					
Capital improvement fund:					
<i>G.O. bonds, 1998-2018, 3.25% to 5.0%, Monumental Bldg renovation</i>	\$ 2,365,000	\$ -	\$ 105,000	\$ 2,260,000	\$ 110,000
Health department building lease fund:					
<i>G.O. bonds, 1993-2007, 2.5% to 4.9%</i>	100,000	-	20,000	80,000	20,000
Accrued vacation and sick leave	1,034,785	740,500	742,070	1,033,215	70,500
Unfunded police/fire pension obligation	<u>379,679</u>	<u>-</u>	<u>5,594</u>	<u>374,085</u>	<u>5,600</u>
Total Governmental Activities Noncurrent Liabilities	<u>\$ 3,879,464</u>	<u>\$ 740,500</u>	<u>\$ 872,664</u>	<u>\$ 3,747,300</u>	<u>\$ 206,100</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

	Balance January 1, 2003	Additions	Reductions	Balance December 31, 2003	Due Within One Year
Business-type activities:					
Water fund: <i>G.O. bonds, 1986-2006, 8.125%</i>	\$ 1,000,000	\$ -	\$ 250,000	\$ 750,000	\$ 250,000
Sewer fund: <i>G.O. bonds, advanced refunding, 1993-2007, 2.5% to 4.9%</i>	3,025,000	-	545,000	2,480,000	575,000
<i>G.O. bonds, 2001-2022, 4.0% to 4.625%</i>	6,900,000	-	15,000	6,885,000	15,000
Accrued vacation and sick leave	<u>318,404</u>	<u>208,057</u>	<u>162,818</u>	<u>363,643</u>	<u>-</u>
Total	<u>\$11,243,404</u>	<u>\$ 208,057</u>	<u>\$ 972,818</u>	<u>\$ 10,478,643</u>	<u>\$ 840,000</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At December 31, 2003, \$62,428 of internal service funds' accrued vacation and sick leave is included in the above amounts. Compensated absences are liquidated by the Separation Payment Fund.

The full faith and credit of the City are pledged as collateral for all general obligation bonds. The Water Fund's general obligation bonds will be paid with revenues generated from water revenues. The Sewer Fund's general obligation bonds are collateralized by the sewer system assets, are fully insured and will be paid with sewer revenues generated from sewer rates.

The 2001 issuance of general obligation bonds is being used to pay for the expansion of the wastewater treatment plant. It is expected that sewer system revenues will be used to meet the debt service requirements of the new bonds. The expansion was completed during 2003. At December 31, 2003, unspent proceeds totaling \$60,142 remained from the \$6.9 million issuance.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

Annual requirements to pay principal and interest on long-term debt at December 31, 2003 are:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 130,000	\$ 107,307	\$ 840,000	\$ 485,362
2005	135,000	102,037	870,000	435,906
2006	140,000	96,515	900,000	384,981
2007	145,000	89,535	680,000	332,586
2008	130,000	82,550	340,000	307,486
2009-2013	740,000	316,575	1,885,000	1,303,740
2014-2018	920,000	131,120	2,320,000	849,450
2019-2022	-	-	2,280,000	321,438
Total	<u>\$ 2,340,000</u>	<u>\$ 925,639</u>	<u>\$ 10,115,000</u>	<u>\$ 4,420,949</u>

Advance Refunding

On September 15, 1993, the City of Sidney advance refunded the 1987 Sewer System Improvement Mortgage Reserve bond issue with new General Obligation Bonds. The City issued \$7.302 million of general obligation refunding bonds to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the enterprise fund. This advance refunding was undertaken to reduce total debt service payments over the remaining 14 years by \$1,958,469 and to obtain an economic gain (difference between present value of the debt service payments of the refunded and refunding bonds) of \$315,392. At December 31, 2003, the bonds have no outstanding balance.

Authorized but not yet Issued Debt

During 2004, the City Council approved an ordinance authorizing issuance of up to \$7.6 million of general obligation bonds for the construction of the new police facility. It is expected that the issuance of the bonds and the construction of the building will begin in mid-2004.

9. Contingent Liabilities:

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

The City participates in several federally assisted programs (primarily Transportation and Community Development Block Grants) which are subject to program compliance audits by the grantors or their representatives. The grantor agencies, at their option, may perform economy and efficiency audits, program results audits or conduct monitoring visits. Such audits and visits could 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, 2003

10. Prior Year Restatements:

During 2003, the threshold for recording capital assets was raised from \$2,500 to \$5,000. As a result of this change, capital assets with an original cost of less than \$5,000 were written off. The cost and accumulated depreciation of these capital assets as of January 1, 2003 were as follows:

	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>General Infrastructure</u>	<u>Total</u>
Governmental activities, at estimated historical cost	\$ 64,908	\$ 402,023	\$2,835	\$ 469,766
Less: accumulated depreciation	<u>40,163</u>	<u>263,332</u>	<u>38</u>	<u>303,533</u>
Net capital assets	<u>\$ 24,745</u>	<u>\$ 138,691</u>	<u>\$2,797</u>	<u>\$ 166,233</u>

	<u>Buildings, Improvements and Infrastructure</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Business-type activities, at estimated historical cost:			
Water Fund	\$ 3,280	\$ 143,059	\$ 146,339
Sewer Fund	4,024	131,459	135,483
Airport Fund	-	10,408	10,408
Swimming Pool Fund	<u>-</u>	<u>6,460</u>	<u>6,460</u>
	<u>7,304</u>	<u>291,386</u>	<u>298,690</u>
Less: accumulated depreciation			
Water Fund	1,248	110,452	111,700
Sewer Fund	302	103,514	103,816
Airport Fund	-	10,408	10,408
Swimming Pool Fund	<u>-</u>	<u>2,307</u>	<u>2,307</u>
	<u>1,550</u>	<u>226,681</u>	<u>228,231</u>
Net capital assets	<u>\$ 5,754</u>	<u>\$ 64,705</u>	<u>\$ 70,459</u>

Beginning balance restatements for the government-wide Statement of Activities are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net assets at the beginning of the year, as previously reported	\$ 52,883,599	\$ 23,455,239	\$ 76,338,838
Prior period adjustment due to change in threshold for capital assets	<u>(166,233)</u>	<u>(70,459)</u>	<u>(236,692)</u>
Net assets at the beginning of the year, as restated	<u>\$ 52,717,366</u>	<u>\$ 23,384,780</u>	<u>\$ 76,102,146</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

Beginning balance restatements for the Statements of Revenues, Expenses and Changes in Fund Net Assets were as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Non-major Enterprise Funds</u>
Net assets at the beginning of the year, as previously reported	\$ 7,818,210	\$ 13,205,923	\$ 2,112,949
Prior period adjustment due to change in threshold for capital assets	<u>(34,639)</u>	<u>(31,667)</u>	<u>(4,153)</u>
Net assets at the beginning of the year, as restated	<u>\$ 7,783,571</u>	<u>\$ 13,174,256</u>	<u>\$ 2,108,796</u>

11. Interfund receivables and payables:

Interfund balances in the basic financial statements at December 31, 2003 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 258,194	\$ 21,029
Street repair & maintenance	-	44,426
Municipal income tax	-	274,738
Non-major governmental funds	13,461	4,582
Capital improvement	94,391	-
Internal service funds	20,731	-
Water	-	3,200
Sewer	-	854
Solid waste	-	312
Non-major enterprise funds	-	1,015
Agency fund	<u>1,829</u>	<u>38,450</u>
	<u>\$ 388,606</u>	<u>\$ 388,606</u>

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

12. Interfund transfers:

Interfund transfers in the basic financial statements for the year ended December 31, 2003 were:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 8,743,982	\$ 535,000
Municipal income tax	-	10,929,978
Capital improvement	2,206,032	-
Non-major governmental funds	370,000	30,036
Internal service fund	-	25,000
Water	-	15,000
Solid waste	180,000	-
Non-major enterprise funds	<u>35,000</u>	<u>-</u>
	<u>\$ 11,535,014</u>	<u>\$ 11,535,014</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

The transfer of \$20,036 from a non-major governmental fund (namely Monumental Building Renovation Fund) to the capital improvement fund was due to the completion of the Monumental Building Renovation project. All other interfund transfers are routine in nature and are to subsidize the operations of the applicable funds.

13. Self-Insurance:

The City has chosen to establish a risk financing fund for risks associated with the employees' health insurance plan. 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. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>2003</u>	<u>2002</u>
Unpaid claims, beginning of year	\$ 255,951	\$ 265,807
Incurred claims (including IBNRs)	1,047,675	1,092,842
Claim payments	<u>(1,059,632)</u>	<u>(1,102,698)</u>
Unpaid claims, end of year	<u>\$ 243,994</u>	<u>\$ 255,951</u>

14. Risk Management:

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has joined the Miami Valley Risk Management Association, Inc. (MVRMA), a joint insurance pool. The pool consists of seventeen 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 2003, the Association's per-occurrence retention limit for property was \$250,000, with the exception of boiler and machinery for which there was a \$5,000 per occurrence retention limit. Liability had a per-occurrence retention limit of \$1,000,000. After the retention limits are reached, excess insurance will cover up to the limits stated below.

General Liability (including law enforcement)	\$11,000,000 per occurrence
Automobile Liability	\$11,000,000 per occurrence
Public Officials Liability	\$11,000,000 per occurrence
Boiler and Machinery	BLANKET COVERAGE

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2003

Property
Flood and Earthquake

BLANKET COVERAGE
\$25,000,000 per occurrence

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

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, 2003

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 1,609,680	\$ 1,609,680	\$ 1,558,674	\$ (51,006)
Intergovernmental revenues	1,396,359	1,396,359	1,326,559	(69,800)
Special assessments	220,448	220,448	207,018	(13,430)
Charges for services	1,027,375	1,027,375	811,175	(216,200)
Fines, licenses and permits	202,500	202,500	219,945	17,445
Investment income	391,000	391,000	316,373	(74,627)
Miscellaneous receipts and reimbursements	370,370	370,370	380,181	9,811
Total revenues	<u>5,217,732</u>	<u>5,217,732</u>	<u>4,819,925</u>	<u>(397,807)</u>
EXPENDITURES:				
Current:				
General government	2,015,447	2,052,172	1,990,234	61,938
Public safety and judicial	9,574,758	9,510,408	9,178,913	331,495
Community environment	953,171	966,891	935,255	31,636
Parks and recreation	1,269,594	1,343,569	1,272,086	71,483
Capital outlay	53,137	43,450	33,471	9,979
Total expenditures	<u>13,866,107</u>	<u>13,916,490</u>	<u>13,409,959</u>	<u>506,531</u>
(Deficiency) of revenues over/(under) expenditures	<u>(8,648,375)</u>	<u>(8,698,758)</u>	<u>(8,590,034)</u>	<u>108,724</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	8,524,192	8,524,192	8,524,192	-
Sale of capital assets	18,000	18,000	26,785	8,785
Transfers out	(535,000)	(535,000)	(535,000)	-
Total other financing sources (uses)	<u>8,007,192</u>	<u>8,007,192</u>	<u>8,015,977</u>	<u>8,785</u>
Excess (deficiency) of revenues and other financing sources over/ (under) expenditures and other financing uses	<u>(641,183)</u>	<u>(691,566)</u>	<u>(574,057)</u>	<u>117,509</u>
Fund Balances, beginning of year	3,330,522	3,330,522	3,330,522	-
Prior Year Encumbrances	202,568	202,568	202,568	-
Fund Balances, end of year	<u>\$ 2,891,907</u>	<u>\$ 2,841,524</u>	<u>\$ 2,959,033</u>	<u>\$ 117,509</u>

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, 2003

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Intergovernmental revenues	\$ 866,676	\$ 866,676	\$ 868,316	\$ 1,640
Miscellaneous receipts and reimbursements	82,271	82,271	98,623	16,352
Total revenues	<u>948,947</u>	<u>948,947</u>	<u>966,939</u>	<u>17,992</u>
EXPENDITURES:				
Current:				
Transportation	<u>1,059,838</u>	<u>1,131,678</u>	<u>1,104,080</u>	<u>27,598</u>
Total expenditures	<u>1,059,838</u>	<u>1,131,678</u>	<u>1,104,080</u>	<u>27,598</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(110,891)</u>	<u>(182,731)</u>	<u>(137,141)</u>	<u>45,590</u>
OTHER FINANCING SOURCES:				
Transfers in				
Sales of capital assets	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Total other financing sources	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(110,391)	(182,231)	(137,141)	45,090
Fund Balances, beginning of year	588,667	588,667	588,667	-
Prior Year Encumbrances	<u>5,800</u>	<u>5,800</u>	<u>5,800</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 484,076</u>	<u>\$ 412,236</u>	<u>\$ 457,326</u>	<u>\$ 45,090</u>

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
MUNICIPAL INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 10,838,375	\$ 10,838,375	\$ 11,118,226	\$ 279,851
Miscellaneous receipts and reimbursements	75	75	214	139
Total revenues	<u>10,838,450</u>	<u>10,838,450</u>	<u>11,118,440</u>	<u>279,990</u>
EXPENDITURES:				
Current:				
General government	185,522	191,572	188,462	3,110
Total expenditures	<u>185,522</u>	<u>191,572</u>	<u>188,462</u>	<u>3,110</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>10,652,928</u>	<u>10,646,878</u>	<u>10,929,978</u>	<u>283,100</u>
OTHER FINANCING USES:				
Transfers out	<u>(10,655,540)</u>	<u>(10,655,240)</u>	<u>(10,655,240)</u>	<u>-</u>
Total other financing uses	<u>(10,655,540)</u>	<u>(10,655,240)</u>	<u>(10,655,240)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,612)	(8,362)	274,738	283,100
Fund Balances, beginning of year	641,067	641,067	641,067	-
Prior Year Encumbrances	<u>2,012</u>	<u>2,012</u>	<u>2,012</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 640,467</u>	<u>\$ 634,717</u>	<u>\$ 917,817</u>	<u>\$ 283,100</u>

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2003

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.

Beginning of year fund balances have been restated to conform to current year presentation.

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

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

Budget Process

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

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

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

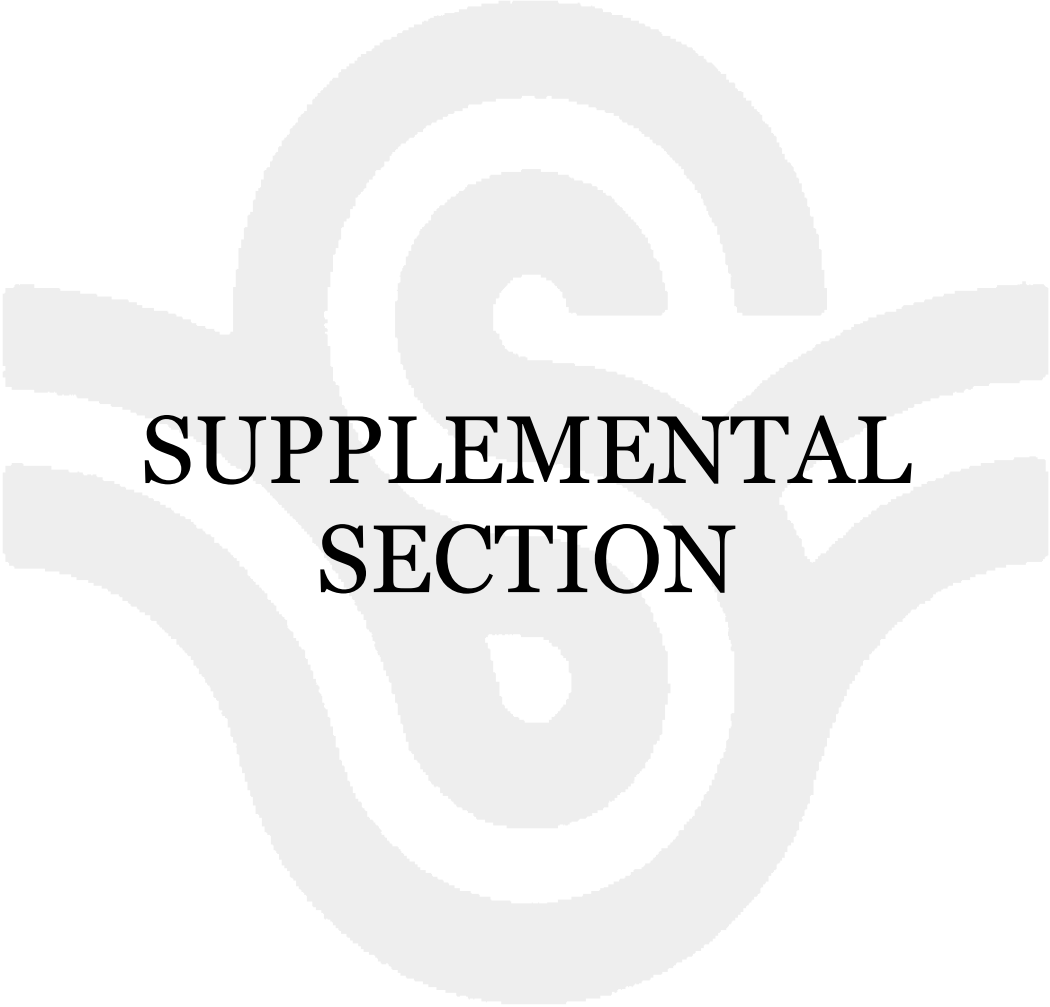
CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2003

- b. establish capital project priorities and make advance preparation for the funding of projects within the five-year horizon;
 - c. make conservative financial projections for all major operating funds and all capital improvements to provide assurance that adequate funding exists for proposed projects and services;
 - d. identify financial trends in advance or in the early stages so that timely corrective action can be taken, if needed;
 - e. communicate the City's intermediate plans to the public and provide an opportunity for the public to offer input.
3. The **operating budget** is recommended to Council based upon the City-Manager-approved requests submitted by each department. The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer input. The Council enacts the budget through passage of an ordinance. All funds of the City have annual budgets legally adopted by the City Council.
4. **Modifications to the budget** may be made from time to time during the budget year. The Statement of Financial Policy 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, 2003, from the GAAP basis to the budget basis are as follows:

	General Fund	Street Repair and Maintenance Fund	Municipal Income Tax Fund
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance - GAAP Basis	\$ (6,957)	\$ (147,386)	\$ (188,728)
Increase / (decrease):			
Due to revenues	281,829	(7,576)	193,330
Due to expenditures	(643,324)	17,821	(4,602)
Due to other financing sources and uses	<u>(205,605)</u>	<u>-</u>	<u>274,738</u>
Excess/(deficiency) of revenues and other sources over/(under) expenditures and other uses - Budget Basis	<u>\$ (574,057)</u>	<u>\$ (137,141)</u>	<u>\$ 274,738</u>



**SUPPLEMENTAL
SECTION**

CITY OF SIDNEY, OHIO
Fund Descriptions

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Major special revenue funds:

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

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

Non-major special revenue funds:

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

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

Stormwater Management Fund. To account for the operation and maintenance of the stormwater system.

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

Transportation Fund. To account for the operation and maintenance of the Dial-A-Ride service.

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

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

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

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

CITY OF SIDNEY, OHIO
Fund Descriptions

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

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

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

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

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

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

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

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

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

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

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

OCJS Grant Fund. To account for the City's administration of a regional drug unit grant with funds provided by a grant from the Ohio Office of Criminal Justice Services and in-kind contributions from other participating agencies in the region.

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

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.

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

CITY OF SIDNEY, OHIO
Fund Descriptions

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

CAPITAL PROJECTS FUNDS

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

Major capital projects fund:

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

Non-major capital projects funds:

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

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

Monumental Building Renovation Fund. To account for the capital expenditures associated with the renovation of the Monumental Building into a new facility for the Municipal Court.

ENTERPRISE FUNDS

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

Major enterprise funds:

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

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

CITY OF SIDNEY, OHIO
Fund Descriptions

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

Non-major enterprise funds:

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

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

INTERNAL SERVICE FUNDS

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

Service Center Fund. To account for the operation of the Service Center building and the municipal garage. These activities are funded by charges to City departments that use these services.

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

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.

AGENCY FUNDS

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

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

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

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

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2003**

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
ASSETS			
Pooled cash and investments	\$ 2,434,770	\$ 452,888	\$ 2,887,658
Cash held by outside agent	23,272	-	23,272
Receivables (net):			
Other taxes	3,728	-	3,728
Interest	7,526	2,539	10,065
Loans	95,191	-	95,191
Special assessments	-	6,584	6,584
Other	34,910	-	34,910
Due from other funds	12,400	-	12,400
Due from agency fund	1,061	-	1,061
Receivables from other governments	59,864	-	59,864
Inventory	25,813	-	25,813
Prepaid items	692	-	692
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,699,227</u>	<u>\$ 462,011</u>	<u>\$ 3,161,238</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 49,052	\$ -	\$ 49,052
Salaries and benefits payable	34,693	-	34,693
Due to other funds	4,582	-	4,582
Deferred revenue	117,004	8,820	125,824
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>205,331</u>	<u>8,820</u>	<u>214,151</u>
Fund Balances:			
Reserved for:			
Inventory	25,813	-	25,813
Prepaid Items	692	-	692
Long-term loans receivable	95,191	-	95,191
Encumbrances	103,474	33,103	136,577
Unreserved	2,268,726	420,088	2,688,814
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,493,896</u>	<u>453,191</u>	<u>2,947,087</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 2,699,227</u>	<u>\$ 462,011</u>	<u>\$ 3,161,238</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, 2003

	Special Revenue Funds	Capital Projects Funds	Total Non-major Governmental Funds
REVENUES:			
Local taxes	\$ 61,429	\$ -	\$ 61,429
Intergovernmental revenues	892,352	-	892,352
Special assessments	-	20,162	20,162
Charges for services	129,760	-	129,760
Fines, licenses and permits	74,812	-	74,812
Investment income	74,643	9,774	84,417
Miscellaneous receipts and reimbursements	<u>58,376</u>	<u>-</u>	<u>58,376</u>
Total revenues	<u>1,291,372</u>	<u>29,936</u>	<u>1,321,308</u>
EXPENDITURES:			
Current:			
General government	74,746	-	74,746
Public safety and judicial	371,077	-	371,077
Health	175,938	-	175,938
Transportation	382,353	-	382,353
Community environment	115,105	185	115,290
Basic utility services	222,810	-	222,810
Capital outlay	424,009	8,968	432,977
Debt service:			
Principal	20,000	-	20,000
Interest	<u>4,655</u>	<u>-</u>	<u>4,655</u>
Total expenditures	<u>1,790,693</u>	<u>9,153</u>	<u>1,799,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(499,321)</u>	<u>20,783</u>	<u>(478,538)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	370,000	-	370,000
Sales of capital assets	1,800	-	1,800
Transfers out	<u>(10,000)</u>	<u>(20,036)</u>	<u>(30,036)</u>
Total other financing sources (uses)	<u>361,800</u>	<u>(20,036)</u>	<u>341,764</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(137,521)	747	(136,774)
Fund balances, beginning of year	<u>2,631,417</u>	<u>452,444</u>	<u>3,083,861</u>
Fund balances, end of year	<u>\$ 2,493,896</u>	<u>\$ 453,191</u>	<u>\$ 2,947,087</u>

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2003

(continued)

	State Highway	County Auto License	Stormwater Management	Cemetery	Transportation	C.D.B.G.	C.D.B.G. Revolving Loan	C.D.B.G. Program Income	H.O.M.E. Program Income
ASSETS									
Pooled cash and investments	\$ 37,955	\$ 1	\$ 61,643	\$ 68,140	\$ 156,552	\$ 159,605	\$ 247,009	\$ 1,395	\$ 30,599
Cash held by outside agent	-	23,272	-	-	-	-	-	-	-
Receivables (net):									
Other taxes	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	642	2,080	10	170
Loans	-	-	-	-	-	-	95,191	-	-
Other	-	-	-	14,951	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from agency fund	-	-	-	-	-	-	-	-	-
Receivables from other governments	47,857	-	-	-	-	12,007	-	-	-
Inventory	-	-	25,813	-	-	-	-	-	-
Prepaid items	-	-	-	317	-	-	-	-	-
Total assets	\$ 85,812	\$ 23,273	\$ 87,456	\$ 83,408	\$ 156,552	\$ 172,254	\$ 344,280	\$ 1,405	\$ 30,769
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 275	\$ 760	\$ 433	\$ 21,852	\$ -	\$ -	\$ 2,996
Salaries and benefits payable	-	-	7,546	11,455	12,885	-	-	-	-
Due to other funds	-	-	1,069	820	2,693	-	-	-	-
Deferred revenue	43,332	23,272	-	14,607	-	12,572	1,486	9	150
Total liabilities	43,332	23,272	8,890	27,642	16,011	34,424	1,486	9	3,146
Fund Balances:									
Reserved for:									
Inventory	-	-	25,813	-	-	-	-	-	-
Prepaid items	-	-	-	317	-	-	-	-	-
Long-term loans receivable	-	-	-	-	-	-	95,191	-	-
Encumbrances	-	-	593	-	-	68,254	9,641	-	2,818
Unreserved	42,480	1	52,160	55,449	140,541	69,576	237,962	1,396	24,805
Total fund balances	42,480	1	78,566	55,766	140,541	137,830	342,794	1,396	27,623
Total liabilities and fund balances	\$ 85,812	\$ 23,273	\$ 87,456	\$ 83,408	\$ 156,552	\$ 172,254	\$ 344,280	\$ 1,405	\$ 30,769

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2003

(continued)

	Parking Meter/ Off-Street Parking	Probation Grant	Convention and Visitors Bureau	Health Department Building Lease	FEMA Grant	Separation Payment	Insurance	Drug Law Enforcement	Law Enforcement
ASSETS									
Pooled cash and investments	\$ 87,307	\$ 1,029	\$ 3,208	\$ 109,979	\$ 30,528	\$ 561,939	\$ 5,154	\$ 58,717	\$ 386
Cash held by outside agent	-	-	-	-	-	-	-	-	-
Receivables (net):									
Other taxes	-	-	3,728	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Other	4,595	-	-	-	-	-	6,877	1,980	-
Due from other funds	-	-	-	-	-	-	-	12,400	-
Due from agency fund	-	-	-	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Prepaid items	375	-	-	-	-	-	-	-	-
Total assets	\$ 92,277	\$ 1,029	\$ 6,936	\$ 109,979	\$ 30,528	\$ 561,939	\$ 12,031	\$ 73,097	\$ 386

LIABILITIES AND FUND BALANCES

Liabilities:									
Accounts payable	\$ 1,073	\$ 51	-	\$ -	\$ 8,903	\$ -	\$ -	\$ 60	\$ -
Salaries and benefits payable	432	2,375	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	4,595	-	-	-	-	-	6,308	341	-
Total liabilities	6,100	2,426	-	-	8,903	-	6,308	401	-
Fund Balances:									
Reserved for:									
Inventory	-	-	-	-	-	-	-	-	-
Prepaid items	375	-	-	-	-	-	-	-	-
Long-term loans receivable	-	-	-	-	-	-	-	-	-
Encumbrances	-	-	-	127	12,698	-	95	-	-
Unreserved	85,802	(1,397)	6,936	109,852	8,927	561,939	5,628	72,696	386
Total fund balances	86,177	(1,397)	6,936	109,979	21,625	561,939	5,723	72,696	386
Total liabilities and fund balances	\$ 92,277	\$ 1,029	\$ 6,936	\$ 109,979	\$ 30,528	\$ 561,939	\$ 12,031	\$ 73,097	\$ 386

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2002

	Indigent Driver Alcohol Treatment	Enforcement & Education	OCS Grant	Imprest Cash	Fire Loss Security	Cemetery Maintenance	Mausoleum Maintenance	Non-major Special Revenue Funds Totals
ASSETS								
Pooled cash and investments	\$ 104,742	\$ 16,428	\$ 2	\$ 2,300	\$ 16,537	\$ 658,774	\$ 14,841	\$ 2,434,770
Cash held by outside agent	-	-	-	-	-	-	-	23,272
Receivables (net):								
Other taxes	-	-	-	-	-	-	-	3,728
Interest	-	-	-	-	-	4,523	101	7,526
Loans	-	-	-	-	-	-	-	95,191
Other	-	100	-	-	-	5,556	851	34,910
Due from other funds	-	-	-	-	-	-	-	12,400
Due from agency fund	665	396	-	-	-	-	-	1,061
Receivables from other governments	-	-	-	-	-	-	-	59,864
Inventory	-	-	-	-	-	-	-	25,813
Prepaid items	-	-	-	-	-	-	-	692
Total assets	\$ 105,407	\$ 16,924	\$ 2	\$ 2,300	\$ 16,537	\$ 668,853	\$ 15,793	\$ 2,699,227
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 12,538	\$ -	\$ -	\$ -	\$ -	\$ 111	\$ -	\$ 49,052
Salaries and benefits payable	-	-	-	-	-	-	-	34,693
Due to other funds	-	-	-	-	-	-	-	4,582
Deferred revenue	-	-	-	-	-	9,413	919	117,004
Total liabilities	12,538	-	-	-	-	9,524	919	205,331
Fund Balances:								
Reserved for:								
Inventory	-	-	-	-	-	-	-	25,813
Prepaid items	-	-	-	-	-	-	-	692
Long-term loans receivable	-	-	-	-	-	-	-	95,191
Encumbrances	-	-	-	-	9,248	-	-	103,474
Unreserved	92,869	16,924	2	2,300	7,289	659,329	14,874	2,268,726
Total fund balances	92,869	16,924	2	2,300	16,537	659,329	14,874	2,493,896
Total liabilities and fund balances	\$ 105,407	\$ 16,924	\$ 2	\$ 2,300	\$ 16,537	\$ 668,853	\$ 15,793	\$ 2,699,227

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, 2003

(continued)

	State Highway	County Auto License	Stormwater Management	Cemetery	Transportation	C.D.B.G.	C.D.B.G. Revolving Loan	C.D.B.G. Program Income	H.O.M.E. Program Income
REVENUES:									
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	71,031	91,052	-	-	175,451	210,264	-	-	-
Charges for services	-	-	-	62,743	55,174	-	-	-	-
Fines, licenses and permits	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	2,880	14,999	1,396	37,683
Miscellaneous receipts and reimbursements	-	-	158	156	232	-	-	-	-
Total revenues	71,031	91,052	158	62,899	230,857	213,144	14,999	1,396	37,683
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety and judicial	-	-	-	-	-	-	-	-	-
Health	-	-	-	170,905	-	-	-	-	-
Transportation	70,000	-	-	-	312,353	-	-	-	-
Community environment	-	-	-	-	-	13,825	38,110	-	3,170
Basic utility services	-	-	221,428	-	-	-	-	-	-
Capital outlay	-	91,052	-	1,843	808	181,680	-	-	55,268
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	70,000	91,052	221,428	172,748	313,161	195,505	38,110	-	58,438
Excess (deficiency) of revenues over (under) expenditures	1,031	-	(221,270)	(109,849)	(82,304)	17,639	(23,111)	1,396	(20,755)
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	150,000	70,000	-	-	-	-	-
Sales of capital assets	-	-	-	-	1,800	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	150,000	70,000	1,800	-	-	-	-
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	1,031	-	(71,270)	(39,849)	(80,504)	17,639	(23,111)	1,396	(20,755)
Fund balances, beginning of year	41,449	1	149,836	95,615	221,045	120,191	365,905	-	48,378
Fund balances, end of year	42,480	1	78,566	55,766	140,541	137,830	342,794	1,396	27,623

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, 2003

(continued)

	Parking Meter/ Off-Street Parking	Probation Grant	Convention and Visitors Bureau	Health Department Building Lease	FEMA Grant	Separation Payment	Insurance	Drug Law Enforcement	Law Enforcement
REVENUES:									
Local taxes	\$ -	\$ -	61,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	48,540	-	-	133,750	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines, licenses and permits	34,792	-	-	-	-	-	-	18,067	-
Investment income	-	-	-	-	-	-	-	-	-
Miscellaneous receipts and reimbursements	32	54	-	37,733	-	-	12,722	-	-
Total revenues	34,824	48,594	61,429	37,733	133,750	-	12,722	18,067	-
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	51,708	23,038	-	-
Public safety	29,618	48,343	-	-	18,767	87,220	-	18,135	3,000
Health	-	-	-	4,730	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Community environment	-	-	60,000	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	1,382	-	-	-
Capital outlay	-	-	-	-	93,358	-	-	-	-
Debt service:									
Principal	-	-	-	20,000	-	-	-	-	-
Interest	-	-	-	4,655	-	-	-	-	-
Total expenditures	29,618	48,343	60,000	29,385	112,125	140,310	23,038	18,135	3,000
Excess (deficiency) of revenues over (under) expenditures	5,206	251	1,429	8,348	21,625	(140,310)	(10,316)	(68)	(3,000)
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	135,000	15,000	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	135,000	15,000	-	-
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	5,206	251	1,429	8,348	21,625	(5,310)	4,684	(68)	(3,000)
Fund balances, beginning of year	80,971	(1,648)	5,507	101,631	-	567,249	1,039	72,764	3,386
Fund balances, end of year	86,177	(1,397)	6,936	109,979	21,625	561,939	5,723	72,696	386

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, 2002

	Indigent Driver Alcohol Treatment	Enforcement & Education	OCSJ Grant	Imprest Cash	Fire Loss Security	Cemetery Maintenance	Mausoleum Maintenance	Non-major Special Revenue Funds Totals
REVENUES:								
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,429
Intergovernmental revenues	-	-	162,264	-	-	-	-	892,352
Charges for services	-	-	-	-	9,049	-	2,794	129,760
Fines, licenses and permits	12,798	9,155	-	-	-	-	-	74,812
Investment income	-	-	-	-	-	17,313	372	74,643
Miscellaneous receipts and reimbursements	-	-	-	-	7,289	-	-	58,376
Total revenues	12,798	9,155	162,264	-	7,289	26,362	3,166	1,291,372
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	-	74,746
Security of persons & property	12,538	4,662	148,794	-	-	-	-	371,077
Health	-	-	-	-	-	303	-	175,938
Transportation	-	-	-	-	-	-	-	382,353
Community environment	-	-	-	-	-	-	-	115,105
Basic utility services	-	-	-	-	-	-	-	222,810
Capital outlay	-	-	-	-	-	-	-	424,009
Debt service:								
Principal	-	-	-	-	-	-	-	20,000
Interest	-	-	-	-	-	-	-	4,655
Total expenditures	12,538	4,662	148,794	-	-	303	-	1,790,693
Excess (deficiency) of revenues over (under) expenditures	260	4,493	13,470	-	7,289	26,059	3,166	(499,321)
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	-	-	370,000
Sales of capital assets	-	-	-	-	-	-	-	1,800
Transfers out	-	-	-	-	-	(10,000)	-	(10,000)
Total other financing sources (uses)	-	-	-	-	-	(10,000)	-	361,800
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	260	4,493	13,470	-	7,289	16,059	3,166	(137,521)
Fund balances, beginning of year	92,609	12,431	(13,468)	2,300	9,248	643,270	11,708	2,631,417
Fund balances, end of year	92,869	16,924	2	2,300	16,537	659,329	14,874	2,493,896

**CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2003**

	<u>Capital Investment</u>	<u>Special Assessment Construction</u>	<u>Monumental Building Renovation</u>	<u>Non-major Capital Projects Funds Totals</u>
ASSETS				
Pooled cash and investments	\$ 369,377	\$ 83,511	\$ -	\$ 452,888
Receivables (net):				
Interest	2,539	-	-	2,539
Special assessments	<u>-</u>	<u>6,584</u>	<u>-</u>	<u>6,584</u>
 Total assets	 <u>\$ 371,916</u>	 <u>\$ 90,095</u>	 <u>\$ -</u>	 <u>\$ 462,011</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred revenue	<u>\$ 2,236</u>	<u>\$ 6,584</u>	<u>\$ -</u>	<u>\$ 8,820</u>
 Total liabilities	 <u>2,236</u>	 <u>6,584</u>	 <u>-</u>	 <u>8,820</u>
 Fund Balances:				
Reserved for:				
Encumbrances	-	33,103	-	33,103
Unreserved	<u>369,680</u>	<u>50,408</u>	<u>-</u>	<u>420,088</u>
 Total fund balances	 <u>369,680</u>	 <u>83,511</u>	 <u>-</u>	 <u>453,191</u>
 Total liabilities and fund balances	 <u>\$ 371,916</u>	 <u>\$ 90,095</u>	 <u>\$ -</u>	 <u>\$ 462,011</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Capital Investment</u>	<u>Special Assessment Construction</u>	<u>Monumental Building Renovation</u>	<u>Non-major Capital Projects Funds Totals</u>
REVENUES:				
Special assessments	\$ -	\$ 20,162	\$ -	\$ 20,162
Investment income	<u>9,774</u>	<u>-</u>	<u>-</u>	<u>9,774</u>
Total revenues	<u>9,774</u>	<u>20,162</u>	<u>-</u>	<u>29,936</u>
EXPENDITURES:				
Current:				
Community environment	-	185	-	185
Capital outlay	<u>-</u>	<u>8,968</u>	<u>-</u>	<u>8,968</u>
Total expenditures	<u>-</u>	<u>9,153</u>	<u>-</u>	<u>9,153</u>
Excess of revenues over expenditures	9,774	11,009	-	20,783
OTHER FINANCING USES:				
Transfers out	<u>-</u>	<u>-</u>	<u>(20,036)</u>	<u>(20,036)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(20,036)</u>	<u>(20,036)</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	9,774	11,009	(20,036)	747
Fund balances, beginning of year, as restated	<u>359,906</u>	<u>72,502</u>	<u>20,036</u>	<u>452,444</u>
Fund balances, end of year	<u>\$ 369,680</u>	<u>\$ 83,511</u>	<u>\$ -</u>	<u>\$ 453,191</u>

**CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2003**

	<u>Airport</u>	<u>Swimming Pool</u>	<u>Non-major Enterprise Funds Totals</u>
ASSETS			
Current assets:			
Pooled cash and investments	\$ 64,064	\$ 20,353	\$ 84,417
Receivables (net):			
Accounts	8,384	-	8,384
Other	6,235	-	6,235
Inventory	17,543	-	17,543
Prepaid items	<u>2,224</u>	<u>-</u>	<u>2,224</u>
 Total current assets	 <u>98,450</u>	 <u>20,353</u>	 <u>118,803</u>
Noncurrent assets:			
Capital assets:			
Capital assets not subject to depreciation:			
Land	309,265	-	309,265
Construction in progress	-	4,000	4,000
Capital assets net of accumulated depreciation	<u>772,969</u>	<u>992,829</u>	<u>1,765,798</u>
 Total noncurrent assets	 <u>1,082,234</u>	 <u>996,829</u>	 <u>2,079,063</u>
 Total assets	 <u>\$ 1,180,684</u>	 <u>\$ 1,017,182</u>	 <u>\$ 2,197,866</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 13,066	\$ 462	\$ 13,528
Salaries and benefits payable	-	538	538
Due to other funds	1,015	-	1,015
Deferred revenue	<u>2,983</u>	<u>-</u>	<u>2,983</u>
 Total current liabilities	 <u>17,064</u>	 <u>1,000</u>	 <u>18,064</u>
 Total liabilities	 <u>17,064</u>	 <u>1,000</u>	 <u>18,064</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,082,234	996,829	2,079,063
Unrestricted	<u>81,386</u>	<u>19,353</u>	<u>100,739</u>
 Total net assets	 <u>1,163,620</u>	 <u>1,016,182</u>	 <u>2,179,802</u>
 Total liabilities and net assets	 <u>\$ 1,180,684</u>	 <u>\$ 1,017,182</u>	 <u>\$ 2,197,866</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Airport</u>	<u>Swimming Pool</u>	<u>Non-major Enterprise Funds Totals</u>
OPERATING REVENUES:			
Charges for services	\$ 192,358	\$ 54,392	\$ 246,750
Other revenue	<u>7,772</u>	<u>191</u>	<u>7,963</u>
Total operating revenues	<u>200,130</u>	<u>54,583</u>	<u>254,713</u>
OPERATING EXPENSES:			
Personal services	-	60,015	60,015
Operations and maintenance	210,780	33,275	244,055
Depreciation	<u>29,510</u>	<u>29,717</u>	<u>59,227</u>
Total operating expenses	<u>240,290</u>	<u>123,007</u>	<u>363,297</u>
Operating loss	<u>(40,160)</u>	<u>(68,424)</u>	<u>(108,584)</u>
NONOPERATING REVENUE:			
Gain on disposal of assets	<u>1,900</u>	<u>-</u>	<u>1,900</u>
Total nonoperating revenue	<u>1,900</u>	<u>-</u>	<u>1,900</u>
Loss before contributions and transfers	<u>(38,260)</u>	<u>(68,424)</u>	<u>(106,684)</u>
Capital contributions	138,690	4,000	142,690
Transfers in	<u>-</u>	<u>35,000</u>	<u>35,000</u>
Change in net assets	100,430	(29,424)	71,006
Net assets, beginning of year, as restated	<u>1,063,190</u>	<u>1,045,606</u>	<u>2,108,796</u>
Net assets, end of year	<u>\$ 1,163,620</u>	<u>\$ 1,016,182</u>	<u>\$ 2,179,802</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Airport</u>	<u>Swimming Pool</u>	<u>Non-major Enterprise Funds Totals</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 213,350	\$ 54,583	\$ 267,933
Payments to suppliers	(207,429)	(32,952)	(240,381)
Payments to employees	-	(59,853)	(59,853)
Payments for interfund services used	<u>(4,636)</u>	<u>-</u>	<u>(4,636)</u>
Net cash provided (used) by operating activities	<u>1,285</u>	<u>(38,222)</u>	<u>(36,937)</u>
Cash flows from noncapital financing activities:			
Transfers in	<u>-</u>	<u>35,000</u>	<u>35,000</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>35,000</u>	<u>35,000</u>
Cash flows from capital and related financing activities:			
Proceeds from sales of capital assets	<u>1,900</u>	<u>-</u>	<u>1,900</u>
Net cash provided by capital and related financing activities	<u>1,900</u>	<u>-</u>	<u>1,900</u>
Net increase (decrease) in pooled cash and investments	3,185	(3,222)	(37)
Pooled cash and investments, beginning of year	<u>60,879</u>	<u>23,575</u>	<u>84,454</u>
Pooled cash and investments, end of year	<u>\$ 64,064</u>	<u>\$ 20,353</u>	<u>\$ 84,417</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	\$ (40,160)	\$ (68,424)	\$ (108,584)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	29,510	29,717	59,227
Change in assets and liabilities:			
Accounts receivable	9,979	-	9,979
Other receivables	258	-	258
Inventory	(2,416)	-	(2,416)
Prepaid items	(950)	-	(950)
Accounts payable	1,089	323	1,412
Salaries and benefits payable	-	162	162
Due to other funds	992	-	992
Deferred revenue	<u>2,983</u>	<u>-</u>	<u>2,983</u>
Net cash provided (used) by operating activities	<u>\$ 1,285</u>	<u>\$ (38,222)</u>	<u>\$ (36,937)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets from governmental funds	<u>\$ 138,690</u>	<u>\$ 4,000</u>	<u>\$ 142,690</u>

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003**

	Service Center	Technology	Self- Insurance	Internal Service Totals
ASSETS				
Current assets:				
Pooled cash and investments	\$ 143,398	\$ 69,110	\$ 173,351	\$ 385,859
Receivables (net):				
Interest	-	-	1,223	1,223
Other	-	-	112,083	112,083
Inventory	35,514	5,652	-	41,166
Due from other funds	20,731	-	-	20,731
Prepaid items	9,967	4,459	12,426	26,852
Total current assets	<u>209,610</u>	<u>79,221</u>	<u>299,083</u>	<u>587,914</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation	<u>549,925</u>	<u>45,621</u>	<u>-</u>	<u>595,546</u>
Total noncurrent assets	<u>549,925</u>	<u>45,621</u>	<u>-</u>	<u>595,546</u>
Total assets	<u>\$ 759,535</u>	<u>\$ 124,842</u>	<u>\$ 299,083</u>	<u>\$ 1,183,460</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 8,887	\$ 4,153	\$ 243,994	\$ 257,034
Salaries and benefits payable	<u>18,878</u>	<u>5,688</u>	<u>-</u>	<u>24,566</u>
Total current liabilities	<u>27,765</u>	<u>9,841</u>	<u>243,994</u>	<u>281,600</u>
Noncurrent liabilities:				
Compensated absences	<u>60,683</u>	<u>1,745</u>	<u>-</u>	<u>62,428</u>
Total noncurrent liabilities	<u>60,683</u>	<u>1,745</u>	<u>-</u>	<u>62,428</u>
Total liabilities	<u>88,448</u>	<u>11,586</u>	<u>243,994</u>	<u>344,028</u>
NET ASSETS				
Invested in capital assets, net of related debt	549,925	45,621	-	595,546
Unrestricted	<u>121,162</u>	<u>67,635</u>	<u>55,089</u>	<u>243,886</u>
Total net assets	<u>671,087</u>	<u>113,256</u>	<u>55,089</u>	<u>839,432</u>
Total liabilities and net assets	<u>\$ 759,535</u>	<u>\$ 124,842</u>	<u>\$ 299,083</u>	<u>\$ 1,183,460</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Service Center	Technology	Self- Insurance	Internal Service Totals
OPERATING REVENUES:				
Charges for services	\$ 549,441	\$ 273,445	\$ 1,717,831	\$ 2,540,717
Other revenue	<u>310</u>	<u>1,184</u>	<u>207,055</u>	<u>208,549</u>
Total operating revenues	<u>549,751</u>	<u>274,629</u>	<u>1,924,886</u>	<u>2,749,266</u>
OPERATING EXPENSES:				
Personal services	293,469	173,989	-	467,458
Operations and maintenance	312,066	123,435	1,689,894	2,125,395
Depreciation	<u>37,306</u>	<u>13,245</u>	<u>-</u>	<u>50,551</u>
Total operating expenses	<u>642,841</u>	<u>310,669</u>	<u>1,689,894</u>	<u>2,643,404</u>
Operating income (loss)	<u>(93,090)</u>	<u>(36,040)</u>	<u>234,992</u>	<u>105,862</u>
NONOPERATING REVENUES:				
Investment income	<u>-</u>	<u>-</u>	<u>696</u>	<u>696</u>
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>696</u>	<u>696</u>
Income (loss) before transfers	(93,090)	(36,040)	235,688	106,558
Transfers out	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Change in net assets	(118,090)	(36,040)	235,688	81,558
Net assets, beginning of year, as restated	<u>789,177</u>	<u>149,296</u>	<u>(180,599)</u>	<u>757,874</u>
Net assets, end of year	<u>\$ 671,087</u>	<u>\$ 113,256</u>	<u>\$ 55,089</u>	<u>\$ 839,432</u>

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Service Center	Technology	Self- Insurance	Internal Service Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ -	\$ 207,055	\$ 207,055
Receipts from interfund services	556,849	274,629	1,616,427	2,447,905
Payments to suppliers	(281,479)	(117,477)	(1,696,817)	(2,095,773)
Payments to employees	(293,600)	(180,730)	-	(474,330)
Payments for interfund services used	(48,208)	(18)	-	(48,226)
Net cash provided (used) by operating activities	<u>(66,438)</u>	<u>(23,596)</u>	<u>126,665</u>	<u>36,631</u>
Cash flows from noncapital financing activities:				
Transfers out	(25,000)	-	-	(25,000)
Net cash used by noncapital financing activities	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Cash flows from investing activities:				
Interest on investments	-	-	2,259	2,259
Net unrealized gain on investments	-	-	(2,447)	(2,447)
Net cash used by investing activities	<u>-</u>	<u>-</u>	<u>(188)</u>	<u>(188)</u>
Net increase (decrease) in pooled cash and investments	(91,438)	(23,596)	126,477	11,443
Pooled cash and investments, beginning of year	<u>234,836</u>	<u>92,706</u>	<u>46,874</u>	<u>374,416</u>
Pooled cash and investments, end of year	<u>\$ 143,398</u>	<u>\$ 69,110</u>	<u>\$ 173,351</u>	<u>\$ 385,859</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (93,090)	\$ (36,040)	\$ 234,992	\$ 105,862
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	37,306	13,245	-	50,551
Change in assets and liabilities:				
Other receivables	(8,881)	-	(53,114)	(61,995)
Due from other funds	7,098	-	-	7,098
Prepaid items	(7,069)	3,845	5,034	1,810
Inventory	-	(771)	-	(771)
Accounts payable	(1,671)	2,865	(11,957)	(10,763)
Salaries and benefits payable and compensated absences	(131)	(6,740)	-	(6,871)
Deferred revenue	-	-	(48,290)	(48,290)
Net cash provided (used) by operating activities	<u>\$ (66,438)</u>	<u>\$ (23,596)</u>	<u>\$ 126,665</u>	<u>\$ 36,631</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2003

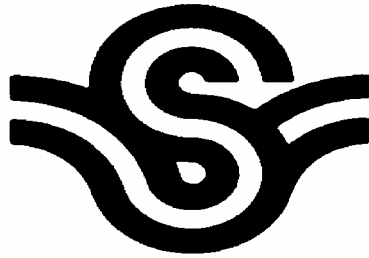
	<u>Municipal Court</u>	<u>Medical Reimbursement</u>	<u>Port Jefferson</u>	<u>Agency Funds Totals</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 7,136	\$ 271	\$ 7,407
Municipal Court checking account	105,817	-	-	105,817
Accounts receivable	-	-	5,181	5,181
Due from other funds	<u>-</u>	<u>-</u>	<u>1,829</u>	<u>1,829</u>
Total assets	<u>\$ 105,817</u>	<u>\$ 7,136</u>	<u>\$ 7,281</u>	<u>\$ 120,234</u>
LIABILITIES				
Due to employees	\$ -	\$ 1,925	\$ -	\$ 1,925
Due to other funds	38,450	-	-	38,450
Due to other governments	33,854	-	7,281	41,135
Undistributed monies	<u>33,513</u>	<u>5,211</u>	<u>-</u>	<u>38,724</u>
Total liabilities	<u>\$ 105,817</u>	<u>\$ 7,136</u>	<u>\$ 7,281</u>	<u>\$ 120,234</u>

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Balance at January 1, 2003	Additions	Deductions	Balance at December 31, 2003
<u>Municipal Court Fund</u>				
ASSETS				
Municipal Court checking account	\$ 148,064	\$ 1,952,003	\$ 1,994,250	\$ 105,817
LIABILITIES				
Due to other funds	\$ 57,846	\$ 663,744	\$ 683,140	\$ 38,450
Due to other governments	55,019	579,393	600,558	33,854
Undistributed monies	35,199	708,866	710,552	33,513
Total liabilities	\$ 148,064	\$ 1,952,003	\$ 1,994,250	\$ 105,817
<u>Medical Reimbursement Fund</u>				
ASSETS				
Pooled cash and investments	\$ 7,236	\$ 56,681	\$ 56,781	\$ 7,136
LIABILITIES				
Due to employees	\$ 4,455	\$ 54,251	\$ 56,781	\$ 1,925
Undistributed monies	2,781	2,430	-	5,211
Total liabilities	\$ 7,236	\$ 56,681	\$ 56,781	\$ 7,136
<u>Port Jefferson Fund</u>				
ASSETS				
Pooled cash and investments	\$ 4,729	\$ 62,764	\$ 67,222	\$ 271
Accounts receivable	8,865	59,079	62,763	5,181
Due from other funds	1,829	-	-	1,829
	\$ 15,423	\$ 121,843	\$ 129,985	\$ 7,281
LIABILITIES				
Due to other governments	\$ 15,423	\$ 121,843	\$ 129,985	\$ 7,281

This Page is Intentionally Left Blank.

City of Sidney



Ohio

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

(continued)

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Local taxes	\$ 1,609,680	\$ 1,558,674	\$ (51,006)
Intergovernmental revenues	1,396,359	1,326,559	(69,800)
Special assessments	220,448	207,018	(13,430)
Charges for services	1,027,375	811,175	(216,200)
Fines, licenses and permits	202,500	219,945	17,445
Investment income	391,000	316,373	(74,627)
Miscellaneous receipts and reimbursements	370,370	380,181	9,811
Total revenues	<u>5,217,732</u>	<u>4,819,925</u>	<u>(397,807)</u>
EXPENDITURES:			
Current:			
General government			
City Council			
Personal services	73,370	73,241	129
Contractual, materials and other	143,331	132,073	11,258
City Administration			
Personal services	248,955	248,866	89
Contractual, materials and other	39,165	38,299	866
Finance			
Personal services	348,435	347,835	600
Contractual, materials and other	53,076	51,577	1,499
Law Director			
Personal services	66,765	65,096	1,669
Contractual, materials and other	36,022	29,564	6,458
Personnel			
Personal services	66,885	66,674	211
Contractual, materials and other	176,068	163,599	12,469
Purchasing			
Personal services	92,050	91,828	222
Contractual, materials and other	37,481	36,103	1,378
City Hall			
Personal services	48,365	45,578	2,787
Contractual, materials and other	207,502	193,514	13,988
Miscellaneous			
Contractual, materials and other	415,702	406,387	9,315
Total general government	<u>2,053,172</u>	<u>1,990,234</u>	<u>62,938</u>
Public safety and judicial			
Police Services			
Personal services	3,768,360	3,705,565	62,795
Contractual, materials and other	770,178	668,016	102,162
Fire Services			
Personal services	3,073,171	3,047,855	25,316
Contractual, materials and other	460,222	389,889	70,333

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, 2003

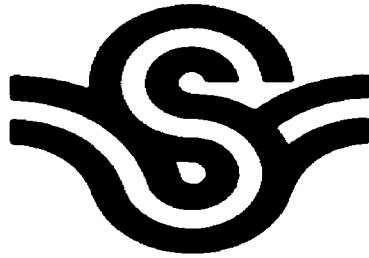
(continued)

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
Municipal Court			
Personal services	743,400	724,478	18,922
Contractual, materials and other	312,922	283,488	29,434
Prosecutor			
Personal services	143,375	142,860	515
Contractual, materials and other	62,925	62,446	479
Street Lighting Department			
Contractual, materials and other	211,233	180,813	30,420
Total public safety	<u>9,545,786</u>	<u>9,205,410</u>	<u>340,376</u>
Community environment			
Building Inspection			
Personal services	90,465	89,668	797
Contractual, materials and other	18,137	13,116	5,021
Engineering			
Personal services	472,460	469,010	3,450
Contractual, materials and other	82,936	73,766	9,170
Community Planning & Development			
Personal services	67,572	67,207	365
Contractual, materials and other	33,340	28,353	4,987
Public Works			
Personal services	100,305	100,092	213
Contractual, materials and other	11,222	8,588	2,634
Code Enforcement			
Personal services	76,045	73,644	2,401
Contractual, materials and other	14,410	11,811	2,599
Total community environment	<u>966,892</u>	<u>935,255</u>	<u>31,637</u>
Parks and recreation			
Parks & Recreation - Administration			
Personal services	137,135	134,789	2,346
Contractual, materials and other	16,314	15,348	966
Parks & Recreation - Programs			
Personal services	84,415	64,227	20,188
Contractual, materials and other	52,597	44,443	8,154
Parks & Public Grounds			
Personal services	658,055	635,819	22,236
Contractual, materials and other	249,498	233,491	16,007
Urban Forest			
Contractual, materials and other	113,390	111,894	1,496
Senior Center			
Contractual, materials and other	39,236	39,049	187
Total parks and recreation	<u>1,350,640</u>	<u>1,279,060</u>	<u>71,580</u>
Total expenditures	<u>13,916,490</u>	<u>13,409,959</u>	<u>506,531</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, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
(Deficiency) of revenues over/(under) expenditures	<u>(8,698,758)</u>	<u>(8,590,034)</u>	<u>108,724</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	8,524,192	8,524,192	-
Sales of capital assets	18,000	26,785	8,785
Transfers out	<u>(535,000)</u>	<u>(535,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>8,007,192</u>	<u>8,015,977</u>	<u>8,785</u>
Excess (deficiency) of revenues and other financing sources over/ (under) expenditures and other financing uses	<u>(691,566)</u>	<u>(574,057)</u>	<u>117,509</u>
Fund Balances, beginning of year	3,330,522	3,330,522	-
Prior Year Encumbrances	202,568	202,568	-
Fund Balances, end of year	<u>\$ 2,841,524</u>	<u>\$ 2,959,033</u>	<u>\$ 117,509</u>

City of Sidney



Ohio

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
STREET REPAIR AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget (Over) Under</u>
REVENUES:			
Intergovernmental revenues	\$ 866,676	\$ 868,316	\$ 1,640
Miscellaneous receipts and reimbursements	<u>82,271</u>	<u>98,623</u>	<u>16,352</u>
Total revenues	<u>948,947</u>	<u>966,939</u>	<u>17,992</u>
EXPENDITURES:			
Current:			
Transportation			
Personal services	732,331	722,569	9,762
Contractual, materials and other	<u>399,347</u>	<u>381,511</u>	<u>17,836</u>
Total expenditures	<u>1,131,678</u>	<u>1,104,080</u>	<u>27,598</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(182,731)</u>	<u>(137,141)</u>	<u>45,590</u>
OTHER FINANCING SOURCES:			
Sale of assets	<u>500</u>	<u>-</u>	<u>(500)</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(182,231)	(137,141)	45,090
Fund Balances, beginning of year	588,667	588,667	-
Prior Year Encumbrances	<u>5,800</u>	<u>5,800</u>	<u>-</u>
Fund Balances, end of year	<u><u>\$ 412,236</u></u>	<u><u>\$ 457,326</u></u>	<u><u>\$ 45,090</u></u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
MUNICIPAL INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget (Over) Under</u>
REVENUES:			
Local taxes	\$ 10,838,375	\$ 11,118,226	\$ 279,851
Miscellaneous receipts and reimbursements	<u>75</u>	<u>214</u>	<u>139</u>
Total revenues	<u>10,838,450</u>	<u>11,118,440</u>	<u>279,990</u>
EXPENDITURES:			
Current:			
General government			
Personal services	164,640	164,117	523
Contractual, materials and other	<u>26,932</u>	<u>24,345</u>	<u>2,587</u>
Total expenditures	<u>191,572</u>	<u>188,462</u>	<u>3,110</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>10,646,878</u>	<u>10,929,978</u>	<u>283,100</u>
OTHER FINANCING USES:			
Transfers out	<u>(10,655,240)</u>	<u>(10,655,240)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(8,362)	274,738	283,100
Fund Balances, beginning of year	641,067	641,067	-
Prior Year Encumbrances	<u>2,012</u>	<u>2,012</u>	<u>-</u>
Fund Balances, end of year	<u><u>\$ 634,717</u></u>	<u><u>\$ 917,817</u></u>	<u><u>\$ 283,100</u></u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Intergovernmental revenues	\$ 70,271	\$ 70,404	\$ 133
EXPENDITURES:			
Current:			
Transportation			
Contractual, materials and other	70,000	70,000	-
Excess (deficiency) of revenues over/ (under) expenditures	271	404	133
Fund Balances, beginning of year	37,551	37,551	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 37,822</u>	<u>\$ 37,955</u>	<u>\$ 133</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
COUNTY AUTO LICENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Intergovernmental revenue	\$ 110,000	\$ 91,052	\$ (18,948)
EXPENDITURES:			
Contractual, materials and other	92,000	91,052	948
Excess (deficiency) of revenues over/ (under) expenditures	18,000	-	(18,000)
Fund Balances, beginning of year	1	1	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 18,001</u>	<u>\$ 1</u>	<u>\$ (18,000)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
STORMWATER MANAGEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Miscellaneous receipts and reimbursements	\$ -	\$ 158	\$ 158
EXPENDITURES:			
Current:			
Basic utility services			
Personal services	181,693	181,206	(487)
Contractual, materials and other	59,441	43,790	(15,651)
Total expenditures	241,134	224,996	(16,138)
Excess (deficiency) of revenues over/ (under) expenditures	(241,134)	(224,838)	16,296
OTHER FINANCING SOURCES:			
Transfers in	150,000	150,000	-
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(91,134)	(74,838)	16,296
Fund Balances, beginning of year	131,605	131,605	-
Prior Year Encumbrances	4,006	4,006	-
Fund Balances, end of year	\$ 44,477	\$ 60,773	\$ 16,296

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Charges for services	\$ 83,000	\$ 61,547	\$ (21,453)
Miscellaneous receipts and reimbursements	3,500	1,712	(1,788)
Total revenues	<u>86,500</u>	<u>63,259</u>	<u>(23,241)</u>
EXPENDITURES:			
Current:			
Health			
Personal services	151,633	149,652	1,981
Contractual, materials and other	27,615	22,679	4,936
Total expenditures	<u>179,248</u>	<u>172,331</u>	<u>6,917</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(92,748)</u>	<u>(109,072)</u>	<u>(16,324)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(22,748)	(39,072)	(16,324)
Fund Balances, beginning of year	104,621	104,621	-
Prior Year Encumbrances	2,591	2,591	-
Fund Balances, end of year	<u>\$ 84,464</u>	<u>\$ 68,140</u>	<u>\$ (16,324)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Intergovernmental revenues	\$ 178,308	\$ 175,451	\$ (2,857)
Charges for services	52,000	53,736	1,736
Miscellaneous receipts and reimbursements	-	1,670	1,670
	<u>230,308</u>	<u>230,857</u>	<u>549</u>
EXPENDITURES:			
Current:			
Transportation			
Personal services	242,444	237,180	5,264
Contractual, materials and other	86,023	80,302	5,721
	<u>328,467</u>	<u>317,482</u>	<u>10,985</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(98,159)</u>	<u>(86,625)</u>	<u>11,534</u>
OTHER FINANCING SOURCES:			
Sales of assets	-	1,800	1,800
	<u>-</u>	<u>1,800</u>	<u>1,800</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>(98,159)</u>	<u>(84,825)</u>	<u>13,334</u>
Fund Balances, beginning of year	239,837	239,837	-
Prior Year Encumbrances	1,540	1,540	-
Fund Balances, end of year	<u>\$ 143,218</u>	<u>\$ 156,552</u>	<u>\$ 13,334</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
C.D.B.G. FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Intergovernmental revenue	\$ 345,000	\$ 255,961	\$ (89,039)
Investment income	8,000	4,396	(3,604)
Total revenues	<u>353,000</u>	<u>260,357</u>	<u>(92,643)</u>
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	<u>416,644</u>	<u>276,801</u>	<u>139,843</u>
Total expenditures	<u>416,644</u>	<u>276,801</u>	<u>139,843</u>
Excess (deficiency) of revenues over/ (under) expenditures	(63,644)	(16,444)	47,200
Deficiency of revenues and other financing sources over/(under) expenditures and other financing uses	(63,644)	(16,444)	47,200
Fund Balances, beginning of year	26,379	26,379	-
Prior Year Encumbrances	58,974	58,974	-
Fund Balances, end of year	<u>\$ 21,709</u>	<u>\$ 68,909</u>	<u>\$ 47,200</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
C.D.B.G. REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Investment income	\$ 28,180	\$ 29,973	\$ 1,793
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	<u>219,855</u>	<u>57,534</u>	<u>162,321</u>
Excess (deficiency) of revenues over/ (under) expenditures	(191,675)	(27,561)	164,114
Fund Balances, beginning of year	334,194	334,194	-
Prior Year Encumbrances	39,505	39,505	-
Fund Balances, end of year	<u>\$ 182,024</u>	<u>\$ 346,138</u>	<u>\$ 164,114</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
C.D.B.G. PROGRAM INCOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Charges for services	\$ -	\$ -	\$ -
Investment income	-	1,395	1,395
Total revenues	<u>-</u>	<u>1,395</u>	<u>1,395</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	-	1,395	1,395
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 1,395</u>	<u>\$ 1,395</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
H.O.M.E. PROGRAM INCOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 2,000	\$ 1,815	\$ (185)
Miscellaneous receipts and reimbursements	<u>35,500</u>	<u>35,887</u>	<u>387</u>
Total revenues	<u>37,500</u>	<u>37,702</u>	<u>202</u>
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	<u>86,009</u>	<u>61,830</u>	<u>24,179</u>
Excess (deficiency) of revenues over/ (under) expenditures	(48,509)	(24,128)	24,381
Fund Balances, beginning of year	42,904	42,904	-
Prior Year Encumbrances	6,009	6,009	-
Fund Balances, end of year	<u>\$ 404</u>	<u>\$ 24,785</u>	<u>\$ 24,381</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
PARKING METER AND OFF-STREET PARKING FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Fines, licenses and permits	\$ 41,270	\$ 34,792	\$ (6,478)
Miscellaneous receipts and reimbursements	-	32	32
Total revenues	<u>41,270</u>	<u>34,824</u>	<u>(6,446)</u>
EXPENDITURES:			
Current:			
Public safety and judicial			
Personal services	26,265	21,888	4,377
Contractual, materials and other	<u>10,053</u>	<u>9,434</u>	<u>619</u>
Total expenditures	<u>36,318</u>	<u>31,322</u>	<u>4,996</u>
Excess (deficiency) of revenues over/ (under) expenditures	4,952	3,502	(1,450)
Fund Balances, beginning of year	83,196	83,196	-
Prior Year Encumbrances	163	163	-
Fund Balances, end of year	<u>\$ 88,311</u>	<u>\$ 86,861</u>	<u>\$ (1,450)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
PROBATION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Intergovernmental revenues	\$ 48,500	\$ 48,540	\$ 40
Miscellaneous receipts and reimbursements	-	54	54
Total revenues	<u>48,500</u>	<u>48,594</u>	<u>94</u>
EXPENDITURES:			
Current:			
Public safety and judicial			
Personal services	45,061	44,922	139
Contractual, materials and other	<u>5,450</u>	<u>4,849</u>	<u>601</u>
Total expenditures	<u>50,511</u>	<u>49,771</u>	<u>740</u>
Excess (deficiency) of revenues over/ (under) expenditures	(2,011)	(1,177)	834
Fund Balances, beginning of year	2,206	2,206	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 195</u>	<u>\$ 1,029</u>	<u>\$ 834</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
CONVENTION AND VISITORS' BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Local taxes	\$ 66,000	\$ 61,371	\$ (4,629)
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	60,000	60,000	-
Excess (deficiency) of revenues over/ (under) expenditures	6,000	1,371	(4,629)
Fund Balances, beginning of year	1,837	1,837	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 7,837</u>	<u>\$ 3,208</u>	<u>\$ (4,629)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
HEALTH DEPARTMENT BUILDING LEASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 40,000	\$ 37,733	\$ (2,267)
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	38,825	29,570	9,255
Excess (deficiency) of revenues over/ (under) expenditures	1,175	8,163	6,988
Fund Balances, beginning of year	101,434	101,434	-
Prior Year Encumbrances	255	255	-
Fund Balances, end of year	<u>\$ 102,864</u>	<u>\$ 109,852</u>	<u>\$ 6,988</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
FEMA GRANT
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Intergovernmental revenues	\$ 157,050	\$ 133,750	\$ (23,300)
Investment income	-	-	-
Total revenues	<u>157,050</u>	<u>133,750</u>	<u>(23,300)</u>
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	<u>157,050</u>	<u>124,823</u>	<u>32,227</u>
Excess (deficiency) of revenues over/ (under) expenditures	-	8,927	8,927
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 8,927</u>	<u>\$ 8,927</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
SEPARATION PAYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES:			
Current:			
General government			
Personal services	<u>303,290</u>	<u>202,637</u>	<u>100,653</u>
Excess (deficiency) of revenues over/ (under) expenditures	(303,290)	(202,637)	100,653
OTHER FINANCING SOURCES:			
Transfers in	<u>135,000</u>	<u>135,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(168,290)	(67,637)	100,653
Fund Balances, beginning of year	629,576	629,576	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 461,286</u>	<u>\$ 561,939</u>	<u>\$ 100,653</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 39,150	\$ 28,231	\$ (10,919)
EXPENDITURES:			
Current:			
General government			
Contractual, materials and other	<u>39,010</u>	<u>26,339</u>	<u>12,671</u>
Excess (deficiency) of revenues over/ (under) expenditures	140	1,892	1,752
Fund Balances, beginning of year	3,166	3,166	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 3,306</u>	<u>\$ 5,058</u>	<u>\$ 1,752</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Fines, licenses and permits	\$ 20,000	\$ 17,263	\$ (2,737)
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	<u>69,974</u>	<u>30,475</u>	<u>39,499</u>
Excess (deficiency) of revenues over/ (under) expenditures	(49,974)	(13,212)	36,762
Fund Balances, beginning of year	71,929	71,929	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 21,955</u>	<u>\$ 58,717</u>	<u>\$ 36,762</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	3,385	3,000	385
Excess (deficiency) of revenues over/ (under) expenditures	(3,385)	(3,000)	385
Fund Balances, beginning of year	3,386	3,386	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 1</u>	<u>\$ 386</u>	<u>\$ 385</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
INDIGENT DRIVER ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Fines, licenses and permits	\$ 16,500	\$ 17,158	\$ 658
EXPENDITURES:			
Current:			
Public safety			
Contractual, materials and other	25,000	-	25,000
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(8,500)	17,158	25,658
Fund Balances, beginning of year	87,584	87,584	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 79,084</u>	<u>\$ 104,742</u>	<u>\$ 25,658</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
ENFORCEMENT & EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Fines, licenses and permits	\$ 4,000	\$ 9,004	\$ 5,004
EXPENDITURES:			
Current:			
Public safety and judicial			
Personal services	4,725	2,841	1,884
Contractual, materials and other	4,000	1,821	2,179
Total expenditures	<u>8,725</u>	<u>4,662</u>	<u>4,063</u>
Excess (deficiency) of revenues over/ (under) expenditures	(4,725)	4,342	9,067
Fund Balances, beginning of year	12,086	12,086	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 7,361</u>	<u>\$ 16,428</u>	<u>\$ 9,067</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
OCJS GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Intergovernmental revenues	\$ 162,262	\$ 162,263	\$ 1
EXPENDITURES:			
Current:			
General government			
Contractual, materials and other	158,842	158,842	-
Excess (deficiency) of revenues over/ (under) expenditures	3,420	3,421	1
Fund Balances, beginning of year	(12,802)	(12,802)	-
Prior Year Encumbrances	9,382	9,382	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
IMPREST CASH FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over/ (under) expenditures	-	-	-
Fund Balances, beginning of year	2,300	2,300	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 2,300</u>	<u>\$ 2,300</u>	<u>\$ -</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
FIRE LOSS SECURITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES	\$ -	\$ 7,289	\$ 7,289
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	-	9,248	(9,248)
Excess (deficiency) of revenues over/ (under) expenditures	-	(1,959)	(1,959)
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	9,248	9,248	-
Fund Balances, end of year	<u>\$ 9,248</u>	<u>\$ 7,289</u>	<u>\$ (1,959)</u>

**CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
CEMETERY MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Charges for services	\$ 9,600	\$ 9,088	\$ (512)
Investment income	27,500	22,760	(4,740)
Total revenues	<u>37,100</u>	<u>31,848</u>	<u>(5,252)</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	1,000	298	702
Total expenditures	<u>1,000</u>	<u>298</u>	<u>702</u>
Excess (deficiency) of revenues over/ (under) expenditures	36,100	31,550	(4,550)
OTHER FINANCING USES:			
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	26,100	21,550	(4,550)
Fund Balances, beginning of year	634,111	634,111	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 660,211</u>	<u>\$ 655,661</u>	<u>\$ (4,550)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
MAUSOLEUM MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Charges for services	\$ 500	\$ 2,909	\$ 2,409
Investment income	450	447	(3)
Total revenues	<u>950</u>	<u>3,356</u>	<u>2,406</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	950	3,356	2,406
Fund Balances, beginning of year	11,422	11,422	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 12,372</u>	<u>\$ 14,778</u>	<u>\$ 2,406</u>

This Page is Intentionally Left Blank.

City of Sidney



Ohio

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Intergovernmental revenues	\$ 210,300	\$ 283,317	\$ 73,017
EXPENDITURES:			
Contractual, materials and other	<u>3,323,531</u>	<u>3,099,447</u>	<u>224,084</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(3,113,231)</u>	<u>(2,816,130)</u>	<u>297,101</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>2,151,084</u>	<u>2,151,084</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(962,147)	(665,046)	297,101
Fund Balances, beginning of year	618,536	618,536	-
Prior Year Encumbrances	<u>423,108</u>	<u>423,108</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 79,497</u>	<u>\$ 376,598</u>	<u>\$ 297,101</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
CAPITAL INVESTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Investment income	\$ <u>17,000</u>	\$ <u>12,823</u>	\$ <u>(4,177)</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>17,000</u>	<u>12,823</u>	<u>(4,177)</u>
Fund Balances, beginning of year	354,809	354,809	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 371,809</u>	<u>\$ 367,632</u>	<u>\$ (4,177)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES:			
Special assessments	\$ 27,750	\$ 21,881	\$ (5,869)
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	47,948	42,256	5,692
Excess (deficiency) of revenues over/ (under) expenditures	(20,198)	(20,375)	(177)
Fund Balances, beginning of year	70,335	70,335	-
Prior Year Encumbrances	448	448	-
Fund Balances, end of year	<u>\$ 50,585</u>	<u>\$ 50,408</u>	<u>\$ (177)</u>

**CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
MONUMENTAL BUILDING RENOVATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Final Budget	Actual Including Encumbrances	Variance from Final Budget (Over) Under
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over/ (under) expenditures	-	-	-
OTHER FINANCING SOURCES:			
Transfers out	(20,036)	(20,036)	-
Fund Balances, beginning of year	20,036	20,036	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This Page is Intentionally Left Blank.



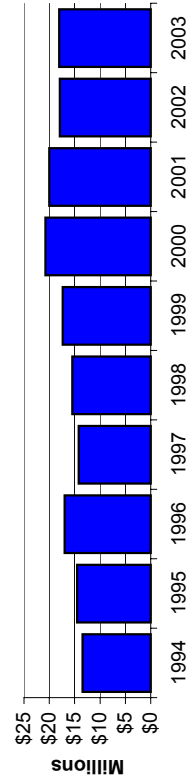
STATISTICAL SECTION

Table 1

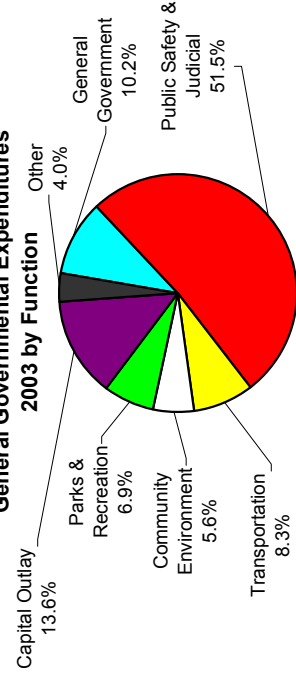
**CITY OF SIDNEY, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION ⁽¹⁾
LAST TEN YEARS**

Year	General Government	Public Safety and Judicial	Health	Transportation	Community Environment	Parks and Recreation	Basic Utility Service	Capital Outlay	Debt Service	Total
1994	\$1,475,209	\$5,439,315	\$135,902	\$905,796	\$627,954	\$647,671	\$155,201	\$3,945,862	\$131,543	\$13,464,453
1995	\$2,011,526	\$5,800,408	\$128,330	\$1,155,363	\$1,158,666	\$726,389	\$230,884	\$3,189,055	\$127,517	\$14,528,138
1996	\$1,810,824	\$6,421,169	\$128,577	\$1,213,265	\$873,887	\$775,692	\$194,876	\$5,426,010	\$123,319	\$16,967,619
1997	\$2,001,523	\$6,905,528	\$112,848	\$1,268,129	\$777,725	\$856,820	\$160,497	\$2,106,280	\$18,803	\$14,208,153
1998	\$1,851,953	\$6,832,335	\$126,224	\$1,124,800	\$803,377	\$804,764	\$134,723	\$3,759,437	\$23,323	\$15,460,936
1999	\$2,063,421	\$7,794,337	\$147,127	\$1,309,352	\$749,486	\$941,694	\$137,337	\$3,937,626	\$249,181	\$17,329,561
2000	\$1,759,529	\$8,349,842	\$230,152	\$1,291,164	\$991,344	\$1,080,551	\$157,069	\$6,654,781	\$234,498	\$20,748,930
2001	\$1,965,157	\$9,120,432	\$242,231	\$1,221,388	\$915,690	\$1,044,188	\$159,406	\$5,128,957	\$242,219	\$20,039,668
2002	\$1,912,226	\$9,162,996	\$249,787	\$1,275,471	\$1,016,647	\$1,213,672	\$204,342	\$2,627,354	\$235,895	\$17,898,390
2003	\$1,837,408	\$9,300,073	\$259,649	\$1,504,254	\$1,013,585	\$1,246,529	\$222,810	\$2,449,097	\$240,522	\$18,073,927

**General Governmental Expenditures
Last Ten Years**



**General Governmental Expenditures
2003 by Function**

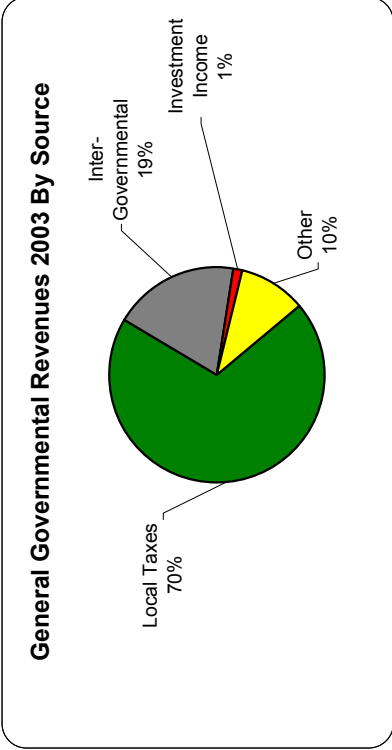
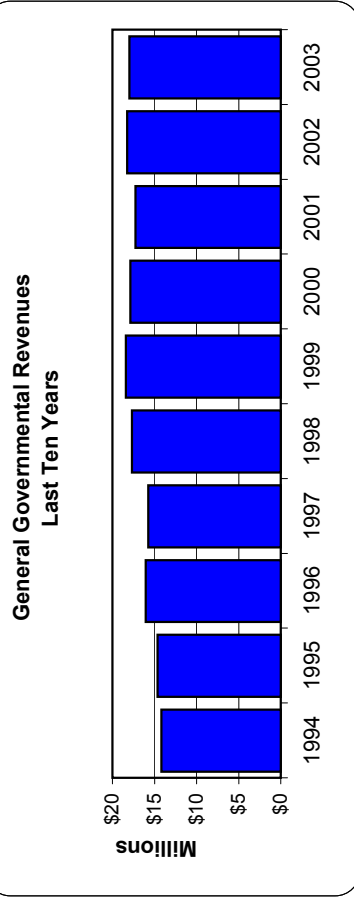


⁽¹⁾ Includes General Fund, Special Revenue Funds and Capital Projects Funds

Table 2

**CITY OF SIDNEY, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE ⁽¹⁾
LAST TEN YEARS**

Year	Local Taxes ⁽²⁾	Inter-Governmental Revenue ⁽²⁾	Special Assessments	Charges for Services	Fines, Licenses & Permits	Investment Income	Miscellaneous Receipts and Reimbursements	Total
1994	\$10,153,241	\$1,955,048	\$253,750	\$76,927	\$550,366	\$0	\$1,201,304	\$14,190,636
1995	\$10,826,941	\$1,641,340	\$228,275	\$160,313	\$479,921	\$0	\$1,288,468	\$14,625,258
1996	\$12,101,226	\$1,685,832	\$228,694	\$180,823	\$493,128	\$0	\$1,367,231	\$16,056,934
1997	\$12,009,109	\$1,562,047	\$229,508	\$306,107	\$563,389	\$525,683	\$549,160	\$15,745,003
1998	\$12,973,054	\$2,246,126	\$255,468	\$344,186	\$596,304	\$678,184	\$601,241	\$17,694,563
1999	\$13,192,036	\$2,901,054	\$273,589	\$469,453	\$683,212	\$611,734	\$263,762	\$18,394,840
2000	\$11,703,628	\$3,267,850	\$263,167	\$716,325	\$404,054	\$948,322	\$568,047	\$17,871,393
2001	\$11,089,189	\$3,632,296	\$245,742	\$709,333	\$429,437	\$823,690	\$326,270	\$17,255,957
2002	\$12,714,069	\$3,353,670	\$241,912	\$768,098	\$317,800	\$522,063	\$326,443	\$18,244,055
2003	\$12,543,684	\$3,374,802	\$227,605	\$969,279	\$287,411	\$268,883	\$303,245	\$17,974,909



⁽¹⁾ Includes General Fund, Special Revenue Funds and Capital Projects Funds

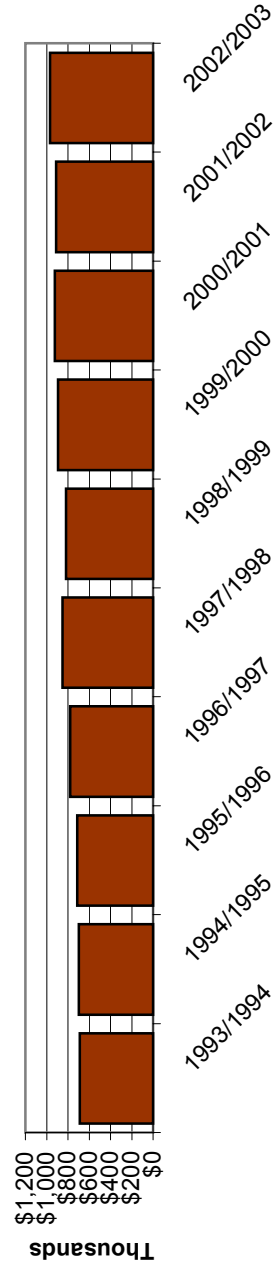
⁽²⁾ Prior to 1999, gasoline taxes and auto license taxes were classified as Local Taxes. Effective in 1999, these sources are classified as Intergovernmental revenue. Approximately \$990,000, \$889,000, \$888,000, \$902,000 and \$947,000 was received from these sources in 1999 through 2003, respectively.

Table 3

**CITY OF SIDNEY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
REAL PROPERTY AND PUBLIC UTILITY PROPERTY
LAST TEN YEARS**

Tax Year / Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collection	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
1993/1994	\$690,946	\$672,761	\$15,199	\$687,960	99.57%	\$26,498	3.84%
1994/1995	\$700,860	\$679,968	\$16,531	\$696,499	99.38%	\$21,506	3.07%
1995/1996	\$723,948	\$700,938	\$11,845	\$712,783	98.46%	\$22,705	3.14%
1996/1997	\$781,436	\$758,816	\$19,164	\$777,980	99.56%	\$18,419	2.36%
1997/1998	\$830,677	\$831,440	\$18,590	\$850,030	102.33%	\$19,845	2.39%
1998/1999	\$831,568	\$804,388	\$14,882	\$819,270	98.52%	\$16,255	1.95%
1999/2000	\$895,782	\$873,803	\$20,665	\$894,468	99.85%	\$10,448	1.17%
2000/2001	\$911,812	\$906,308	\$17,618	\$923,926	101.33%	\$16,910	1.85%
2001/2002	\$922,747	\$889,015	\$22,940	\$911,955	98.83%	\$13,077	1.42%
2002/2003	\$974,500	\$948,836	\$19,402	\$968,238	99.36%	\$17,032	1.75%

Real Property and Public Utility Property -- Total Collections

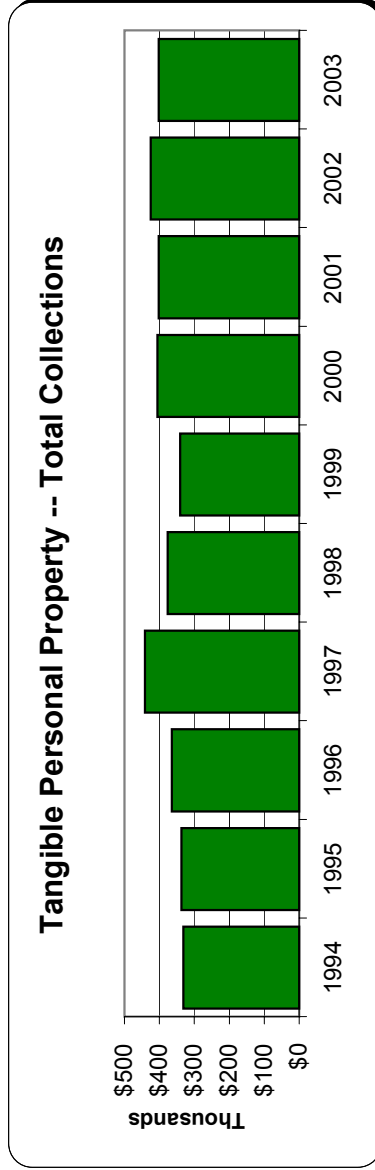


Source: Shelby County Auditor

Table 4

**CITY OF SIDNEY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
TANGIBLE PERSONAL PROPERTY
LAST TEN YEARS**

Tax Year / Collection Year	Total Tax Levy	Total Tax Collections	Percentage of Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
1994	\$337,714	\$331,142	98.05%	\$29,675	8.79%
1995	\$348,987	\$337,102	96.59%	\$29,194	8.37%
1996	\$394,812	\$364,308	92.27%	\$22,514	5.70%
1997	\$459,113	\$441,239	96.11%	\$19,962	4.35%
1998	\$395,553	\$376,313	95.14%	\$20,466	5.17%
1999	\$358,141	\$341,048	95.23%	\$8,559	2.39%
2000	\$411,377	\$405,765	98.64%	\$20,508	4.99%
2001	\$381,588	\$402,028	105.36%	\$31,138	8.16%
2002	\$396,371	\$424,789	107.17%	\$30,327	7.65%
2003	\$418,888	\$401,667	95.89%	\$29,842	7.12%

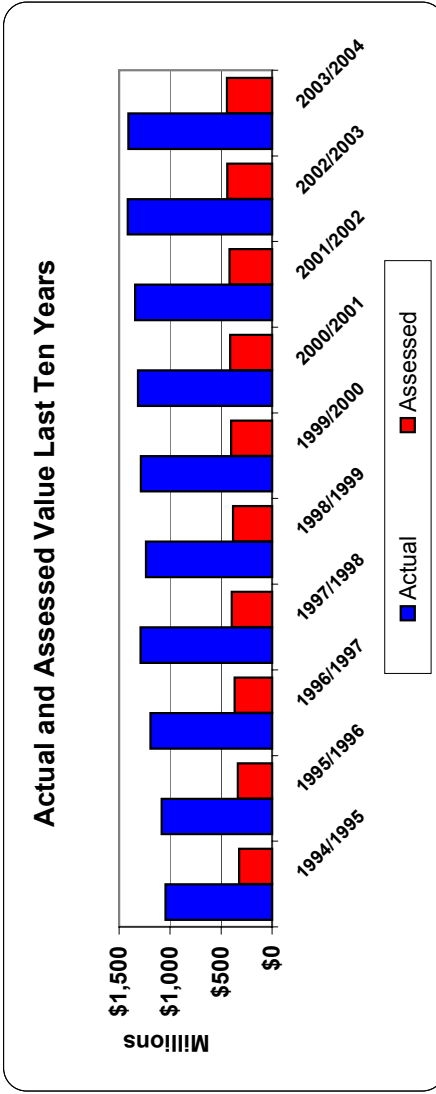


Source: Shelby County Auditor

Table 5

**CITY OF SIDNEY, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

Tax Year / Collection Year	Real Property		Public		Tangible Personal Property		Total Actual Value	Assessed Value	Actual Value	Assessed Value	Assessed Value as a Percent of Actual Value
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value					
1994/1995	\$203,578,030	\$581,651,514	\$15,441,020	\$44,117,200	\$104,598,231	\$418,392,924	\$323,617,281	\$1,044,161,638			30.99%
1995/1996	\$210,955,600	\$602,730,287	\$15,278,320	\$43,652,343	\$109,058,424	\$436,233,696	\$335,292,344	\$1,082,616,326			30.97%
1996/1997	\$227,946,790	\$651,276,543	\$16,251,910	\$46,434,029	\$123,378,686	\$493,514,744	\$367,577,386	\$1,191,225,316			30.86%
1997/1998	\$234,452,750	\$669,865,000	\$16,160,120	\$46,171,771	\$143,472,879	\$573,891,516	\$394,085,749	\$1,289,928,287			30.55%
1998/1999	\$242,887,700	\$693,964,857	\$16,977,310	\$48,506,600	\$123,610,199	\$494,440,796	\$383,475,209	\$1,236,912,253			31.00%
1999/2000	\$264,460,510	\$755,601,457	\$17,250,640	\$49,287,543	\$120,188,137	\$480,752,548	\$401,899,287	\$1,285,641,548			31.26%
2000/2001	\$269,611,110	\$770,317,457	\$15,127,230	\$43,220,657	\$125,415,765	\$501,663,060	\$410,154,105	\$1,315,201,174			31.19%
2001/2002	\$278,222,630	\$794,921,800	\$10,441,350	\$29,832,429	\$129,893,184	\$519,572,736	\$418,557,164	\$1,344,326,965			31.14%
2002/2003	\$293,656,620	\$839,018,914	\$10,722,070	\$30,634,486	\$136,165,650	\$544,662,600	\$440,544,340	\$1,414,316,000			31.15%
2003/2004	\$303,877,890	\$868,222,543	\$10,525,740	\$30,073,543	\$127,868,661	\$511,474,644	\$442,272,291	\$1,409,770,730			31.37%



Source: Shelby County Auditor

Table 6

CITY OF SIDNEY, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

Tax Year/ Collection Year	City of Sidney		Sidney School District ⁽¹⁾	Shelby County ⁽²⁾	Special Taxing Districts ⁽³⁾	Total
	General Fund					
1993/1994	3.20		38.20	2.70	3.90	48.00
1994/1995	3.20		38.20	2.70	3.90	48.00
1995/1996	3.20		46.10	2.70	3.90	55.90
1996/1997	3.20		45.90	2.70	3.90	55.70
1997/1998	3.20		45.50	2.70	3.90	55.30
1998/1999	3.20		45.50	2.70	3.90	55.30
1999/2000	3.20		45.30	2.70	3.90	55.10
2000/2001	3.20		48.60	2.70	3.90	58.40
2001/2002	3.20		48.60	2.70	7.10	61.60
2002/2003	3.20		48.60	2.70	7.10	61.60

Source: Shelby County Auditor

⁽¹⁾ Includes the Joint Vocational School⁽²⁾ Includes health district⁽³⁾ Includes Shelby County Mental Retardations and Developmental Disabilities, Clinton Township and Tri-County Health

Table 7

**CITY OF SIDNEY, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS**

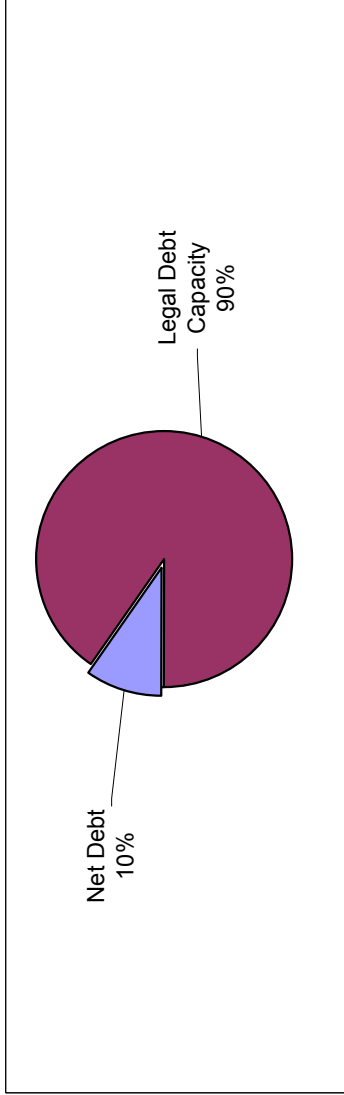
<u>Tax Year / Collection Year</u>	<u>Current Amount Billed</u>	<u>Delinquent Amount Billed</u>	<u>Amount Collected</u>	<u>Percent of Collections to Current Billings</u>
1993 / 1994	\$221,980	\$19,480	\$217,071	97.79%
1994 / 1995	\$224,192	\$18,710	\$223,822	99.83%
1995 / 1996	\$229,502	\$21,985	\$230,540	100.45%
1996 / 1997	\$222,824	\$18,025	\$221,976	99.62%
1997 / 1998	\$228,660	\$17,272	\$223,323	97.67%
1998 / 1999	\$227,795	\$10,485	\$230,301	101.10%
1999 / 2000	\$234,024	\$11,911	\$228,670	97.71%
2000 / 2001	\$221,186	\$14,572	\$227,519	102.86%
2001 / 2002	\$246,336	\$15,201	\$228,251	92.66%
2002 / 2003	\$221,161	\$24,652	\$211,233	95.51%

Source: Shelby County Auditor

Table 8

**CITY OF SIDNEY, OHIO
COMPUTATION OF 5-1/2% LEGAL DEBT MARGIN FOR UNVOTED DEBT ⁽¹⁾
DECEMBER 31, 2003**

Assessed Value ⁽²⁾		<u>\$442,272,291</u>
Unvoted Debt Limit : 5-1/2% Assessed Value		\$24,324,976
Total Unvoted Debt Outstanding at December 31, 2003	\$12,455,000	
Less: Exempt Debt		
Self-supporting securities issued for water systems or facilities	(750,000)	
Self-supporting securities issued for sanitary sewer systems or facilities	<u>(9,365,000)</u>	
Subtotal	2,340,000	
Less: Bond Retirement Fund Balance	<u>0</u>	
Net Subject to 5-1/2% Limitation		<u>2,340,000</u>
Legal Debt Margin within 5-1/2% Limitation		<u>\$21,984,976</u>



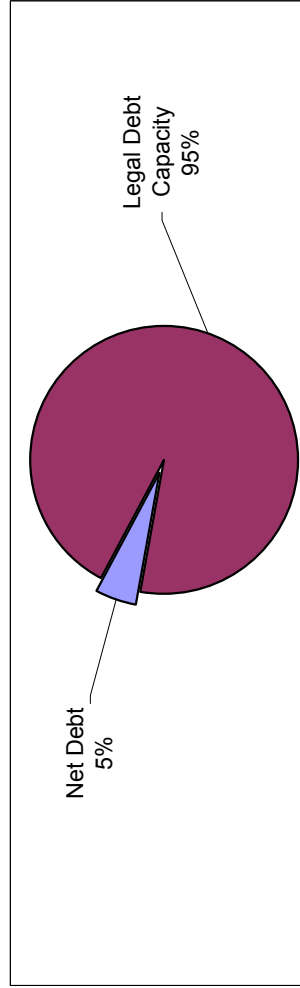
⁽¹⁾ The Ohio Revised Code provides that the aggregate principal amount of unvoted "net indebtedness" may not exceed 5-1/2% of the assessed valuation.

⁽²⁾ Source for Assessed Value data - Shelby County Auditor

Table 9

**CITY OF SIDNEY, OHIO
COMPUTATION OF 10-1/2% LEGAL DEBT MARGIN FOR VOTED AND UNVOTED DEBT ⁽¹⁾
DECEMBER 31, 2003**

Assessed Value ⁽²⁾		<u>\$442,272,291</u>
Unvoted Debt Limit : 10-1/2% Assessed Value		\$46,438,591
Total Voted and Unvoted Debt Outstanding at December 31, 2003		\$12,455,000
Less: Exempt Debt		
Self-supporting securities issued for water systems or facilities	(750,000)	
Self-supporting securities issued for sanitary sewer systems or facilities	<u>(9,365,000)</u>	
Subtotal	2,340,000	
Less: Bond Retirement Fund Balance	<u>0</u>	
Net Subject to 10-1/2% Limitation		<u>2,340,000</u>
Legal Debt Margin within 10-1/2% Limitation		<u>\$44,098,591</u>



⁽¹⁾ 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.

⁽²⁾ Source for Assessed Value data - Shelby County Auditor

Table 10

CITY OF SIDNEY, OHIO
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS

Year	Population ⁽¹⁾	Assessed Value ⁽²⁾	Gross Bonded Debt	Less: Payable from Enterprise Revenues ⁽³⁾	Less: Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	
							Net Bonded Debt	Per Capita
1994	19,118 ^(a)	\$323,617,281	\$10,150,000	\$9,725,000	\$0	\$425,000	0.13%	\$22
1995	19,170 ^(a)	\$335,292,344	\$9,380,000	\$9,065,000	\$0	\$315,000	0.09%	\$16
1996	19,145 ^(a)	\$367,577,386	\$8,595,000	\$8,390,000	\$0	\$205,000	0.06%	\$11
1997	19,238 ^(a)	\$394,085,749	\$7,900,000	\$7,705,000	\$0	\$195,000	0.05%	\$10
1998	19,197 ^(a)	\$383,475,209	\$9,950,000	\$7,005,000	\$0	\$2,945,000	0.77%	\$153
1999	19,350 ^(a)	\$401,899,287	\$9,115,000	\$6,290,000	\$0	\$2,825,000	0.70%	\$146
2000	20,211 ^(b)	\$410,154,105	\$8,260,000	\$5,555,000	\$0	\$2,705,000	0.66%	\$134
2001	20,211 ^(b)	\$418,557,164	\$14,285,000	\$11,700,000	\$0	\$2,585,000	0.62%	\$128
2002	20,211 ^(b)	\$440,544,340	\$13,390,000	\$10,925,000	\$0	\$2,465,000	0.56%	\$122
2003	20,211 ^(b)	\$442,272,291	\$12,455,000	\$10,115,000	\$0	\$2,340,000	0.53%	\$116

⁽¹⁾ Source: ^(a) U.S. Bureau of the Census - Population Estimates Program; ^(b) U.S. Bureau of the Census - 2000 Federal Census

⁽²⁾ Source: Shelby County Auditor

⁽³⁾ General obligation debt that is being repaid from water and sewer fees.

Table 11

CITY OF SIDNEY, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT⁽¹⁾ TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS

Year	Debt		Total Bonded		General Governmental		Ratio of Debt Service to General Governmental Expenditures
	Principal	Interest	Debt Service	Expenditures ⁽²⁾	Expenditures	Expenditures	
1994	\$110,000	\$21,543	\$131,543	\$13,464,453			0.98%
1995	\$110,000	\$17,517	\$127,517	\$14,528,138			0.88%
1996	\$110,000	\$13,319	\$123,319	\$16,967,619			0.73%
1997	\$10,000	\$8,803	\$18,803	\$14,208,153			0.13%
1998	\$15,000	\$8,323	\$23,323	\$15,460,936			0.15%
1999	\$120,000	\$129,181	\$249,181	\$17,329,561			1.44%
2000	\$120,000	\$114,498	\$234,498	\$20,748,930			1.13%
2001	\$120,000	\$122,219	\$242,219	\$20,039,668			1.21%
2002	\$120,000	\$115,894	\$235,894	\$17,898,390			1.32%
2003	\$125,000	\$112,278	\$237,278	\$18,073,927			1.31%

⁽¹⁾ General obligation bonds reported in the enterprise funds, and being repaid from enterprise fund (water and sewer) fees, have been excluded.

⁽²⁾ Includes General, Special Revenue and Capital Projects funds.

Table 12

**CITY OF SIDNEY, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT
DECEMBER 31, 2003**

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Sidney</u>	<u>Amount Applicable to City of Sidney</u>
City of Sidney	\$2,340,000 ⁽¹⁾	100%	\$2,340,000
Sidney City School District ⁽²⁾	\$24,639,342	100%	\$24,639,342
Shelby County ⁽²⁾	\$3,437,000	N/A	N/A

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

⁽²⁾ Source: Shelby County Auditor

Table 13

**CITY OF SIDNEY, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

Year	Population ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate Shelby County ⁽³⁾
1994	19,118 <small>(1)(a)</small>	4,116 <small>(2)(a)</small>	5.1% <small>(3)(a)</small>
1995	19,170 <small>(1)(a)</small>	4,028 <small>(2)(a)</small>	4.4% <small>(3)(a)</small>
1996	19,145 <small>(1)(a)</small>	3,998 <small>(2)(a)</small>	4.3% <small>(3)(a)</small>
1997	19,238 <small>(1)(a)</small>	4,056 <small>(2)(a)</small>	4.3% <small>(3)(a)</small>
1998	19,197 <small>(1)(a)</small>	3,928 <small>(2)(a)</small>	3.7% <small>(3)(a)</small>
1999	19,350 <small>(1)(a)</small>	3,953 <small>(2)(a)</small>	4.1% <small>(3)(a)</small>
2000	20,211 <small>(1)(b)</small>	3,887 <small>(2)(a)</small>	4.2% <small>(3)(a)</small>
2001	20,211 <small>(1)(b)</small>	3,896 <small>(2)(a)</small>	4.0% <small>(3)(a)</small>
2002	20,211 <small>(1)(b)</small>	3,918 <small>(2)(a)</small>	4.6% <small>(3)(a)</small>
2003	20,211 <small>(1)(b)</small>	3,609 <small>(2)(b)</small>	4.9% <small>(3)(b)</small>

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

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

⁽²⁾ Source: ^(a) Sidney City Schools Board of Education; ^(b) Ohio Dept of Education [www.ode.state.oh.us]

⁽³⁾ Source: ^(a) Bureau of Labor Statistics, U.S. Dept. of Labor; ^(b) Ohio Dept of Job & Family Services, Bureau of Labor Market Information [www.lmi.state.oh.us]

Table 14

**CITY OF SIDNEY, OHIO
PROPERTY VALUE AND NEW CONSTRUCTION
LAST TEN YEARS**

<u>Year</u>	<u>Real Property - Estimated Actual Value ⁽¹⁾</u>	<u>New Construction ⁽²⁾</u>	
		<u>Building Permits</u>	<u>Construction Cost</u>
1994	\$581,651,514	383	\$12,607,522
1995	\$602,730,287	377	\$14,978,471
1996	\$651,276,543	348	\$27,472,884
1997	\$669,865,000	301	\$16,279,985
1998	\$693,964,857	312	\$23,626,525
1999	\$755,601,457	307	\$20,618,269
2000	\$770,317,457	352	\$26,992,862
2001	\$794,921,800	294	\$19,707,534
2002	\$839,018,914	330	\$38,674,625
2003	\$868,222,543	301	\$20,180,976

⁽¹⁾ Source: Shelby County Auditor

⁽²⁾ Source: City of Sidney, Building & Zoning division

**CITY OF SIDNEY, OHIO
PRINCIPAL TAXPAYERS (PROPERTY TAX)
DECEMBER 31, 2003**

<u>Taxpayer</u>	<u>Assessed Valuation (1) (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1. Copeland Corporation	\$42,871,268	9.69%
2. Bensar	\$31,873,822	7.21%
3. Stolle Corporation ⁽²⁾	\$24,957,057	5.64%
4. Cargill, Inc.	\$14,721,065	3.33%
5. NK Parts ⁽³⁾	\$11,429,735	2.58%
6. West Towne Ltd. (Walmart)	\$11,373,564	2.57%
7. Color & Composite (Advanced Composite)	\$10,519,001	2.38%
8. Superior Metal Products Inc.	\$8,128,251	1.84%
9. Ross Aluminum	\$7,954,503	1.80%
10. NA Acquisition Corp (Norcold)	<u>\$5,443,012</u>	<u>1.23%</u>
Subtotal	\$169,271,278	38.27%
All Others	<u>\$273,001,013</u>	<u>61.73%</u>
Total assessed valuation of city	<u><u>\$442,272,291</u></u>	<u><u>100.00%</u></u>

⁽¹⁾ Real property and public utility property assessed at 35 percent of fair market value, tangible personal property assessed at 25 percent of fair market value.

⁽²⁾ Includes American Trim and Alcoa Building Products

⁽³⁾ Includes NK Parts, Honda Transmission, Honda of America Manufacturing, Matsushita Electric

Source: Shelby County Auditor

Table 16

**CITY OF SIDNEY, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2003**

Year of incorporation	1834	Municipal water department:	8,528
Form of government	Council / Manager	Number of consumers	3,507 million gallons/day
Area	11,118 square miles	Average daily consumption	114,328
Miles of streets	96.35 miles	Miles of water mains	
Number of street lights	1,398		
		Sewers:	
		Miles of storm sewers	69,904
		Miles of sanitary sewers	114,364
Fire protection and emergency rescue:			
Number of Stations	2		
Number of firefighters & EMS personnel	37		
		Parks and recreations:	
		Number of:	
		Parks	17
		Park shelters	33
		Tennis courts	14
		Baseball diamonds	14
		Basketball courts	21
		Modular play structures	19
		Swimming pool	1 facility
		Soccer fields	12
		Acres of park land	386
		Acres of public land	250
		Miles of bikeway	12.5
Police protection:			
Number of stations	1		
Number of Uniformed Officers	40		
Police non-sworn personnel	17		
Employees:			
Full-Time Equivalents (average)	235		



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CITY OF SIDNEY

SHELBY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 1, 2004**