

**CITY OF SIDNEY
SHELBY COUNTY, OHIO**

SUPPLEMENTAL REPORTS

FOR THE YEAR ENDED
DECEMBER 31, 2004



**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 Julian & Grube, Inc., for the audit period January 1, 2004 through December 31, 2004. 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

July 11, 2005

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**CITY OF SIDNEY
SHELBY COUNTY, OHIO**

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BETTY MONTGOMERY
Auditor of State

July 11, 2005

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JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

333 County Line Rd. West
Westerville, Ohio 43082

Telephone 614.846.1899
Facsimile 614.846.2799

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney, as of and for the year ended December 31, 2004, and have issued our report thereon dated June 15, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Sidney’s basic financial statements as of and for the year ended December 31, 2004. 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.



Julian & Grube, Inc.
June 15, 2005

**CITY OF SIDNEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

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	\$ 8,240
Total U.S. Department of Agriculture			8,240
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-F-02-177-1	111,190
Community Development Block Grant	14.228	A-C-03-177-1	63,689
(B) Total Community Development Block Grant			174,879
HOME Investment Partnerships Program	14.239	A-C-03-177-2	167,052
Total U.S. Department of Housing and Urban Development			341,931
U.S. DEPARTMENT OF JUSTICE PASSED THROUGH THE OHIO OFFICE OF CRIMINAL JUSTICE SERVICE			
Byrne Formula Grant Program	16.579	2003-DG-A01-7125	101,127
Total U.S. Department of Justice			101,127
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION PASSED THROUGH THE N/A			
Airport Improvement Program	20.106	N/A	74,279
(C) Rural Transit Grant Program Operating Project	20.509	RPT-4075-024-051	134,266
(C) Rural Transit Grant Program Capital Project	20.509	RPT-0075-024-052	80,390
Total Rural Transit Grant Program Projects			214,656
Total U.S. Department of Transportation			288,935
U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH THE N/A			
Assistance to Firefighters Grant (2002)	83.554	N/A	53,818
(D) Public Assistance Grant	97.036	149-72424-00	30,753
Assistance to Firefighters Grant (2003)	97.044	N/A	22,112
Total U.S. Department of Homeland Security			106,683
Total Federal Financial Assistance			\$ 846,916

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

(B) The City received in \$12,717 in repayment of revolving loan funds in the year ended December 31, 2004.

(C) Passed through the Ohio Department of Transportation.

(D) Passed through the Ohio Emergency Management Agency

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“SERVING OHIO LOCAL GOVERNMENTS”

333 County Line Rd. West
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney as of and for the year ended December 31, 2004, which collectively comprise the City of Sidney’s basic financial statements and have issued our report thereon dated June 15, 2005. 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.

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 opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the 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.

To the Mayor and City Council
City of Sidney

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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*.

This report is intended solely 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.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 15, 2005

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Westerville, Ohio 43082

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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 each major federal program for the year ended December 31, 2004. The City of Sidney's major federal programs are 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Sidney's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe 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.

In our opinion, the City of Sidney complied, in all material respects, with the requirements referred to above that are applicable to each major federal program for the year ended December 31, 2004.

To the Mayor and City Council
City of Sidney

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 reportable 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 caused by error or fraud 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.



Julian & Grube, Inc.
June 15, 2005

CITY OF SIDNEY, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2004

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 Programs:	Community Development Block Grant; CFDA #14.228; HOME Investment Partnerships Program; CFDA #14.239
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: >\$500,000 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, 2004

**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, 2004

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City of Sidney, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2004



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

City of Sidney



Ohio

City of Sidney
Comprehensive Annual Financial Report
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For the Year Ended December 31, 2004

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City of Sidney



Ohio

**CITY OF SIDNEY, OHIO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2004**

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
Chris Clark	Utilities 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 2004 Comprehensive Annual Financial Report

June 15, 2005

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

The Comprehensive Annual Financial Report (CAFR) of the City of Sidney, Ohio for the year ended December 31, 2004, is hereby submitted for your review.

Legal Basis

Ohio law requires that cities file their annual financial reports with the Ohio Auditor of State's office. Additionally, the Ohio Administrative Code requires that those reports be prepared pursuant to generally accepted accounting principles. The audited financial statements included in this report have been prepared to satisfy those requirements.

The preparation of this CAFR represents the commitment of the City of Sidney to adhere to nationally recognized standards of excellence in financial reporting and serves as a basis for the City's adherence to continuing disclosure requirements mandated by federal securities law.

Management's Responsibility

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.

Adherence to Standards

This Comprehensive Annual Financial Report has been prepared in accordance with 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. The City of Sidney implemented Statement No. 34 in the 2000 CAFR, three years before the required implementation date. Likewise, in this CAFR the City of Sidney has implemented GASB Statement No. 44, two years before its required implementation date. Statement No. 44 provides a new framework for the statistical section of the CAFR, emphasizing the reporting of multi-year data on financial trends, revenue capacity, debt capacity, demographic and economic information, and other information that may enable the reader to assess the government's economic condition.

Organization of this Report

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 Julian & Grube, Inc. audited the basic financial statements of the City of Sidney that are included in this report. The financial statements have received an "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.

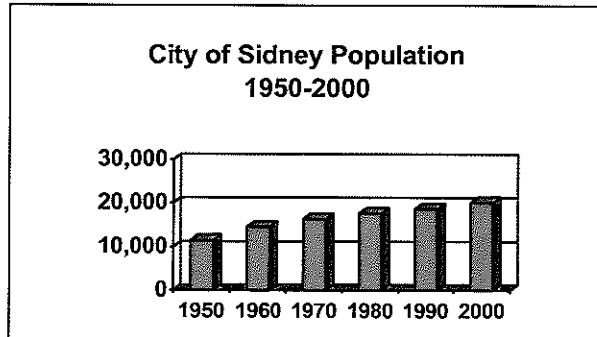
The City of Sidney, named after Sir Philip Sidney, a well-known poet and member of British Parliament, was originally a 70-acre parcel of land located along the west side of the Great Miami River. This land was donated by Charles Starrett to be used as the site of a new town that was to become the county 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.

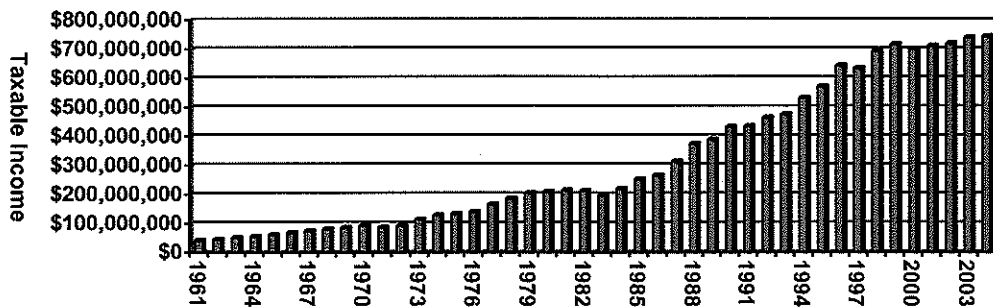
ECONOMIC CONDITIONS AND OUTLOOK

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.

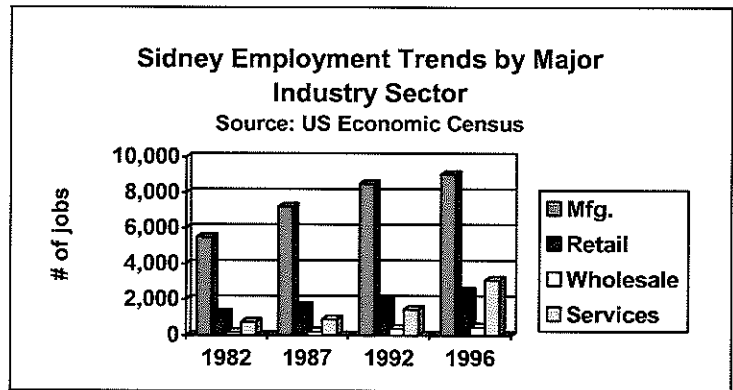
The local economy grew at a robust pace from 1962 through 1999, reflected by an average growth rate in the City of Sidney income tax base of 8.0% per year. Even though the growth rate slowed somewhat over the years, it still averaged 6.6% growth per year from 1990 through 1999.

**City of Sidney Income Tax
Taxable Income 1961-2004**



Since 1999, gross income tax collections have grown at an annual rate of only 0.8% due to the economic slowdown. This is chiefly attributable to 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.

U.S. Census Bureau data shows that 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. *Site Selection Magazine* (March 2004) ranked Sidney 23rd among all U.S. small towns for attracting new or expanded business development.

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 2004 were:

<u>Employer</u>	<u>Primary Business</u>	<u>Ave. no. of employees</u>
Copeland Corporation	Air compressor manufacturing	2,100
NK Parts Industries	Test, assemble, and ship auto parts	1,100
Stolle Products	Auto & appliance stamping	800
Wilson Memorial Hospital	Acute care facility	775
Wal-Mart Super Center	Discount retail	600
Norcold	Refrigerators for the RV, marine & truck industries	500
Sidney Board of Education	Public education	500
Con Agra	Producer of pizzas, sandwiches and lasagna	484
Alcoa Home Exteriors	Vinyl and aluminum siding	450
Ross Aluminum Foundries	Aluminum castings, wood & metal patterns	425

Source: West Ohio Development Council

In addition, a Honda of America Mfg., Inc. auto engine plant with approximately 2,800 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.

2004 Economic Activity and Outlook for the Future

Economic activity in Sidney continued to be slow in 2004, reflective of the sluggish national economy. The most significant way in which the economy can affect the City of Sidney is its impact on income tax collections. As noted above, municipal income tax collections have grown only 0.8% per year since 1999.

Despite recent economic conditions, the City of Sidney's economy is fundamentally strong. The Sidney-Shelby County area 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. Shelby County continues to have one of the lowest unemployment rates in the State of Ohio with a 3.7% rate in December, 2004, fourth lowest of all Ohio's 88 Counties. According to the West Ohio Development Council, nearly 500 new jobs were created in the Sidney and Shelby County area during 2004.

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 only moderate, the WODC reports that there was still some new development activity in Sidney in 2004, including:

- Freshway Foods, Inc. invested \$6.4 Million Dollars adding 31,879 SF as well as Machinery and Equipment. This expansion helped create 83 new jobs. The company will have a total of 93,000 SF when the addition is completed.
- Bensar Developments, Inc. invested \$2.55 Million Dollars in a new 164,000 SF facility located on North Vandemark Road.
- Hydro Aluminum North America, Inc. invested \$3.3 Million Dollars adding a 50,000 SF facility, Machinery and Equipment on Stolle Drive in Sidney creating 50 new jobs.

Certainly the issues that have negatively impacted the Ohio 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. National, state, and local economic indicators point to greater economic activity in 2005.

MAJOR INITIATIVES

For the Year

Several projects were undertaken in 2004 to meet the growing infrastructure needs of the community:

- Efforts continued 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. For

example, the City of Sidney diverted a section of sewer in the Franklin Avenue area at a cost of about \$238,000 to address flooding issues in that area.

- The utilities department completed the second year of a two-year project (total cost of about \$420,000) to do seal grouting of approximately 26,000 feet of sanitary sewer. It is expected that this project will reduce inflow and infiltration of stormwater into the sanitary sewer system.
- The water supply study continued in 2004. This study is part of an ongoing effort to evaluate ground water sources outside the City's corporate limits and identify a potential reservoir or other secondary source of water.
- The first phase of a multiple year State of Ohio project to overlay asphalt on the state routes within the City limits began in 2004. The State will fund 80% of the costs. The City's 20% share for 2004 was about \$107,000.
- Construction began in 2004 on the construction of new 40,000 square foot police facility. The completion of the building is planned for late 2005. The project was funded by the issuance of 20-year \$7.6 million general obligation bonds. The bonds will be repaid from municipal income tax collections allocated to the Capital Improvement Fund.

Lagging tax revenues and reductions in State funding over the past several years have made it necessary for City Council to consider alternate sources of funding and ways in which to curb costs. These efforts have been effective as 2004 was the first year since 1999 in which the General Fund's cash fund balance increased. This turnaround was accomplished without reductions in either staffing or service levels. One budget-balancing action was the July 1, 2003 implementation of a fee for emergency medical services (EMS) that are provided by the Sidney Department of Fire and Emergency Services. The EMS fee generated cash of \$523,000 for General Fund operations in 2004. The revenue is collected almost exclusively from patients' insurance and Medicare coverage. City residents with insurance or Medicare are not billed for their co-payments, nor are uninsured residents billed.

Future Plans

The City of Sidney's five-year capital improvement plan for 2005 – 2009 identified and scheduled several projects that will have a positive impact on the quality of life in the community and/or facilitate future growth.

In 2005, a portion of Russell Road will be widened to improve the east-west flow of traffic in the City. Russell Road will be expanded from two lanes to four lanes from the railroad to a point just west of Sixth Avenue. These improvements, projected to cost approximately \$1.6 million, will be partially funded by grants of about \$1 million from the State of Ohio.

A sanitary sewer interceptor will be constructed in 2005 at a cost of about \$800,000 to serve recently-annexed areas to the north of the City. The extension of utilities will open up this area for significant private development of residential housing.

Contingent upon grant funding, plans are in place for at least \$300,000 of improvements at the Sidney Municipal Airport in 2005. Planned improvements include rebuilding the taxiway, performing an environmental assessment, and sealing the runway.

FINANCIAL INFORMATION

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.

Focuses on Long-Term Planning and Financial Policies

The City Council and staff of the City of Sidney are committed to making financial decisions based on a long-term perspective and rooted in sound financial policies. City Council has adopted a comprehensive set of financial policies covering subjects such as fund balance reserves, debt, user charge coverage, and budget-balancing strategies. Staff and Council review these policies each year. One very important such policy is that the City will maintain a long-term focus in its financial planning activities. Toward that end, City Council adopts an annual update to a five-year capital and operating financial plan. It is through this planning process that the City has been successful at early identification of financial trends and implementation of timely corrective action. This process has been instrumental in the City of Sidney's financial stability throughout the recent economic difficulties.

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 2004 membership consisted of twenty 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, 2003. 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 six consecutive years. We believe that this comprehensive annual financial report for the year ended December 31, 2004 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.

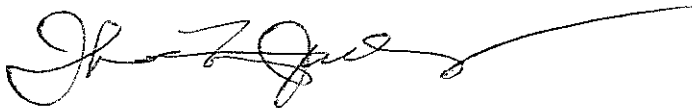
Distinguished Budget Presentation Award. The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for 2004, the fifth consecutive year that the City has received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget 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 2005 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.

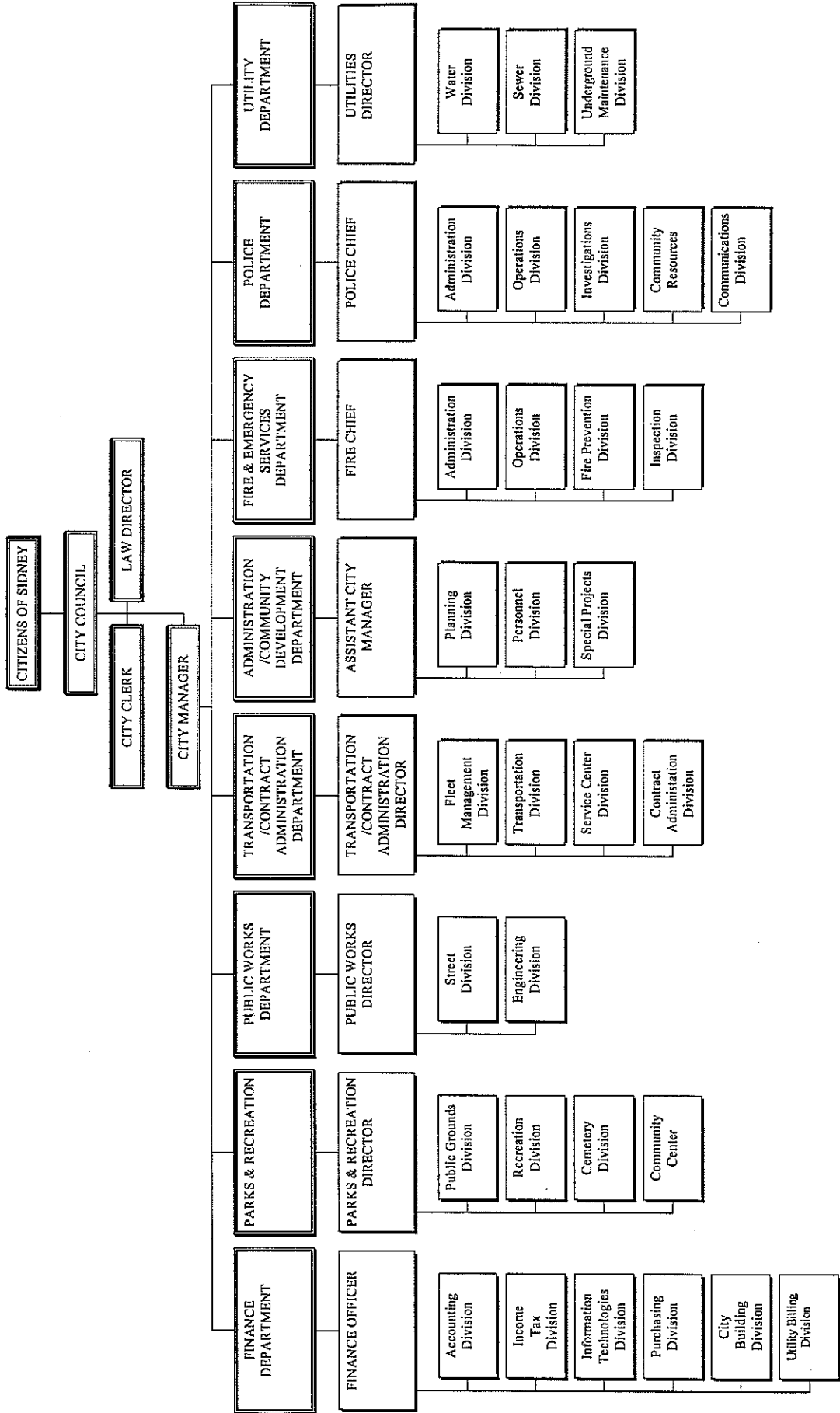
Finally, special thanks is extended to Mayor Frank Mariano and all other members of City Council whose support enables the City of Sidney to strive for excellence in its financial reporting and to maintain high standards of financial integrity.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Thomas L. Judy', with a long, sweeping horizontal line 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, 2003

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.



Nancy L. Zjelle

President

Jeffrey R. Emsw

Executive Director

FINANCIAL SECTION

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JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

333 County Line Rd. West
Westerville, Ohio 43082

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, Ohio, as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney, as of December 31, 2004, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditor's Report
City of Sidney, Ohio

The management's discussion and analysis and budgetary comparison information on pages 3 through 13 and 46 through 50, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 introductory section, combining and individual nonmajor fund financial statements, and the statistical tables are presented for the purposes of additional analysis and are not required part of the basic financial statements. 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 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.



Julian & Grube, Inc.
June 15, 2005

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
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, 2004. 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 2004?" 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, 2004. 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, 2004. Changes in net assets are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the City's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

Both of the government-wide statements distinguish functions of the City of Sidney that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, police, fire, judicial, street repair and maintenance, community development, parks and public transportation. The business-type activities of the City include water, sewer and solid waste collection.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited

Reporting on the City of Sidney's Most Significant Funds

Fund financial statements

These statements provide financial position and results of the City's major funds. A fund is an accounting entity created to account for a specific activity or purpose. Major funds of the City of Sidney are the General Fund, Street Repair & Maintenance Fund, Municipal Income Tax Fund, Capital Improvement Fund, Police Station Construction 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 can be found in the combining statements in the supplementary information section of this report.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Sidney's three fiduciary funds are combined into a single column in the fiduciary fund statement on page 24 of this report. Detailed financial data for those funds can be found in the combining statements in the supplementary information section of this report.

Other Information

Notes to the basic financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 25 – 45 of this report.

Required supplementary information.

In addition to the basic financial statements and notes, this report also contains required supplementary information (RSI). RSI includes budgetary schedules for the general fund and major special revenue funds. This data is on pages 46 to 48 of this report.

The City of Sidney as a Whole

The following table presents condensed information on net assets as of December 31, 2004 and 2003.

Net Assets
December 31, 2004 and 2003

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<u>Assets:</u>						
Current and other assets	\$ 23,122,316	\$ 16,152,924	\$ 5,355,298	\$ 6,026,022	\$ 28,477,614	\$ 22,178,946
Capital assets	48,961,222	44,190,468	30,552,102	29,515,502	79,513,324	73,705,970
Total assets	<u>72,083,538</u>	<u>60,343,392</u>	<u>35,907,400</u>	<u>35,541,524</u>	<u>107,990,938</u>	<u>95,884,916</u>
<u>Liabilities:</u>						
Long-term liabilities	10,813,409	3,541,200	8,736,443	9,638,643	19,549,852	13,179,843
Other liabilities	4,284,519	3,336,404	1,566,120	1,333,489	5,850,639	4,669,893
Total liabilities	<u>15,097,928</u>	<u>6,877,604</u>	<u>10,302,563</u>	<u>10,972,132</u>	<u>25,400,491</u>	<u>17,849,736</u>
<u>Net Assets:</u>						
Invested in capital assets, net of debt	44,263,989	41,850,468	21,277,102	19,460,644	65,541,091	61,311,112
Restricted	1,261,111	1,374,427	-	-	1,261,111	1,374,427
Unrestricted	11,460,510	10,240,893	4,327,735	5,108,748	15,788,245	15,349,641
Total net assets	<u>\$ 56,985,610</u>	<u>\$ 53,465,788</u>	<u>\$ 25,604,837</u>	<u>\$ 24,569,392</u>	<u>\$ 82,590,447</u>	<u>\$ 78,035,180</u>

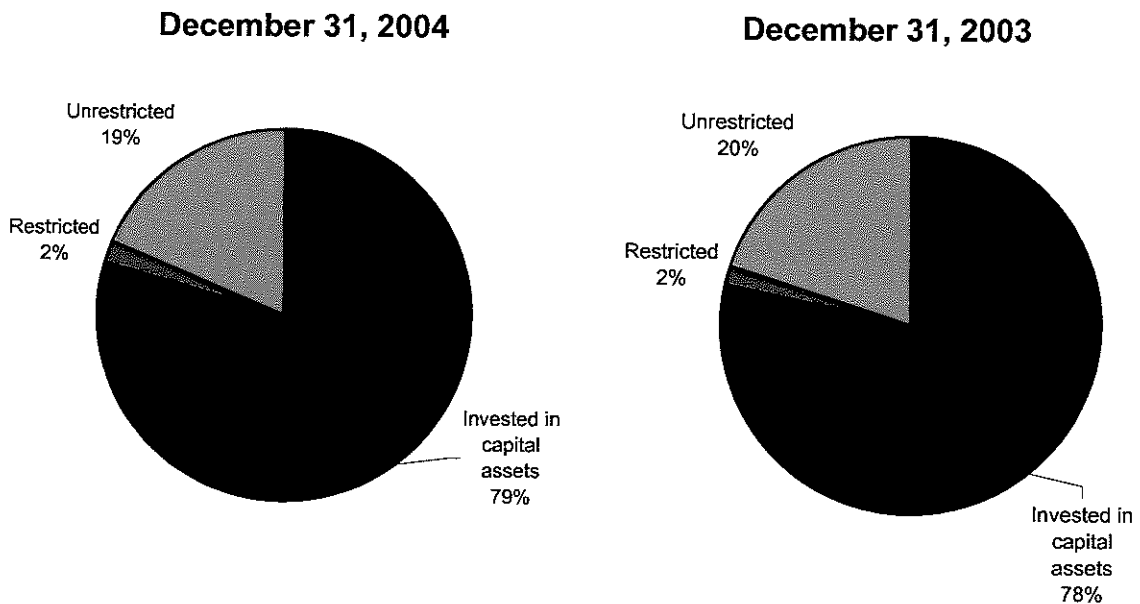
CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
Unaudited

In total, net assets increased \$4.6 million from \$78.0 million to \$82.6 million in 2004. \$4.2 million of this increase is from the component, "invested in capital assets, net of related debt" which increased from \$61.3 million at December 31, 2003 to \$65.5 million at December 31, 2004. Increases in this category of net assets generally means that capital asset additions and bond principal repayments were greater than depreciation expense and additional bond proceeds related to the construction in progress. Capital asset additions totaled \$8.8 million and bond principal repayments were approximately \$1.0 million. Depreciation expense was approximately \$3.0 million. Included in the \$8.8 million of capital asset additions was \$2.1 million of construction in progress for the new police facility. Debt equaling this construction in progress was included in this calculation of net assets.

Restricted net assets are subject to external restrictions as to their use. This category decreased \$113,000 from \$1,374,000 at December 31, 2003 to \$1,261,000 at December 31, 2004 primarily due to use of Community Development Block Grant funds.

Unrestricted net assets are available for future use as directed by City Council. Overall, this category increased \$438,000 from \$15,350,000 at December 31, 2003 to \$15,788,000 at December 31, 2004. Unrestricted net assets of the City's governmental activities increased \$1,220,000, while unrestricted net assets of the business-type activities decreased \$781,000. The majority of this change is the result of the administrative overhead reimbursement charged to certain business-type activities from governmental activities. While this reimbursement was introduced in 2003, it was fully implemented during 2004.

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



The majority of the City's net assets reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding.

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The following table presents condensed information on the changes in net assets for the years ended December 31, 2004 and 2003.

	Changes in Net Assets					
	For the Years Ended December 31, 2004 and 2003					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:						
Program revenues:						
Charges for services	2,136,006	1,881,380	7,835,509	7,488,701	9,971,515	9,370,081
Operating grants and contributions	1,787,660	1,552,472	-	-	1,787,660	1,552,472
Capital grants and contributions	3,641,757	881,001	415,160	78,395	4,056,917	959,396
General revenues:						
Income taxes	11,313,150	11,180,689	-	-	11,313,150	11,180,689
Property taxes	1,321,566	1,250,527	-	-	1,321,566	1,250,527
Other taxes	585,600	618,180	-	-	585,600	618,180
Grants and other contributions not restricted to specific programs	1,287,479	1,201,516	-	-	1,287,479	1,201,516
Investment income	243,088	171,516	39,519	76,870	282,607	248,386
Gain on sale of capital assets	12,983	9,300	2,400	5,369	15,383	14,669
Miscellaneous	42,357	88,705	-	-	42,357	88,705
Total revenues	22,371,646	18,835,286	8,292,588	7,649,335	30,664,234	26,484,621
Expenses:						
General government	1,489,376	1,782,921	-	-	1,489,376	1,782,921
Police	5,184,474	4,858,232	-	-	5,184,474	4,858,232
Fire	3,913,548	3,674,094	-	-	3,913,548	3,674,094
Judicial	1,401,639	1,346,363	-	-	1,401,639	1,346,363
Health	218,608	295,910	-	-	218,608	295,910
Public transportation	471,970	361,073	-	-	471,970	361,073
Street repair & maintenance	2,300,975	2,208,319	-	-	2,300,975	2,208,319
Community development	514,914	486,554	-	-	514,914	486,554
Community environment	915,697	827,406	-	-	915,697	827,406
Parks and recreation	1,427,369	1,400,906	-	-	1,427,369	1,400,906
Basic utility services	460,118	378,706	-	-	460,118	378,706
Interest on long-term debt	266,501	114,958	-	-	266,501	114,958
Water	-	-	2,930,771	2,657,083	2,930,771	2,657,083
Sewer	-	-	3,125,699	2,791,159	3,125,699	2,791,159
Solid waste	-	-	1,038,399	1,003,765	1,038,399	1,003,765
Other business-type activities	-	-	448,909	364,138	448,909	364,138
Total expenses	18,565,189	17,735,442	7,543,778	6,816,145	26,108,967	24,551,587
Excess before transfers	3,806,457	1,099,844	748,810	833,190	4,555,267	1,933,034
Transfers	(286,635)	(351,422)	286,635	351,422	-	-
Change in net assets	3,519,822	748,422	1,035,445	1,184,612	4,555,267	1,933,034
Net assets, beginning of year	53,465,788	52,717,366	24,569,392	23,384,780	78,035,180	76,102,146
Net assets, end of year	\$ 56,985,610	\$ 53,465,788	\$ 25,604,837	\$ 24,569,392	\$ 82,590,447	\$ 78,035,180

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The City's net assets increased \$4.6 million for the year ended December 31, 2004 as compared to \$1.9 million for the prior year. The City's increase in revenues was greater than its increase in expenses.

Total revenues increased approximately \$4,179,000, or 15.8%. The largest contributing factor in this increase was the category, "capital grants and contributions," jumping nearly \$3.0 million from 2003 to 2004. When private developers donate streets to the City, the value of the streets is reported as capital grants revenue in the Street Repair & Maintenance governmental activities. These donations were \$2.6 million during 2004, compared to only \$300,000 in 2003. In business-type activities, during 2004, the City received almost \$300,000 of Federal Aviation Administration grants to fund airport projects.

The City's single largest revenue source, municipal income tax revenue, increased by 1.2% in 2004. This is compared to a 2.1% increase for the year ended December 31, 2003.

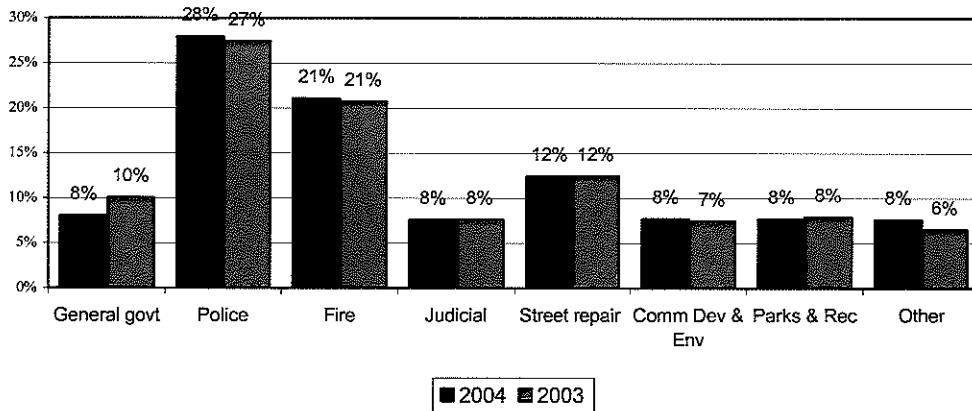
Total expenses increased approximately \$1,557,000, or 6.3%. Almost one-third of this increase was due to higher health insurance premiums paid by the City for its employees.

Governmental activities

Governmental net assets increased \$3.5 million, or 6.5%, from \$53.5 million to \$57.0 million. Net assets invested in capital assets, net of related debt, increased about \$2.4 million, or 5.8%. Increased developer contributions, as discussed above, was the key factor for this change. Restricted net assets decreased because of utilizing Community Development Block Grant funds received in the prior year. Unrestricted net assets increased \$1,220,000, or 11.9%. This increase was due to (1) receiving the first full year of the newly implemented EMS fee, and (2) fully implementing the allocation of overhead costs thereby decreasing governmental expenses and increasing business-type expenses.

The components of governmental activities' expenses are as follows:

Governmental Expenses by Program



The composition of expenses by program remained stable from 2003 to 2004. The two largest components of governmental expenses are public safety -- police and fire. Police makes up 27% to 28% of the total, while fire contributes another 21%. Judicial - consisting mainly of municipal court activities - comprises about 8% of governmental activities' expenses. Street repair and maintenance (which includes winter street clean-up) accounts for about 12% of expenses. The community development and environment programs, which includes such activities as community planning, engineering, building inspection and code enforcement, makes up about 7% to 8% of expenses. The parks and recreation program is responsible for 8% of governmental expenses.

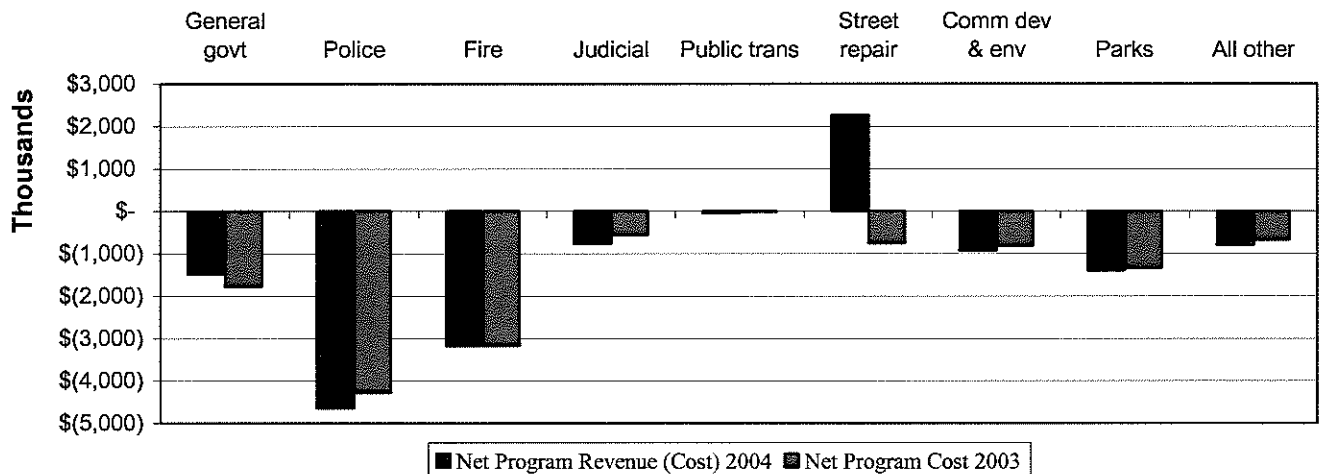
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The Statement of Activities reports the expenses of each of the governmental activities programs and the related program revenue that offsets the cost of each program. The amount by which the cost of a particular program exceeds its program revenue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

Expenses and Program Revenues - Governmental Activities

	<u>Year Ended December 31, 2004</u>			<u>Year Ended December 31, 2003</u>		
	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Program Revenue (Cost)</u>	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Program Cost</u>
General government	\$ 1,489,376	\$ -	\$ (1,489,376)	\$ 1,782,921	\$ -	\$ (1,782,921)
Police	5,184,474	539,633	(4,644,841)	4,858,232	575,396	(4,282,836)
Fire	3,913,548	736,431	(3,177,117)	3,674,094	497,112	(3,176,982)
Judicial	1,401,639	625,725	(775,914)	1,346,363	778,457	(567,906)
Public transportation	471,970	421,071	(50,899)	361,073	346,986	(14,087)
Street repair & maintenance	2,300,975	4,564,128	2,263,153	2,208,319	1,452,905	(755,414)
Community development	514,914	269,124	(245,790)	486,554	269,257	(217,297)
Community environment	915,697	228,672	(687,025)	827,406	214,445	(612,961)
Parks & recreation	1,427,369	29,718	(1,397,651)	1,400,906	65,267	(1,335,639)
All others	945,227	150,921	(794,306)	789,574	115,028	(674,546)
Total governmental activities	<u>\$ 18,565,189</u>	<u>\$ 7,565,423</u>	<u>\$ (10,999,766)</u>	<u>\$ 17,735,442</u>	<u>\$ 4,314,853</u>	<u>\$ (13,420,589)</u>

Net Program Revenue (Cost) - Governmental Activities



Overall, the net program cost of governmental activities decreased by \$2.4 million or 22.0%. By far, the largest change in net program cost was in the Street Repair & Maintenance area, going from a net cost of \$755,000 to a net revenue of \$2.3 million. Key factors in this increase include:

- ✓ Private developers' donated streets valued at \$2.6 million compared to only \$300,000 during 2003.

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- ✓ The City received capital grants of \$428,000 from the Ohio Department of Transportation and \$180,000 from the Ohio Department of Development designated for street repairs.

After deducting the effects of these capital grants, the net program cost for Street Repair and Maintenance would have been \$965,000 and \$1,065,000 for the years ended December 31, 2004 and 2003, respectively.

General government's expenses declined nearly \$300,000. This was the result of an interfund reimbursement received from business-type activities, recorded as a reduction of general government expenses. The reimbursement increased from \$250,000 in 2003 to \$710,000 in 2004 and is based on a cost accounting model that allocates overhead expenses paid for by governmental activities to the business-type activities. While the reimbursement was introduced during 2003, it was fully implemented during 2004.

While the Police program revenue remained stable, Police expenses increased as a result of filling prior year vacancies and experiencing higher health insurance costs. The other public safety program, Fire, realized an increase in program revenue due to a full year of the EMS fee versus a partial year in 2003. This increase in program revenue was offset by nearly identical increases in expenses. Again, the primary culprit for the increase in expenses was rising health insurance costs.

The judicial program, which is primarily the operations of the Sidney Municipal Court, experienced a \$200,000 increase in net program cost. While expenses increased only 4%, program revenue including court costs and fines declined nearly 20% due primarily to a decrease in cases filed by the Ohio Highway Patrol.

Business-type activities

Business-type activities' net assets increased \$1.0 million from \$24.6 million to \$25.6 million. While the category, "invested in capital assets, net of debt" increased \$1.8 million, the unrestricted category declined \$0.8 million. Generally, this shows the effects of capital asset additions and bond repayments being financed with operating sources.

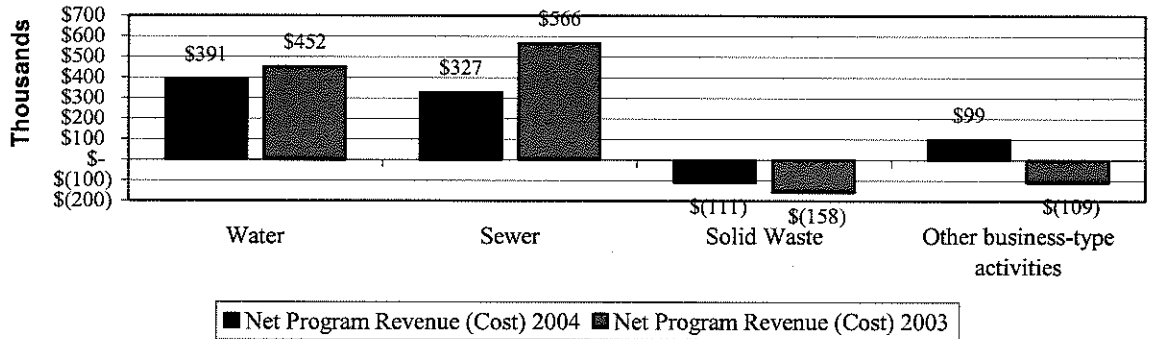
It is the City's policy that revenues of some of the City's business-type activities (water, sewer and residential waste pickup in the Solid Waste Fund) are expected to cover all program costs. The revenues of other business-type activities cover specified portions of program costs. The following table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

Expenses and Program Revenues - Business-Type Activities

	<u>Year Ended December 31, 2004</u>			<u>Year Ended December 31, 2003</u>		
	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Program Revenue (Cost)</u>	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Program Revenue (Cost)</u>
Water	\$ 2,930,771	\$ 3,321,811	\$ 391,040	\$ 2,657,083	\$ 3,109,280	\$ 452,197
Sewer	3,125,699	3,453,028	327,329	2,791,159	3,357,205	566,046
Solid Waste	1,038,399	927,527	(110,872)	1,003,765	845,898	(157,867)
Other business-type activities	<u>448,909</u>	<u>548,303</u>	<u>99,394</u>	<u>364,138</u>	<u>254,713</u>	<u>(109,425)</u>
Total business-type activities	<u>\$ 7,543,778</u>	<u>\$ 8,250,669</u>	<u>\$ 706,891</u>	<u>\$ 6,816,145</u>	<u>\$ 7,567,096</u>	<u>\$ 750,951</u>

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Net Revenue (Cost) - Business-Type Activities



Program revenue for business-type activities increased \$684,000, or 9%, while program expenses increased \$728,000, or 11%. Key components of the changes in net program cost for each program are as follows:

- ✓ Water program's net program revenue increased \$61,000. Generally, increases in revenue as a result of rate and consumption increases were outweighed by increases in chemical expenses and water supply study costs done to evaluate future City water sources. An interfund reimbursement of \$250,000 was charged to the Water activities during 2004. This allocation of governmental overhead charges was not charged in 2003.
- ✓ The Sewer activities' program revenue increased only 3% while its expenses increased 12%. Increased expenses were a result of efforts to reduce infiltration of storm water into sanitary sewers and to provide flood abatement to affected City residents. Additionally, the interfund reimbursement to governmental activities was increased from \$250,000 in 2003 to \$375,000 to more closely reflect the overhead expenses.
- ✓ 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 2004. 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 curbside refuse pickup 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.
- ✓ The swing in other business-type activities from a net program cost of \$109,000 to a net program revenue in 2004 of \$99,000 is the result of a \$278,000 capital grant from the Federal Aviation Administration for airport runway and systems' improvements.

Individual funds summary and analysis

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

The combined fund balance of the City's governmental funds at December 31, 2004 was \$15.8 million. Approximately 67% of this total amount constitutes unreserved fund balances available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending. \$4.9 million of this reserved fund balance has already been committed to liquidate purchase orders of the prior period.

Total fund balances of the City's governmental funds increased \$6.8 million from \$9.0 at December 31, 2003 to \$15.8 million at December 31, 2004. \$5.6 million of this increase was due to

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the unspent proceeds of the bonds issued earlier this year. (See the governmental funds' balance sheets on pages 16 – 17.)

The General Fund is the primary operating fund of the City of Sidney, accounting for such activities as police and fire protection, emergency medical services, and parks and recreation. The General Fund balance increased \$119,000 for the year ended December 31, 2004. Total General Fund revenues increased \$468,000 or 10.3%. The majority of this increase was due to EMS fee collections being \$412,000 higher in 2004 than in 2003. This fee was implemented in July 2003. The revenue in 2004 reflects an entire year's worth of fees versus a partial year in 2003. Additionally, inheritance taxes increased \$170,000 over 2003. This tax will vary greatly from year to year. The revenue items that suffered declines were investment income and court costs.

General Fund expenditures increased 2.0%, or \$252,000. The interfund reimbursement received from certain enterprise funds increased from \$250,000 in 2003 to \$710,000 in 2004. This is recorded as a reduction of the General Fund's expenditures. As such, the increase in General Fund expenditures after backing out the effect of this interfund reimbursement was a \$712,000 increase. Increases were realized in payroll, payroll taxes and benefits, primarily due to higher health insurance premiums paid by the City. While this increase was felt citywide, the General Fund alone expended \$288,000 more in premiums during 2004 as compared to 2003 – a 28% increase.

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. Revenues increased approximately 15.8% from \$975,000 to \$1.1 million which is in line with recent State legislation that increased the gasoline tax and increased distributions to municipalities. Expenditures remained roughly the same, increasing only \$16,000, or 1.5%. As was the case in 2003, the Street Repair & Maintenance Fund did not require a cash subsidy from the General Fund. The Street Repair & Maintenance Fund transferred \$68,500 to the Separation Pay Fund for its share of expected future payouts of accrued vacation and sick. As a result, the fund balance declined \$78,500.

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, increased 7.6% from \$10.9 million to \$11.8 million. In the discussion of income tax revenues on the government-wide basis, found on page 8, municipal income tax revenue increased by only 2.1%. This variance 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.

A new fund was created during 2004 to account for the issuance of the general obligation bonds for the construction of the new police facility. The Police Station Construction Fund received the \$7.6 million bond proceeds and expended approximately \$2.1 million toward building construction. This fund reimbursed the Capital Improvement Fund nearly \$408,000 for eligible construction costs that had previously been paid from the Capital Improvement Fund.

The City of Sidney's proprietary funds (found on pages 20-21) provide the same type of information found in the government-wide financial statements, but in more detail.

Capital asset and debt administration

Capital asset activity

Significant capital activity for the year included:

- ✓ Approximately \$2.1 million was added to construction in progress for the construction of the new police facility that is expected to be completed in late 2005. Funds to pay for this

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For the Year Ended December 31, 2004
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new police facility were generated through the issuance of \$7.6 million of general obligation bonds during July 2004.

- ✓ Developers donated streets to the City with a total estimated cost of \$2.6 million.
- ✓ The first phase of a multiple year State of Ohio project to overlay asphalt on the state routes within the City limits began in 2004. The State is directly funding 80% of these costs.
- ✓ The City continued its efforts to reduce inflow and infiltration of stormwater into the sanitary sewer system with several projects totaling \$600,000.
- ✓ The \$250,000 project to add two water slides and additional water features to the swimming pool slide was started in 2004. Approximately half of the cost was incurred in 2004 with the remaining project completed during early 2005.
- ✓ Airport improvements totaling \$240,000 were incurred during 2004. These were funded primarily with grants received by the Federal Aviation Administration.

Additional detail on the capital asset activity for the year ended December 31, 2004 is presented in the Notes to the Basic Financial Statements in note 5 on pages 36 – 38.

Debt

Ohio law restricts the amount of debt that a City may issue. The aggregate principal amount of unvoted “net indebtedness” may not exceed 5.5% of the assessed valuation for property tax purposes of all real and personal property located within the City. At December 31, 2004, that debt ceiling was \$24.8 million. Certain debt with a repayment source other than general tax revenues, is excluded from the definition of net indebtedness. Under that definition, the City has approximately \$9.8 million of net indebtedness as of December 31, 2004, leaving a legal debt margin for unvoted debt of approximately \$15 million.

An additional statutory limitation restricts total indebtedness – both voted and unvoted – to 10.5% of the real and personal property assessed valuation. That limitation would restrict total City net indebtedness to \$47.6 million, leaving a total debt margin of approximately \$37.8 million.

A summary of debt outstanding at December 31, 2004 and 2003 is as follows:

	<u>General Obligation Bonds</u>	
	<u>December 31, 2004</u>	<u>December 31, 2003</u>
Governmental activities	\$ 9,810,000	\$ 2,340,000
Business-type activities	<u>9,275,000</u>	<u>10,115,000</u>
Total	<u>\$ 19,085,000</u>	<u>\$ 12,455,000</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 Schedules 7 and 8 in the Statistical Section of this report.

Contacting the City's management

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

CITY OF SIDNEY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Governmental Activities	Business-type Activities	Total
ASSETS			
Pooled cash and investments	\$ 10,448,093	\$ 3,681,959	\$ 14,130,052
Restricted cash and investments	5,628,079	-	5,628,079
Cash held by outside agent	40,388	-	40,388
Receivables (net):			
Income taxes	3,246,449	-	3,246,449
Property taxes	1,433,588	-	1,433,588
Other taxes	177,636	-	177,636
Accounts	-	1,405,638	1,405,638
Interest	138,746	23,963	162,709
Loans	82,474	-	82,474
Special assessments	129,777	-	129,777
Other	478,496	13,147	491,643
Internal balances	114,346	(114,346)	-
Receivables from other governments	852,435	-	852,435
Inventory	179,251	206,829	386,080
Prepaid items	172,558	138,108	310,666
Capital assets:			
Capital assets not subject to depreciation:			
Land	6,825,871	526,604	7,352,475
Construction in progress	3,373,433	223,113	3,596,546
Capital assets net of accumulated depreciation	<u>38,761,918</u>	<u>29,802,385</u>	<u>68,564,303</u>
Total assets	<u>\$ 72,083,538</u>	<u>\$ 35,907,400</u>	<u>\$ 107,990,938</u>
LIABILITIES			
Accounts payable	\$ 1,603,323	\$ 394,373	\$ 1,997,696
Salaries and benefits payable	837,913	133,288	971,201
Other accrued liabilities	1,185	-	1,185
Deferred revenue	1,304,796	123,754	1,428,550
Accrued interest payable	36,002	44,705	80,707
Noncurrent liabilities:			
Due within one year	501,300	870,000	1,371,300
Due in more than one year	<u>10,813,409</u>	<u>8,736,443</u>	<u>19,549,852</u>
Total liabilities	<u>15,097,928</u>	<u>10,302,563</u>	<u>25,400,491</u>
NET ASSETS			
Invested in capital assets, net of related debt	44,263,989	21,277,102	65,541,091
Restricted for:			
Capital projects	11,886	-	11,886
Other purposes - externally imposed restrictions	1,249,225	-	1,249,225
Unrestricted	<u>11,460,510</u>	<u>4,327,735</u>	<u>15,788,245</u>
Total net assets	<u>56,985,610</u>	<u>25,604,837</u>	<u>82,590,447</u>
Total liabilities and net assets	<u>\$ 72,083,538</u>	<u>\$ 35,907,400</u>	<u>\$ 107,990,938</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004**

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	\$ 1,489,376	\$ -	\$ -	\$ -	\$ (1,489,376)		\$ (1,489,376)
Police	5,184,474	325,785	213,848	-	(4,644,841)		(4,644,841)
Fire	3,913,548	668,983	4,157	63,291	(3,177,117)		(3,177,117)
Judicial	1,401,639	575,629	50,096	-	(775,914)		(775,914)
Health	218,608	150,921	-	-	(67,687)		(67,687)
Public transportation	471,970	132,183	208,498	80,390	(50,899)		(50,899)
Street repair and maintenance	2,300,975	21,450	1,302,255	3,240,423	2,263,153		2,263,153
Community development	514,914	10,971	500	257,653	(245,790)		(245,790)
Community environment	915,697	228,672	-	-	(687,025)		(687,025)
Parks and recreation	1,427,369	21,412	8,306	-	(1,397,651)		(1,397,651)
Basic utility services	460,118	-	-	-	(460,118)		(460,118)
Interest on long-term debt	266,501	-	-	-	(266,501)		(266,501)
Total governmental activities	<u>18,565,189</u>	<u>2,136,006</u>	<u>1,787,660</u>	<u>3,641,757</u>	<u>(10,999,766)</u>		<u>(10,999,766)</u>
Business-type activities:							
Water	2,930,771	3,321,811	-	-		\$ 391,040	391,040
Sewer	3,125,699	3,316,157	-	136,871		327,329	327,329
Solid Waste	1,038,399	927,527	-	-		(110,872)	(110,872)
Other business-type activities	448,909	270,014	-	278,289		99,394	99,394
Total business-type activities	<u>7,543,778</u>	<u>7,835,509</u>	<u>-</u>	<u>415,160</u>		<u>706,891</u>	<u>706,891</u>
Total	<u>\$ 26,108,967</u>	<u>\$ 9,971,515</u>	<u>\$ 1,787,660</u>	<u>\$ 4,056,917</u>	<u>(10,999,766)</u>	<u>706,891</u>	<u>(10,292,875)</u>
General revenues:							
Taxes:							
Income taxes					11,313,150	-	11,313,150
Property taxes					1,321,566	-	1,321,566
Other taxes					585,600	-	585,600
Grants and contributions not restricted to specific programs					1,287,479	-	1,287,479
Investment earnings					243,088	39,519	282,607
Gain on sale of capital assets					12,983	2,400	15,383
Miscellaneous					42,357	-	42,357
Transfers					(286,635)	286,635	-
Total general revenues and transfers					<u>14,519,588</u>	<u>328,554</u>	<u>14,848,142</u>
Change in net assets					3,519,822	1,035,445	4,555,267
Net assets - beginning					53,465,788	24,569,392	78,035,180
Net assets - ending					<u>\$ 56,985,610</u>	<u>\$ 25,604,837</u>	<u>\$ 82,590,447</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004**

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund	Capital Improvement Fund	Police Station Construction Fund
ASSETS					
Pooled cash and investments	\$ 3,417,638	\$ 412,615	\$ 922,555	\$ 2,405,766	\$ 8,270
Restricted cash and investments	-	-	-	-	5,628,079
Cash held by outside agent	-	-	-	-	-
Receivables (net):					
Income taxes	-	-	3,246,449	-	-
Property taxes	1,433,588	-	-	-	-
Other taxes	173,204	-	-	-	-
Interest	67,513	2,480	-	-	54,737
Loans	-	-	-	-	-
Special assessments	121,541	-	-	-	-
Other	410,104	522	-	-	-
Due from other funds	215,922	-	-	101,694	55,889
Receivables from other governments	115,115	681,820	-	-	-
Inventory	41,583	62,326	-	-	-
Prepaid items	43,949	91	905	95,445	-
	<u>\$ 6,040,157</u>	<u>\$ 1,159,854</u>	<u>\$ 4,169,909</u>	<u>\$ 2,602,905</u>	<u>\$ 5,746,975</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 91,043	\$ 43,289	\$ 377,092	\$ 194,673	\$ 524,848
Salaries and benefits payable	722,940	45,255	12,817	-	-
Other accrued liabilities	-	-	-	1,185	-
Due to other funds	9,787	48,499	269,903	55,889	8,270
Deferred revenue	2,141,200	629,606	1,693,372	-	34,467
	<u>2,964,970</u>	<u>766,649</u>	<u>2,353,184</u>	<u>251,747</u>	<u>567,585</u>
Fund Balances:					
Reserved for:					
Inventory	41,583	62,326	-	-	-
Prepaid items	43,949	91	905	95,445	-
Long-term loans receivable	-	-	-	-	-
Encumbrances	95,417	1,372	-	448,817	4,311,160
Unreserved, reported in:					
General fund	2,894,238	-	-	-	-
Special revenue funds	-	329,416	1,815,820	-	-
Capital projects funds	-	-	-	1,806,896	868,230
	<u>3,075,187</u>	<u>393,205</u>	<u>1,816,725</u>	<u>2,351,158</u>	<u>5,179,390</u>
	<u>\$ 6,040,157</u>	<u>\$ 1,159,854</u>	<u>\$ 4,169,909</u>	<u>\$ 2,602,905</u>	<u>\$ 5,746,975</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
RECONCILIATION OF TOTAL
GOVERNMENTAL FUND BALANCES TO NET
ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2004**

Non-major Governmental Funds	Total Governmental Funds		
		Total governmental fund balances	\$ 15,816,705
\$ 2,949,876	\$ 10,116,720		
-	5,628,079		
40,388	40,388		
-	3,246,449		
-	1,433,588		
4,432	177,636	Capital assets used in governmental	
11,992	136,722	activities are not financial resources and	
82,474	82,474	therefore are not reported in the funds.	48,404,384
8,236	129,777		
56,393	467,019	Other long-term assets are not available to	
-	373,505	pay for current-period expenditures and	
55,500	852,435	therefore are deferred in the funds:	
22,934	126,843	Income taxes receivable	1,693,372
813	141,203	Other taxes and intergovernmental receivables	882,834
		Other receivables	768,171
<u>\$ 3,233,038</u>	<u>\$ 22,952,838</u>		
\$ 42,456	\$ 1,273,401	Internal service funds are used to charge	
36,622	817,634	the costs of certain activities, such as the	
-	1,185	central garage, to individual funds. The	
2,392	394,740	assets and liabilities of the internal service	
150,528	4,649,173	funds are included in governmental activities	
		in the statement of net assets.	714,065
<u>231,998</u>	<u>7,136,133</u>	Long-term liabilities, including bonds payable,	
		are not due and payable in the current period	
		and therefore not reported in the funds:	
22,934	126,843	Bonds payable	(9,810,000)
813	141,203	Compensated absences	(1,079,669)
82,474	82,474	Unfunded police and fire pension liability	(368,250)
83,779	4,940,545	Accrued interest on long-term debt	(36,002)
			<hr/>
-	2,894,238	Net assets of governmental activities	<u>\$ 56,985,610</u>
2,803,497	4,948,733		
7,543	2,682,669		
<u>3,001,040</u>	<u>15,816,705</u>		
<u>\$ 3,233,038</u>	<u>\$ 22,952,838</u>		

CITY OF SIDNEY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund	Capital Improvement Fund	Police Station Construction Fund
REVENUES:					
Local taxes	\$ 1,625,234	\$ -	\$ 11,755,271	\$ -	\$ -
Intergovernmental revenues	1,569,653	1,005,049	-	255,288	-
Special assessments	217,195	-	-	-	-
Charges for services	1,157,551	-	-	82,389	-
Fines, licenses and permits	180,699	-	-	-	-
Investment income	122,635	1,779	-	-	54,564
Miscellaneous receipts and reimbursements	133,771	121,453	135	8,270	-
	<u>5,006,738</u>	<u>1,128,281</u>	<u>11,755,406</u>	<u>345,947</u>	<u>54,564</u>
EXPENDITURES:					
Current:					
General government	1,208,781	-	201,892	-	-
Police	4,764,196	-	-	-	-
Fire	3,563,822	-	-	-	-
Judicial	1,228,459	-	-	-	-
Health	-	-	-	-	-
Public transportation	-	-	-	-	-
Street repair and maintenance	-	1,127,301	-	-	-
Community development	106,738	-	-	-	-
Community environment	875,699	-	-	-	-
Parks and recreation	1,251,521	-	-	-	-
Basic utility services	-	-	-	-	-
Capital outlay	19,484	10,996	-	1,648,652	2,067,668
Debt service:					
Principal	-	-	-	110,000	-
Interest and other charges	-	-	-	236,046	-
	<u>13,018,700</u>	<u>1,138,297</u>	<u>201,892</u>	<u>1,994,698</u>	<u>2,067,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,011,962)</u>	<u>(10,016)</u>	<u>11,553,514</u>	<u>(1,648,751)</u>	<u>(2,013,104)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from the issuance of bonds	-	-	-	-	7,600,000
Transfers in	8,776,170	-	-	2,601,549	-
Sale of capital assets	22,225	-	-	-	-
Transfers out	(667,000)	(68,500)	(10,970,213)	-	(407,506)
	<u>8,131,395</u>	<u>(68,500)</u>	<u>(10,970,213)</u>	<u>2,601,549</u>	<u>7,192,494</u>
Net change in fund balances	119,433	(78,516)	583,301	952,798	5,179,390
Fund balances, beginning of year	<u>2,955,754</u>	<u>471,721</u>	<u>1,233,424</u>	<u>1,398,360</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,075,187</u>	<u>\$ 393,205</u>	<u>\$ 1,816,725</u>	<u>\$ 2,351,158</u>	<u>\$ 5,179,390</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, 2004**

Net change in fund balances - total governmental funds \$ 6,810,359

Non-major Governmental Funds	Total Governmental Funds
\$ 64,892	\$ 13,445,397
980,323	3,810,313
12,121	229,316
181,897	1,421,837
75,799	256,498
28,859	207,837
<u>45,269</u>	<u>308,898</u>
1,389,160	19,680,096
29,611	1,440,284
214,060	4,978,256
44,094	3,607,916
46,398	1,274,857
189,070	189,070
393,795	393,795
123,222	1,250,523
122,656	229,394
-	875,699
-	1,251,521
284,370	284,370
500,856	4,247,656
20,000	130,000
<u>3,675</u>	<u>239,721</u>
1,971,807	20,393,062
<u>(582,647)</u>	<u>(712,966)</u>
-	7,600,000
651,100	12,028,819
4,300	26,525
<u>(18,800)</u>	<u>(12,132,019)</u>
636,600	7,523,325
53,953	6,810,359
2,947,087	9,006,346
<u>\$ 3,001,040</u>	<u>\$ 15,816,705</u>

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital asset additions	3,841,726
Current year depreciation	(1,907,475)

Governmental funds report the sale of assets only to the extent proceeds are received. In the Statement of Activities, gains are reported in General revenues and losses are included in Expenses of Governmental Activities.

Net book value of assets sold at a gain (proceeds were \$13,475)	(492)
Net book value of assets sold at a loss (proceeds were \$13,050)	(39,627)

Governmental funds do not report transfers of capital assets to or from proprietary funds. In the Statement of Activities, these are reported as transfers.

Net book value of transfers:

From proprietary funds to governmental funds	8,135
From governmental funds to proprietary funds	(130,270)

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

Income taxes	(442,120)
Investment income	46,321
Other revenue	90,284
Contribution of capital assets	3,048,302

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

(7,600,000)

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

130,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Vacation and sick leave benefits	(108,305)
Interest payable	(26,780)
Unfunded pension liability	5,835

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.

(206,071)

Change in net assets of governmental activities

\$ 3,519,822

**CITY OF SIDNEY, OHIO
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2004**

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds		
ASSETS						
Current assets:						
Pooled cash and investments	\$ 1,274,059	\$ 1,733,657	\$ 414,389	\$ 259,854	\$ 3,681,959	\$ 331,373
Receivables (net):						
Accounts	594,709	595,169	213,506	2,254	1,405,638	-
Interest	10,614	13,349	-	-	23,963	2,024
Other	2,214	338	-	10,595	13,147	11,477
Inventory	146,123	43,481	-	17,225	206,829	52,408
Due from other funds	-	-	-	-	-	24,385
Prepaid items	17,757	117,906	-	2,445	138,108	31,355
Total current assets	<u>2,045,476</u>	<u>2,503,900</u>	<u>627,895</u>	<u>292,373</u>	<u>5,469,644</u>	<u>453,022</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	-	-	-	223,113	223,113	-
Capital assets net of accumulated depreciation	7,321,353	20,569,328	63,748	1,847,956	29,802,385	556,838
Total noncurrent assets	<u>7,464,532</u>	<u>20,632,148</u>	<u>75,088</u>	<u>2,380,334</u>	<u>30,552,102</u>	<u>556,838</u>
Total assets	<u>\$ 9,510,008</u>	<u>\$ 23,136,048</u>	<u>\$ 702,983</u>	<u>\$ 2,672,707</u>	<u>\$ 36,021,746</u>	<u>\$ 1,009,860</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 40,742	\$ 75,857	\$ 69,576	\$ 208,198	\$ 394,373	\$ 329,922
Salaries and benefits payable	72,217	48,896	520	11,655	133,288	20,279
Due to other funds	1,497	1,392	232	29	3,150	-
Current portion of long term debt	250,000	620,000	-	-	870,000	-
Deferred revenue	-	-	120,771	2,983	123,754	-
Accrued interest payable	3,385	41,320	-	-	44,705	-
	<u>367,841</u>	<u>787,465</u>	<u>191,099</u>	<u>222,865</u>	<u>1,569,270</u>	<u>350,201</u>
Noncurrent liabilities:						
Noncurrent portion of long term debt	250,000	8,155,000	-	-	8,405,000	-
Compensated absences	247,188	80,345	3,910	-	331,443	56,790
Total noncurrent liabilities	<u>497,188</u>	<u>8,235,345</u>	<u>3,910</u>	<u>-</u>	<u>8,736,443</u>	<u>56,790</u>
Total liabilities	<u>865,029</u>	<u>9,022,810</u>	<u>195,009</u>	<u>222,865</u>	<u>10,305,713</u>	<u>406,991</u>
NET ASSETS						
Invested in capital assets, net of related debt	6,964,532	11,857,148	75,088	2,380,334	21,277,102	556,838
Unrestricted	1,680,447	2,256,090	432,886	69,508	4,438,931	46,031
Total net assets	<u>8,644,979</u>	<u>14,113,238</u>	<u>507,974</u>	<u>2,449,842</u>	<u>25,716,033</u>	<u>602,869</u>
Total liabilities and net assets	<u>\$ 9,510,008</u>	<u>\$ 23,136,048</u>	<u>\$ 702,983</u>	<u>\$ 2,672,707</u>	<u>\$ 36,021,746</u>	<u>\$ 1,009,860</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(111,196)	
Total net assets from above					25,716,033	
Net assets of business-type activities					<u>\$ 25,604,837</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, 2004

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 3,139,042	\$ 3,306,545	\$ 927,492	\$ 267,120	\$ 7,640,199	\$ 3,032,535
Other revenue	182,769	9,612	35	2,894	195,310	103,942
Total operating revenues	<u>3,321,811</u>	<u>3,316,157</u>	<u>927,527</u>	<u>270,014</u>	<u>7,835,509</u>	<u>3,136,477</u>
OPERATING EXPENSES:						
Personal services	1,383,768	909,531	76,527	96,674	2,466,500	377,170
Operations and maintenance	1,157,955	1,163,805	943,228	288,985	3,553,973	2,900,708
Depreciation	311,484	623,913	8,499	62,874	1,006,770	49,544
Total operating expenses	<u>2,853,207</u>	<u>2,697,249</u>	<u>1,028,254</u>	<u>448,533</u>	<u>7,027,243</u>	<u>3,327,422</u>
Operating income (loss)	<u>468,604</u>	<u>618,908</u>	<u>(100,727)</u>	<u>(178,519)</u>	<u>808,266</u>	<u>(190,945)</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income	18,368	21,151	-	-	39,519	4,846
Intergovernmental	-	136,871	-	278,289	415,160	-
Gain (loss) on disposal of assets	2,000	-	400	-	2,400	-
Interest expense	(59,245)	(415,384)	-	-	(474,629)	-
Total nonoperating revenues (expenses)	<u>(38,877)</u>	<u>(257,362)</u>	<u>400</u>	<u>278,289</u>	<u>(17,550)</u>	<u>4,846</u>
Income (loss) before contributions and transfers	429,727	361,546	(100,327)	99,770	790,716	(186,099)
Capital contributions	-	-	-	130,270	130,270	20,117
Transfers out	(37,000)	(23,135)	(3,500)	-	(63,635)	(70,581)
Transfers in	-	-	180,000	40,000	220,000	-
Change in net assets	392,727	338,411	76,173	270,040	1,077,351	(236,563)
Total net assets - beginning 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>
Total net assets - end of year	<u>\$ 8,644,979</u>	<u>\$ 14,113,238</u>	<u>\$ 507,974</u>	<u>\$ 2,449,842</u>		<u>\$ 602,869</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(41,906)	
Change in net assets of business-type activities					<u>\$ 1,035,445</u>	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	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	\$ 3,144,054	\$ 3,423,167	\$ 851,846	\$ 271,784	\$ 7,690,851	\$ 128,507
Receipts from interfund services	175,848	-	-	-	175,848	3,104,921
Payments to suppliers	(1,074,684)	(662,276)	(823,448)	(295,469)	(2,855,877)	(2,795,508)
Payments to employees	(1,390,035)	(919,108)	(85,593)	(85,557)	(2,480,293)	(387,095)
Payments for interfund services used	(77,385)	(501,063)	(115,759)	(2,136)	(696,343)	(48,056)
Net cash provided (used) by operating activities	<u>777,798</u>	<u>1,340,720</u>	<u>(172,954)</u>	<u>(111,378)</u>	<u>1,834,186</u>	<u>2,769</u>
Cash flows from noncapital financing activities:						
Transfers in	-	-	180,000	40,000	220,000	-
Transfers out	(37,000)	(15,000)	(3,500)	-	(55,500)	(61,300)
Intergovernmental	-	136,871	-	278,289	415,160	-
Net cash provided (used) by noncapital financing activities	<u>(37,000)</u>	<u>121,871</u>	<u>176,500</u>	<u>318,289</u>	<u>579,660</u>	<u>(61,300)</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(647,318)	(1,030,454)	-	(31,474)	(1,709,246)	-
Proceeds from sale of capital assets	2,000	-	400	-	2,400	-
Principal paid on capital debt	(250,000)	(590,000)	-	-	(840,000)	-
Interest paid on capital debt	(60,938)	(424,423)	-	-	(485,361)	-
Net cash provided (used) by capital and related financing activities	<u>(956,256)</u>	<u>(2,044,877)</u>	<u>400</u>	<u>(31,474)</u>	<u>(3,032,207)</u>	<u>-</u>
Cash flows from investing activities:						
Interest on investments	35,708	48,007	-	-	83,715	6,111
Net unrealized gain on investments	(16,731)	(24,078)	-	-	(40,809)	(2,066)
Net cash provided by investing activities	<u>18,977</u>	<u>23,929</u>	<u>-</u>	<u>-</u>	<u>42,906</u>	<u>4,045</u>
Net increase (decrease) in cash and cash equivalents	(196,481)	(558,357)	3,946	175,437	(575,455)	(54,486)
Cash and cash equivalents, beginning of year	<u>1,470,540</u>	<u>2,292,014</u>	<u>410,443</u>	<u>84,417</u>	<u>4,257,414</u>	<u>385,859</u>
Cash and cash equivalents, end of year	<u>\$ 1,274,059</u>	<u>\$ 1,733,657</u>	<u>\$ 414,389</u>	<u>\$ 259,854</u>	<u>\$ 3,681,959</u>	<u>\$ 331,373</u>

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

(continued)

	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)	\$ 468,604	\$ 618,908	\$ (100,727)	\$ (178,519)	\$ 808,266	\$ (190,945)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	311,484	623,913	8,499	62,874	1,006,770	49,544
Change in assets and liabilities:						
Accounts receivable	(1,909)	106,099	(54,864)	6,130	55,456	-
Other receivables	-	912	-	(4,360)	(3,448)	100,606
Due from other funds	-	-	-	-	-	(3,654)
Prepaid items	(192)	(14,823)	-	(221)	(15,236)	(4,503)
Inventory	25,592	(12,304)	-	318	13,606	(11,242)
Accounts payable	(17,811)	27,054	4,101	(7,731)	5,613	72,888
Salaries and benefits payable and compensated absences	(6,267)	(9,577)	(9,065)	11,117	(13,792)	(9,925)
Due to other funds	(1,703)	538	(80)	(986)	(2,231)	-
Deferred revenue	-	-	(20,818)	-	(20,818)	-
Net cash provided (used) by operating activities	<u>\$ 777,798</u>	<u>\$ 1,340,720</u>	<u>\$ (172,954)</u>	<u>\$ (111,378)</u>	<u>\$ 1,834,186</u>	<u>\$ 2,769</u>
Noncash investing, capital and financing activities:						
Contributions of capital assets from governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,270</u>	<u>\$ 130,270</u>	<u>\$ 20,117</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2004**

	Agency Funds
ASSETS	
Pooled cash and investments	\$ 14,451
Municipal Court checking account	100,944
Accounts receivable	<u>5,781</u>
Total assets	<u>\$ 121,176</u>
LIABILITIES	
Due to employees	\$ 5,804
Due to other governments	82,207
Undistributed monies	<u>33,165</u>
Total liabilities	<u>\$ 121,176</u>

See Notes to the Basic Financial Statements

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

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, 2004.

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

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

B. Basis of Presentation

Government-wide financial statements

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

Governmental Funds

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

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

Street Repair & 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.

Police Station Construction Fund - To account for the financial resources used for the capital expenditures associated with the construction of the new police facility.

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, 2004

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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

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.

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

D. Budgets and Budgetary Accounting

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

- (1) The County Budget Commission has suspended the requirement to prepare a tax budget. In lieu of the tax budget, about January 1 of each year, the City will submit to the Budget Commission a report of estimated revenue and actual unencumbered cash balances by fund. Thereafter, the County Budget Commission will issue an Official Certificate of Estimated Resources (OCER).
- (2) Unencumbered appropriations lapse at year-end. No contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Finance Officer first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract.
- (3) All funds of the City have annual budgets legally adopted by the City Council. The 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 the legal level of control, through the passage of supplemental ordinances. Management can amend appropriations below this level without council approval. Supplemental appropriations to the original appropriations ordinance were made during the year, but were not material in relation to the original appropriations.

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

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budget (Non-GAAP) Basis for the General Fund and major special revenue funds are presented on the budgetary basis in the Required Supplementary Information to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to 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 2004 issuance of general obligation bonds are being held separately. These proceeds are being used to pay for the construction of the new police facility.
- 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. 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

Payments made to vendors for services that will benefit periods beyond December 31, 2004 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

G. Health Insurance and Risk

The City of Sidney covers most of its risks of loss through a combination of self-funding and 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 2004, the City incurred claims of \$1,630,671. 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, 2004 amounted to \$179,237 net of accumulated amortization of \$170,122. These costs are included in prepaid items in the accompanying financial statements.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

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 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

O. Financial Disclosure

Private-sector standards of accounting and reporting issued on or before November 30, 1989, 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 2004 issuance of general obligation bonds are being held separately. These proceeds are being used to pay for the construction of the new police facility.
- 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, 2004, the carrying amount of the City's deposits was \$10,260,589 and the bank balance was \$11,360,501. Of the bank balance:

1. \$819,864 was covered by federal depository insurance;
2. \$1,000,000 was covered by collateral held by a financial institution as permitted by Section 135.18(B) of the Ohio Revised Code (ORC);
3. \$9,540,637 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

The ORC, the City's charter, and the City's investment policy authorize the City to invest in the State Treasury Asset Reserve of Ohio (STAROhio), certificates of deposit, repurchase agreements, United States treasury bills and notes, notes issued by United States agencies and government-sponsored corporations, bankers' acceptances and commercial paper of the highest rating. The above legislative investment policy applies to all funds, 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's Pooled cash and investments consisted of the following at December 31, 2004:

	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>	<u>% of Total Pool</u>
Cash and cash equivalents	\$ 2,379,129	N/A	16.8%
U.S. agencies and government-sponsored corporations	9,509,691	1.66	67.2%
Certificates of deposit	<u>2,255,683</u>	0.51	<u>16.0%</u>
Total pooled cash and investments	<u>\$ 14,144,503</u>		<u>100.00%</u>
Portfolio weighted average maturity		<u>1.44</u>	

The City's restricted cash and investments arising from the 2004 issuance of general obligation bonds consisted of the following at December 31, 2004:

	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>	<u>% of Total</u>
Cash and cash equivalents	\$ 1,028,079	N/A	18.3%
Certificates of deposit	<u>4,600,000</u>	.28	<u>81.7%</u>
Total restricted cash and investments	<u>\$ 5,628,079</u>		<u>100.00%</u>

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, 2004, 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 securities of the U.S. Treasury, U.S. government-sponsored agencies, and U.S. government-sponsored corporations), the City has established the following maximum allocations based on investments valued at cost:

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

Investments in any one issuer that represent 5% or more of the total investments (excluding cash and cash equivalents) at December 31, 2004 include:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
U.S. Government-Sponsored Corporations:		
Federal Farm Credit	\$ 789,125	6.7%
Federal Home Loan Bank	\$ 5,686,489	48.3%
Federal Home Loan Mortgage Corporation	\$1,149,477	9.8%
Federal National Mortgage Corporation	\$1,884,600	16.0%
Certificates of Deposit:		
Fifth Third Bank	\$1,100,000	9.4%
Minster Bank	\$600,000	5.1%

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 2004 were levied on December 31, 2004 on assessed values listed as of January 1, 2003, the lien date. One-half of these taxes were due on February 14, 2004, with the remaining balance due on July 20, 2004.

Tangible personal property taxes collected during 2004 had a levy date of December 31, 2004. One-half of these taxes were due between February 14, 2004, and April 30, 2004, with the remaining balance due on October 20, 2004.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
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Assessed values of real property are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years with equalization adjustments in the third year following reappraisal. The last revaluation was completed in 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 2004 upon which the 2004 levy was based was approximately \$442,272,291. The assessed value for 2004 upon which the 2005 levy will be based is approximately \$453,740,892.

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, 2004 was as follows:

Governmental activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 6,528,135	\$ 297,736	\$ -	\$ -	\$ 6,825,871
Construction in progress	<u>1,134,281</u>	<u>2,239,152</u>	-	-	<u>3,373,433</u>
Subtotal	<u>7,662,416</u>	<u>2,536,888</u>	-	-	<u>10,199,304</u>
Capital assets being depreciated:					
Buildings and improvements	9,545,198	9,682	-	-	9,554,880
Machinery and equipment	7,390,451	674,109	(288,823)	54,667	7,830,404
General infrastructure	<u>34,656,860</u>	<u>3,539,078</u>	-	-	<u>38,195,938</u>
Subtotal	<u>51,592,509</u>	<u>4,222,869</u>	<u>(288,823)</u>	<u>54,667</u>	<u>55,581,222</u>
Totals at historical cost	<u>59,254,925</u>	<u>6,759,757</u>	<u>(288,823)</u>	<u>54,667</u>	<u>65,780,526</u>
Less accumulated depreciation for:					
Buildings and improvements	2,223,253	222,195	-	-	2,445,448
Machinery and equipment	4,522,828	668,054	(248,704)	46,532	4,988,710
General infrastructure	<u>8,318,376</u>	<u>1,066,770</u>	-	-	<u>9,385,146</u>
Total accumulated depreciation	<u>15,064,457</u>	<u>1,957,019</u>	<u>(248,704)</u>	<u>46,532</u>	<u>16,819,304</u>
Net capital assets	<u>\$ 44,190,468</u>	<u>\$ 4,802,738</u>	<u>\$ (40,119)</u>	<u>\$ 8,135</u>	<u>\$ 48,961,222</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

Depreciation was charged to governmental activities as follows:

General government	\$ 90,600
Police	140,342
Fire	109,351
Judicial	225,480
Health	20,681
Public transportation	47,217
Street repairs and maintenance	998,330
Community environment	33,956
Parks and recreation	133,759
Basic utility services	<u>148,351</u>

Total governmental activities depreciation expense \$ 1,948,067

Portion of internal service funds' depreciation included above allocable to business-type activities 8,952

Total additions to accumulated depreciation of governmental activities \$ 1,957,019

Business-type activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 526,604	\$ -	\$ -	\$ -	\$ 526,604
Construction in progress	<u>4,000</u>	<u>219,113</u>	<u>-</u>	<u>-</u>	<u>223,113</u>
Subtotal	<u>530,604</u>	<u>219,113</u>	<u>-</u>	<u>-</u>	<u>749,717</u>
Capital assets being depreciated:					
Buildings, improvements and infrastructure	39,294,819	1,351,982	-	-	40,646,801
Machinery and equipment	<u>7,727,369</u>	<u>480,410</u>	<u>(106,957)</u>	<u>(54,667)</u>	<u>8,046,155</u>
Subtotal	<u>47,022,188</u>	<u>1,832,392</u>	<u>(106,957)</u>	<u>(54,667)</u>	<u>48,692,956</u>
Totals at historical cost	<u>47,552,792</u>	<u>2,051,505</u>	<u>(106,957)</u>	<u>(54,667)</u>	<u>49,442,673</u>
Less accumulated depreciation for:					
Buildings, improvements and infrastructure	12,808,521	745,405	-	-	13,553,926
Machinery and equipment	<u>5,228,769</u>	<u>261,365</u>	<u>(106,957)</u>	<u>(46,532)</u>	<u>5,336,645</u>
Total accumulated depreciation	<u>18,037,290</u>	<u>1,006,770</u>	<u>(106,957)</u>	<u>(46,532)</u>	<u>18,890,571</u>
Net capital assets	<u>\$29,515,502</u>	<u>\$ 1,044,735</u>	<u>\$ -</u>	<u>\$ (8,135)</u>	<u>\$30,552,102</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

Depreciation was charged to business-type activities as follows:

Water	\$ 311,484
Sewer	623,913
Solid waste	8,500
Airport	33,157
Swimming Pool	<u>29,716</u>
Total additions to accumulated depreciation of business-type activities	<u>\$ 1,006,770</u>
Portion of internal service funds' depreciation allocable to business-type activities	<u>8,952</u>
Total business-type activities depreciation expense	<u>\$ 1,015,722</u>

6. Pension Plans:

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

Ohio Public Employees Retirement System

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

- 1) The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan.
- 2) The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.
- 3) The Combined Plan – 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) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2004, the member and employer contribution rates were consistent across all three plans (TP, MD and CO). The 2004 member contribution rates were 8.5%.

The 2004 employer contribution rate was 13.55% of covered payroll. The City's contributions, representing 100% of employer's contributions for the years ended December 31, 2004, 2003, and 2002 were \$883,894, \$864,304, and \$817,695, respectively.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

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 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, 2004, 2003 and 2002 were \$941,509, \$896,310, and \$883,366, 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, 2004, the unfunded liability is payable, including principal and interest, in annual installments of \$21,672 through the year 2035. The principal balance of \$368,250 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 – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, and survivor benefits as well as postretirement 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 postemployment health care coverage.

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment 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 2004 rate was 13.55% of covered payroll, and 4% 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

Actuarial Review: The assumptions and calculations below were based on OPERS' latest Actuarial Review performed as of December 31, 2003.

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 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 2003 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 at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

The OPEB's are advance-funded on an actuarially determined basis. At year-end 2004, the number of active contributing participants in the Traditional and Combined Plans totaled 369,885. The portion of the City's contributions that were used to fund postemployment benefits was \$260,925. \$10.5 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2003. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from 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 2003 and in 2004. 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, 2003, the date of the last actuarial valuation available, was 13,662 for police and 10,474 for firefighters. The City's annual contribution for 2004 that were used to fund postemployment benefits was \$176,274 for police and \$160,691 for firefighters. The fund's total health care expenses for the year ended December 31, 2003 was \$150,853,148, which was net of members' contributions of \$17,207,506.

8. Noncurrent Liabilities:

The following is a summary of changes for noncurrent liabilities of the City for the year ended December 31, 2004:

	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2004</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital improvement fund:					
<i>G.O. bonds, 1998-2018, 3.25% to 5.0%, Monumental Bldg renovation</i>	\$ 2,260,000	\$ -	\$ 110,000	\$ 2,150,000	\$ 115,000
<i>G.O. bonds, 2005-2024, 4.0% to 4.7%, Police Facility Construction</i>	-	7,600,000	-	7,600,000	290,000
Health department building lease fund:					
<i>G.O. bonds, 1993-2007, 2.5% to 4.9%</i>	80,000	-	20,000	60,000	20,000
Accrued vacation and sick leave	1,033,215	897,996	794,752	1,136,459	70,500
Unfunded police/fire pension obligation	<u>374,085</u>	<u>-</u>	<u>5,835</u>	<u>368,250</u>	<u>5,800</u>
Total Governmental Activities Noncurrent Liabilities	<u>\$ 3,747,300</u>	<u>\$8,497,996</u>	<u>\$ 930,587</u>	<u>\$ 11,314,709</u>	<u>\$ 501,300</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

	Balance January 1, 2004	Additions	Reductions	Balance December 31, 2004	Due Within One Year
Business-type activities:					
Water fund:					
<i>G.O. bonds, 1986-2006, 8.125%</i>	\$ 750,000	\$ -	\$ 250,000	\$ 500,000	\$ 250,000
Sewer fund:					
<i>G.O. bonds, advanced refunding, 1993-2007, 2.5% to 4.9%</i>	2,480,000	-	575,000	1,905,000	605,000
<i>G.O. bonds, 2001-2022, 4.0% to 4.625%</i>	6,885,000	-	15,000	6,870,000	15,000
Accrued vacation and sick leave	<u>363,643</u>	<u>151,626</u>	<u>183,826</u>	<u>331,443</u>	<u>-</u>
Total	<u>\$10,478,643</u>	<u>\$ 151,626</u>	<u>\$ 1,023,826</u>	<u>\$ 9,606,443</u>	<u>\$ 870,000</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, 2004, \$56,790 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 will be paid with sewer revenues generated from sewer rates.

The 2004 issuance of general obligation bonds is being used to pay for the construction of a new police facility. The construction is expected to be completed by late 2005. At December 31, 2004, unspent proceeds totaling \$5,628,079 remained from the \$7.6 million issuance.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

Annual requirements to pay principal and interest on long-term debt at December 31, 2004 are:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 425,000	\$ 424,422	870,000	435,906
2006	435,000	407,300	900,000	384,981
2007	445,000	388,520	680,000	332,586
2008	435,000	369,535	340,000	307,486
2009	445,000	350,835	350,000	292,611
2010-2014	2,455,000	1,464,200	1,960,000	1,220,979
2015-2019	2,740,000	907,130	2,425,000	745,050
2020-2024	2,430,000	347,850	1,750,000	164,419
Total	<u>\$ 9,810,000</u>	<u>\$ 4,659,792</u>	<u>\$ 9,275,000</u>	<u>\$ 3,884,018</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 were considered to be defeased and the liability was 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, 2004, the bonds have no outstanding balance.

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, 2004

10. Interfund Receivables and Payables:

Interfund balances in the basic financial statements at December 31, 2004 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 215,922	\$ 9,787
Street repair & maintenance	-	48,499
Municipal income tax	-	269,903
Capital improvement	101,694	55,889
Police station construction	55,889	8,270
Non-major governmental funds	-	2,392
Internal service funds	24,385	-
Water	-	1,497
Sewer	-	1,392
Solid waste	-	232
Non-major enterprise funds	-	29
	<u>\$ 397,890</u>	<u>\$ 397,890</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.

11. Interfund Transfers:

Interfund transfers in the basic financial statements for the year ended December 31, 2004 were:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 8,776,170	\$ 667,000
Street repair and maintenance	-	68,500
Municipal income tax	-	10,970,213
Capital improvement	2,601,549	-
Police station construction	-	407,506
Non-major governmental funds	651,100	18,800
Internal service fund	-	70,581
Water	-	37,000
Sewer	-	23,135
Solid waste	180,000	3,500
Non-major enterprise funds	40,000	-
	<u>\$ 12,248,819</u>	<u>\$ 12,266,235</u>
Net book value of internal service and enterprise capital assets transferred to governmental activities		17,416
		<u>\$ 12,248,819</u>

All interfund transfers are routine in nature and are to subsidize the operations of the applicable funds. These transfers are in compliance with Ohio Revised Code sections 5705.14-5705.16 and the City's charter and ordinances.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2004

12. 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>2004</u>	<u>2003</u>
Unpaid claims, beginning of year	\$ 243,994	\$ 255,951
Incurred claims (including IBNRs)	1,630,671	1,047,675
Claim payments	<u>(1,595,020)</u>	<u>(1,059,632)</u>
Unpaid claims, end of year	\$ <u>279,645</u>	\$ <u>243,994</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 twenty municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The City pays an annual premium to MVRMA for this coverage. The agreement provides that the MVRMA will be self-sustaining through member premiums and the purchase of excess and stop-loss insurance. The deductible per occurrence for all types of claims is \$2,500. During 2004, 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)	\$7,000,000 per occurrence
Automobile Liability	\$7,000,000 per occurrence
Public Officials Liability	\$7,000,000 per occurrence
Boiler and Machinery	BLANKET COVERAGE
Property	BLANKET COVERAGE
Flood and Earthquake	\$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, 2004

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 1,521,185	\$ 1,521,185	\$ 1,512,440	\$ (8,745)
Intergovernmental revenues	1,432,200	1,432,200	1,645,968	213,768
Special assessments	202,000	202,000	217,213	15,213
Charges for services	1,332,130	1,332,130	1,157,016	(175,114)
Fines, licenses and permits	226,100	226,100	180,635	(45,465)
Investment income	315,900	315,900	221,176	(94,724)
Miscellaneous receipts and reimbursements	-	-	-	-
	885,320	885,320	873,849	(11,471)
Total revenues	5,914,835	5,914,835	5,808,297	(106,538)
EXPENDITURES:				
Current:				
General government	2,037,717	2,067,017	1,947,032	119,985
Public safety and judicial	9,886,784	9,876,319	9,623,857	252,462
Community environment	1,022,356	1,020,526	988,920	31,606
Parks and recreation	1,273,402	1,280,452	1,247,471	32,981
Capital outlay	30,600	30,600	30,446	154
Total expenditures	14,250,860	14,274,915	13,837,726	437,189
Deficiency of revenues under expenditures	(8,336,025)	(8,360,080)	(8,029,429)	330,651
OTHER FINANCING SOURCES (USES):				
Transfers in	8,780,038	8,780,038	8,780,038	-
Sales of capital assets	18,000	18,000	37,701	19,701
Transfers out	(667,000)	(667,000)	(667,000)	-
Total other financing sources (uses)	8,131,038	8,131,038	8,150,739	19,701
Deficiency of revenues and other financing sources under expenditures and other financing uses	(204,987)	(229,042)	121,310	350,352
Fund Balances, beginning of year	2,959,033	2,959,033	2,959,033	-
Prior Year Encumbrances	211,132	211,132	211,132	-
Fund Balances, end of year	\$ 2,965,178	\$ 2,941,123	\$ 3,291,475	\$ 350,352

**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, 2004**

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Intergovernmental revenues	\$ 964,900	\$ 934,900	\$ 1,005,944	\$ 71,044
Miscellaneous receipts and reimbursements	112,000	112,000	125,822	13,822
Total revenues	<u>1,076,900</u>	<u>1,046,900</u>	<u>1,131,766</u>	<u>84,866</u>
EXPENDITURES:				
Current:				
Transportation	1,195,166	1,209,901	1,151,911	57,990
Total expenditures	<u>1,195,166</u>	<u>1,209,901</u>	<u>1,151,911</u>	<u>57,990</u>
Deficiency of revenues under expenditures	<u>(118,266)</u>	<u>(163,001)</u>	<u>(20,145)</u>	<u>142,856</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(68,500)	(68,500)	(68,500)	-
Sales of capital assets	500	500	403	(97)
Total other financing sources (uses)	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,097)</u>	<u>(97)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(186,266)	(231,001)	(88,242)	142,759
Fund Balances, beginning of year	457,326	457,326	457,326	-
Prior Year Encumbrances	2,033	2,033	2,033	-
Fund Balances, end of year	<u>\$ 273,093</u>	<u>\$ 228,358</u>	<u>\$ 371,117</u>	<u>\$ 142,759</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, 2004

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 11,139,813	\$ 11,139,813	\$ 11,172,960	\$ 33,147
Miscellaneous receipts and reimbursements	75	75	135	60
Total revenues	<u>11,139,888</u>	<u>11,139,888</u>	<u>11,173,095</u>	<u>33,207</u>
EXPENDITURES:				
Current:				
General government	207,847	207,847	198,968	8,879
Total expenditures	<u>207,847</u>	<u>207,847</u>	<u>198,968</u>	<u>8,879</u>
Excess of revenues over expenditures	<u>10,932,041</u>	<u>10,932,041</u>	<u>10,974,127</u>	<u>42,086</u>
OTHER FINANCING USES:				
Transfers out	(10,975,048)	(10,975,048)	(10,975,048)	-
Total other financing uses	<u>(10,975,048)</u>	<u>(10,975,048)</u>	<u>(10,975,048)</u>	<u>-</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(43,007)	(43,007)	(921)	42,086
Fund Balances, beginning of year	917,817	917,817	917,817	-
Prior Year Encumbrances	<u>3,007</u>	<u>3,007</u>	<u>3,007</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 877,817</u>	<u>\$ 877,817</u>	<u>\$ 919,903</u>	<u>\$ 42,086</u>

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2004

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, 2004

- 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, 2004, from the GAAP basis to the budget basis are as follows:

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance - <i>GAAP Basis</i>	\$ 119,433	\$ (78,516)	\$ 583,301
Increase / (decrease):			
Due to revenues	801,559	3,485	(582,311)
Due to expenditures	(819,026)	(13,614)	2,924
Due to other financing sources and uses	<u>19,344</u>	<u>403</u>	<u>(4,835)</u>
Excess/(deficiency) of revenues and other sources over/(under) expenditures and other uses - Budget Basis	<u>\$ 121,310</u>	<u>\$ (88,242)</u>	<u>\$ (921)</u>

**SUPPLEMENTAL
SECTION**

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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:

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

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

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 Shelby Public Transit (formerly Dial-A-Ride) service.

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

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

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

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

CITY OF SIDNEY, OHIO
Fund Descriptions

Parking Meter/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.

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

CITY OF SIDNEY, OHIO
Fund Descriptions

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

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

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 funds:

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

Police Station Construction Fund. To account for the financial resources used for the capital expenditures associated with the construction of the new police facility.

Non-major capital projects fund:

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

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.

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.

CITY OF SIDNEY, OHIO
Fund Descriptions

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, 2004**

	Non-major Special Revenue Funds	Non-major Capital Projects Fund - Special Assessment Construction	Total Non-major Governmental Funds
ASSETS			
Pooled cash and investments	\$ 2,933,613	\$ 16,263	\$ 2,949,876
Cash held by outside agent	40,388	-	40,388
Receivables (net):			
Other taxes	4,432	-	4,432
Interest	11,992	-	11,992
Loans	82,474	-	82,474
Special assessments	-	8,236	8,236
Other	56,393	-	56,393
Receivables from other governments	55,500	-	55,500
Inventory	22,934	-	22,934
Prepaid items	813	-	813
	<u>3,208,539</u>	<u>24,499</u>	<u>3,233,038</u>
Total assets	<u>\$ 3,208,539</u>	<u>\$ 24,499</u>	<u>\$ 3,233,038</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 42,456	\$ -	\$ 42,456
Salaries and benefits payable	36,622	-	36,622
Due to other funds	2,392	-	2,392
Deferred revenue	142,292	8,236	150,528
	<u>223,762</u>	<u>8,236</u>	<u>231,998</u>
Total liabilities	<u>223,762</u>	<u>8,236</u>	<u>231,998</u>
Fund Balances:			
Reserved for:			
Inventory	22,934	-	22,934
Prepaid items	813	-	813
Long-term loans receivable	82,474	-	82,474
Encumbrances	75,059	8,720	83,779
Unreserved	2,803,497	7,543	2,811,040
	<u>2,984,777</u>	<u>16,263</u>	<u>3,001,040</u>
Total fund balances	<u>2,984,777</u>	<u>16,263</u>	<u>3,001,040</u>
Total liabilities and fund balances	<u>\$ 3,208,539</u>	<u>\$ 24,499</u>	<u>\$ 3,233,038</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, 2004

	Non-major Special Revenue Funds	Non-major Capital Projects Fund - Special Assessment Construction	Total Non-major Governmental Funds
REVENUES:			
Local taxes	\$ 64,892	\$ -	\$ 64,892
Intergovernmental revenues	980,323	-	980,323
Special assessments	-	12,121	12,121
Charges for services	181,897	-	181,897
Fines, licenses and permits	75,799	-	75,799
Investment income	28,859	-	28,859
Miscellaneous receipts and reimbursements	45,269	-	45,269
	<u>1,377,039</u>	<u>12,121</u>	<u>1,389,160</u>
Total revenues			
EXPENDITURES:			
Current:			
General government	29,611	-	29,611
Police	214,060	-	214,060
Fire	44,094	-	44,094
Judicial	46,398	-	46,398
Health	189,070	-	189,070
Public transportation	393,795	-	393,795
Street repairs and maintenance	123,222	-	123,222
Community development	122,656	-	122,656
Basic utility services	284,370	-	284,370
Capital outlay	421,487	79,369	500,856
Debt service:			
Principal	20,000	-	20,000
Interest	3,675	-	3,675
	<u>1,892,438</u>	<u>79,369</u>	<u>1,971,807</u>
Total expenditures			
Deficiency of revenues under expenditures	<u>(515,399)</u>	<u>(67,248)</u>	<u>(582,647)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	651,100	-	651,100
Sales of capital assets	4,300	-	4,300
Transfers out	(18,800)	-	(18,800)
	<u>636,600</u>	<u>-</u>	<u>636,600</u>
Total other financing sources (uses)			
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	121,201	(67,248)	53,953
Fund balances, beginning of year	<u>2,863,576</u>	<u>83,511</u>	<u>2,947,087</u>
Fund balances, end of year	<u>\$ 2,984,777</u>	<u>\$ 16,263</u>	<u>\$ 3,001,040</u>

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2004

(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	\$ 20,659	\$ 1	\$ 40,771	\$ 56,996	\$ 156,093	\$ 88,140	\$ 267,131	\$ 6,812	\$ 28,613
Cash held by outside agent	-	40,388	-	-	-	-	-	-	-
Receivables (net):									
Other taxes	-	-	-	-	-	-	-	-	-
Interest	825	-	-	-	-	780	-	-	-
Loans	-	-	-	-	-	-	2,306	50	211
Other	-	-	-	21,719	-	-	82,474	-	-
Receivables from other governments	55,500	-	-	-	-	-	-	-	-
Inventory	-	-	22,934	-	-	-	-	-	-
Prepaid items	-	-	-	438	-	-	-	-	-
Total assets	\$ 76,984	\$ 40,389	\$ 63,705	\$ 79,153	\$ 156,093	\$ 88,920	\$ 351,911	\$ 6,862	\$ 28,824
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 340	\$ 1,884	\$ 803	\$ 28,279	\$ -	\$ 2,955	\$ -
Salaries and benefits payable	-	-	9,241	7,908	15,220	-	-	-	-
Due to other funds	-	-	363	274	1,755	-	-	-	-
Deferred revenue	51,771	40,388	-	20,963	-	682	1,718	44	185
Total liabilities	51,771	40,388	9,944	31,029	17,778	28,961	1,718	2,999	185
Fund Balances:									
Reserved for:									
Inventory	-	-	22,934	-	-	-	-	-	-
Prepaid items	-	-	-	438	-	-	-	-	-
Long-term loans receivable	-	-	-	-	-	-	82,474	-	-
Encumbrances	-	-	593	-	-	62,177	9,641	-	-
Unreserved	25,213	1	30,234	47,686	138,315	(2,218)	258,078	3,863	28,639
Total fund balances	25,213	1	53,761	48,124	138,315	59,959	350,193	3,863	28,639
Total liabilities and fund balances	\$ 76,984	\$ 40,389	\$ 63,705	\$ 79,153	\$ 156,093	\$ 88,920	\$ 351,911	\$ 6,862	\$ 28,824

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2004

(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	\$ 91,615	\$ 5,354	\$ 7,396	\$ 114,033	\$ 32,926	\$ 744,662	\$ 4,359	\$ 68,643	\$ 386
Cash held by outside agent	-	-	-	-	-	-	-	-	-
Receivables (net):									
Other taxes	-	-	4,432	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	3,095	-	-	3,356	3,235	-
Receivables from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Prepaid items	375	-	-	-	-	-	-	-	-
Total assets	\$ 91,990	\$ 5,354	\$ 11,828	\$ 117,128	\$ 32,926	\$ 744,662	\$ 7,715	\$ 71,878	\$ 386
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 18	\$ -	\$ -	\$ 55	\$ -	\$ -	\$ 115	\$ 75	\$ -
Salaries and benefits payable	1,543	2,710	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	3,356	2,961	-
Total liabilities	1,561	2,710	-	55	-	-	3,471	3,036	-
Fund Balances:									
Reserved for:									
Inventory	-	-	-	-	-	-	-	-	-
Prepaid items	375	-	-	-	-	-	-	-	-
Long-term loans receivable	-	-	-	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-	-	-	-
Unreserved	90,054	2,644	11,828	117,073	32,926	744,662	4,244	68,842	386
Total fund balances	90,429	2,644	11,828	117,073	32,926	744,662	4,244	68,842	386
Total liabilities and fund balances	\$ 91,990	\$ 5,354	\$ 11,828	\$ 117,128	\$ 32,926	\$ 744,662	\$ 7,715	\$ 71,878	\$ 386

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2004

	Indigent Driver Alcohol Treatment	Enforcement & Education	OCCJS Grant	Imprest Cash	Fire Loss Security	Capital Investment	Cemetery Maintenance	Mausoleum Maintenance	Non-major Special Revenue Funds Totals
ASSETS									
Pooled cash and investments	\$ 108,014	\$ 21,730	\$ -	\$ 2,300	\$ 7,289	\$ 373,733	\$ 668,037	\$ 17,920	\$ 2,933,613
Cash held by outside agent	-	-	-	-	-	-	-	-	40,388
Receivables (net):									
Other taxes	-	-	-	-	-	-	-	-	4,432
Interest	-	-	-	-	-	2,761	4,927	132	11,992
Loans	-	-	-	-	-	-	-	-	82,474
Other	4,870	342	10,468	-	-	-	7,887	1,421	56,393
Receivables from other governments	-	-	-	-	-	-	-	-	55,500
Inventory	-	-	-	-	-	-	-	-	22,934
Prepaid items	-	-	-	-	-	-	-	-	813
Total assets	\$ 112,884	\$ 22,072	\$ 10,468	\$ 2,300	\$ 7,289	\$ 376,494	\$ 680,851	\$ 19,473	\$ 3,208,539
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	-	-	\$ 7,820	-	\$ -	-	112	-	\$ 42,456
Salaries and benefits payable	-	-	-	-	-	-	-	-	36,622
Due to other funds	-	-	-	-	-	-	-	-	2,392
Deferred revenue	4,393	-	-	-	-	2,417	11,967	1,447	142,292
Total liabilities	4,393	-	7,820	-	-	2,417	12,079	1,447	223,762
Fund Balances:									
Reserved for:									
Inventory	-	-	-	-	-	-	-	-	22,934
Prepaid items	-	-	-	-	-	-	-	-	813
Long-term loans receivable	-	-	-	-	-	-	-	-	82,474
Encumbrances	-	-	2,648	-	-	-	-	-	75,059
Unreserved	108,491	22,072	-	2,300	7,289	374,077	668,772	18,026	2,803,497
Total fund balances	108,491	22,072	2,648	2,300	7,289	374,077	668,772	18,026	2,984,777
Total liabilities and fund balances	\$ 112,884	\$ 22,072	\$ 10,468	\$ 2,300	\$ 7,289	\$ 376,494	\$ 680,851	\$ 19,473	\$ 3,208,539

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, 2004

(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	81,490	98,404	-	-	268,589	-	-	-	-
Charges for services	-	-	-	89,755	77,194	-	-	-	-
Fines, licenses and permits	-	-	-	-	-	-	-	-	-
Investment income	1,243	-	-	-	-	826	7,399	5,743	1,299
Miscellaneous receipts and reimbursements	-	-	-	-	-	-	-	-	-
Total revenues	82,733	98,404	-	89,755	345,783	270,486	7,399	5,743	1,299
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Health	-	-	-	182,397	-	-	-	-	-
Public transportation	-	-	-	-	393,795	-	-	-	-
Street repairs and maintenance	100,000	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	59,380	-	3,276	-
Basic utility services	-	-	214,805	-	-	-	-	-	-
Capital outlay	-	98,404	-	-	4,714	288,977	-	-	283
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	100,000	98,404	214,805	182,397	398,509	348,357	-	3,276	283
Excess (deficiency) of revenues over (under) expenditures	(17,267)	-	(214,805)	(92,642)	(52,726)	(77,871)	7,399	2,467	1,016
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	190,000	85,000	55,000	-	-	-	-
Sales of capital assets	-	-	-	-	4,300	-	-	-	-
Transfers out	-	-	-	-	(8,800)	-	-	-	-
Total other financing sources (uses)	-	-	190,000	85,000	50,500	-	-	-	-
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(17,267)	-	(24,805)	(7,642)	(2,226)	(77,871)	7,399	2,467	1,016
Fund balances, beginning of year	42,480	1	78,566	55,766	140,541	137,830	342,794	1,396	27,623
Fund balances, end of year	\$ 25,213	\$ 1	\$ 53,761	\$ 48,124	\$ 138,315	\$ 59,959	\$ 350,193	\$ 3,863	\$ 28,639

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, 2004

(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	\$ -	\$ -	\$ 64,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	50,096	-	-	63,291	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines, licenses and permits	37,737	-	-	-	-	-	-	12,359	-
Investment income	-	-	-	-	-	-	-	-	-
Miscellaneous receipts and reimbursements	-	-	-	37,137	-	-	8,132	-	-
Total revenues	37,737	50,096	64,892	37,137	63,291	-	8,132	12,359	-
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	29,611	-	-
Police	33,485	-	-	-	-	13,625	-	16,213	-
Fire	-	-	-	-	22,881	11,965	-	-	-
Judicial	-	46,055	-	-	-	-	-	-	-
Health	-	-	-	6,368	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-	-
Street repairs and maintenance	-	-	-	-	-	23,222	-	-	-
Community development	-	-	60,000	-	-	-	-	-	-
Basic utility services	-	-	-	-	-	69,565	-	-	-
Capital outlay	-	-	-	-	29,109	-	-	-	-
Debt service:									
Principal	-	-	-	20,000	-	-	-	-	-
Interest	-	-	-	3,675	-	-	-	-	-
Total expenditures	33,485	46,055	60,000	30,043	51,990	118,377	29,611	16,213	-
Excess (deficiency) of revenues over (under) expenditures	4,252	4,041	4,892	7,094	11,301	(118,377)	(21,479)	(3,854)	-
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	301,100	20,000	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	301,100	20,000	-	-
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	4,252	4,041	4,892	7,094	11,301	182,723	(1,479)	(3,854)	-
Fund balances, beginning of year	86,177	(1,397)	6,936	109,979	21,625	561,939	5,723	72,696	386
Fund balances, end of year	\$ 90,429	\$ 2,644	\$ 11,828	\$ 117,073	\$ 32,926	\$ 744,662	\$ 4,244	\$ 68,842	\$ 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, 2004**

	Indigent Driver Alcohol Treatment	Enforcement & Education	OCJS Grant	Imprest Cash	Fire Loss Security	Capital Investment	Cemetery Maintenance	Mausoleum Maintenance	Non-major Special Revenue Funds Totals
REVENUES:									
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,892
Intergovernmental revenues	-	-	148,793	-	-	-	-	-	980,323
Charges for services	-	-	-	-	-	-	12,001	2,947	181,897
Fines, licenses and permits	15,965	9,738	-	-	-	-	-	-	75,799
Investment income	-	-	-	-	-	4,397	7,747	205	28,859
Miscellaneous receipts and reimbursements	-	-	-	-	-	-	-	-	45,269
Total revenues	15,965	9,738	148,793	-	-	4,397	19,748	3,152	1,377,039
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	-	-	29,611
Police	-	4,590	146,147	-	-	-	-	-	214,060
Fire	-	-	-	-	9,248	-	-	-	44,094
Judicial	343	-	-	-	-	-	-	-	46,398
Health	-	-	-	-	-	-	305	-	189,070
Public transportation	-	-	-	-	-	-	-	-	393,795
Street repairs and maintenance	-	-	-	-	-	-	-	-	123,222
Community development	-	-	-	-	-	-	-	-	122,656
Basic utility services	-	-	-	-	-	-	-	-	284,370
Capital outlay	-	-	-	-	-	-	-	-	421,487
Debt service:									
Principal	-	-	-	-	-	-	-	-	20,000
Interest	-	-	-	-	-	-	-	-	3,675
Total expenditures	343	4,590	146,147	-	9,248	-	305	-	1,892,438
Excess (deficiency) of revenues over (under) expenditures	15,622	5,148	2,646	-	(9,248)	4,397	19,443	3,152	(515,399)
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	-	-	-	651,100
Sales of capital assets	-	-	-	-	-	-	-	-	4,300
Transfers out	-	-	-	-	-	-	(10,000)	-	(18,800)
Total other financing sources (uses)	-	-	-	-	-	-	(10,000)	-	636,600
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	15,622	5,148	2,646	-	(9,248)	4,397	9,443	3,152	121,201
Fund balances, beginning of year	92,869	16,924	2	2,300	16,537	369,680	659,329	14,874	2,863,576
Fund balances, end of year	\$ 108,491	\$ 22,072	\$ 2,648	\$ 2,300	\$ 7,289	\$ 374,077	\$ 668,772	\$ 18,026	\$ 2,984,777

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2004**

	<u>Airport</u>	<u>Swimming Pool</u>	<u>Non-major Enterprise Funds Totals</u>
ASSETS			
Current assets:			
Pooled cash and investments	\$ 239,064	\$ 20,790	\$ 259,854
Receivables (net):			
Accounts	2,254	-	2,254
Other	10,595	-	10,595
Inventory	17,225	-	17,225
Prepaid items	<u>2,445</u>	<u>-</u>	<u>2,445</u>
Total current assets	<u>271,583</u>	<u>20,790</u>	<u>292,373</u>
Noncurrent assets:			
Capital assets:			
Capital assets not subject to depreciation:			
Land	309,265	-	309,265
Construction in progress	96,200	126,913	223,113
Capital assets net of accumulated depreciation	<u>884,844</u>	<u>963,112</u>	<u>1,847,956</u>
Total noncurrent assets	<u>1,290,309</u>	<u>1,090,025</u>	<u>2,380,334</u>
Total assets	<u>\$ 1,561,892</u>	<u>\$ 1,110,815</u>	<u>\$ 2,672,707</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 207,443	\$ 755	\$ 208,198
Salaries and benefits payable	11,076	579	11,655
Due to other funds	29	-	29
Deferred revenue	<u>2,983</u>	<u>-</u>	<u>2,983</u>
Total current liabilities	<u>221,531</u>	<u>1,334</u>	<u>222,865</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,290,309	1,090,025	2,380,334
Unrestricted	<u>50,052</u>	<u>19,456</u>	<u>69,508</u>
Total net assets	<u>1,340,361</u>	<u>1,109,481</u>	<u>2,449,842</u>
Total liabilities and net assets	<u>\$ 1,561,892</u>	<u>\$ 1,110,815</u>	<u>\$ 2,672,707</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, 2004

	Airport	Swimming Pool	Non-major Enterprise Funds Totals
OPERATING REVENUES:			
Charges for services	\$ 216,079	\$ 51,041	\$ 267,120
Other revenue	<u>2,789</u>	<u>105</u>	<u>2,894</u>
Total operating revenues	<u>218,868</u>	<u>51,146</u>	<u>270,014</u>
OPERATING EXPENSES:			
Personal services	33,860	62,814	96,674
Operations and maintenance	260,756	28,229	288,985
Depreciation	<u>33,157</u>	<u>29,717</u>	<u>62,874</u>
Total operating expenses	<u>327,773</u>	<u>120,760</u>	<u>448,533</u>
Operating loss	<u>(108,905)</u>	<u>(69,614)</u>	<u>(178,519)</u>
NONOPERATING REVENUE:			
Intergovernmental	<u>278,289</u>	<u>-</u>	<u>278,289</u>
Total nonoperating revenue	<u>278,289</u>	<u>-</u>	<u>278,289</u>
Income (loss) before contributions and transfers	<u>169,384</u>	<u>(69,614)</u>	<u>99,770</u>
Capital contributions	7,357	122,913	130,270
Transfers in	<u>-</u>	<u>40,000</u>	<u>40,000</u>
Change in net assets	176,741	93,299	270,040
Net assets, beginning of year	<u>1,163,620</u>	<u>1,016,182</u>	<u>2,179,802</u>
Net assets, end of year	<u>\$ 1,340,361</u>	<u>\$ 1,109,481</u>	<u>\$ 2,449,842</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Airport	Swimming Pool	Non-major Enterprise Funds Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 220,638	\$ 51,146	\$ 271,784
Payments to suppliers	(267,533)	(27,936)	(295,469)
Payments to employees	(22,784)	(62,773)	(85,557)
Payments for interfund services used	(2,136)	-	(2,136)
Net cash used by operating activities	<u>(71,815)</u>	<u>(39,563)</u>	<u>(111,378)</u>
Cash flows from noncapital financing activities:			
Transfers in	-	40,000	40,000
Intergovernmental	278,289	-	278,289
Net cash provided by noncapital financing activities	<u>278,289</u>	<u>40,000</u>	<u>318,289</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(31,474)	-	(31,474)
Net cash used by capital and related financing activities	<u>(31,474)</u>	<u>-</u>	<u>(31,474)</u>
Net increase in pooled cash and investments	175,000	437	175,437
Pooled cash and cash equivalents, beginning of year	64,064	20,353	84,417
Pooled cash and cash equivalents, end of year	<u>\$ 239,064</u>	<u>\$ 20,790</u>	<u>\$ 259,854</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (108,905)	\$ (69,614)	\$ (178,519)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	33,157	29,717	62,874
Change in assets and liabilities:			
Accounts receivable	6,130	-	6,130
Other receivables	(4,360)	-	(4,360)
Inventory	318	-	318
Prepaid items	(221)	-	(221)
Accounts payable	(8,024)	293	(7,731)
Salaries and benefits payable	11,076	41	11,117
Due to other funds	(986)	-	(986)
Net cash used by operating activities	<u>\$ (71,815)</u>	<u>\$ (39,563)</u>	<u>\$ (111,378)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets from governmental funds	<u>\$ 7,357</u>	<u>\$ 122,913</u>	<u>\$ 130,270</u>

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 2004**

	Service Center	Technology	Self- Insurance	Internal Service Totals
ASSETS				
Current assets:				
Pooled cash and investments	\$ 31,470	\$ 47,072	\$ 252,831	\$ 331,373
Receivables (net):				
Interest	-	-	2,024	2,024
Other	-	-	11,477	11,477
Inventory	49,934	2,474	-	52,408
Due from other funds	24,385	-	-	24,385
Prepaid items	8,826	9,029	13,500	31,355
	<u>114,615</u>	<u>58,575</u>	<u>279,832</u>	<u>453,022</u>
Total current assets				
Noncurrent assets:				
Capital assets, net of accumulated depreciation	524,463	32,375	-	556,838
	<u>524,463</u>	<u>32,375</u>	<u>-</u>	<u>556,838</u>
Total noncurrent assets				
	<u>524,463</u>	<u>32,375</u>	<u>-</u>	<u>556,838</u>
Total assets	<u>\$ 639,078</u>	<u>\$ 90,950</u>	<u>\$ 279,832</u>	<u>\$ 1,009,860</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 43,512	\$ 6,765	\$ 279,645	\$ 329,922
Salaries and benefits payable	14,011	6,268	-	20,279
	<u>57,523</u>	<u>13,033</u>	<u>279,645</u>	<u>350,201</u>
Total current liabilities				
Noncurrent liabilities:				
Compensated absences	53,811	2,979	-	56,790
	<u>53,811</u>	<u>2,979</u>	<u>-</u>	<u>56,790</u>
Total noncurrent liabilities				
	<u>53,811</u>	<u>2,979</u>	<u>-</u>	<u>56,790</u>
Total liabilities	<u>111,334</u>	<u>16,012</u>	<u>279,645</u>	<u>406,991</u>
NET ASSETS				
Invested in capital assets, net of related debt	524,463	32,375	-	556,838
Unrestricted	3,281	42,563	187	46,031
	<u>527,744</u>	<u>74,938</u>	<u>187</u>	<u>602,869</u>
Total net assets				
	<u>527,744</u>	<u>74,938</u>	<u>187</u>	<u>602,869</u>
Total liabilities and net assets	<u>\$ 639,078</u>	<u>\$ 90,950</u>	<u>\$ 279,832</u>	<u>\$ 1,009,860</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, 2004

	Service Center	Technology	Self- Insurance	Internal Service Totals
OPERATING REVENUES:				
Charges for services	\$ 550,504	\$ 286,387	\$ 2,195,644	\$ 3,032,535
Other revenue	844	343	102,755	103,942
Total operating revenues	<u>551,348</u>	<u>286,730</u>	<u>2,298,399</u>	<u>3,136,477</u>
OPERATING EXPENSES:				
Personal services	257,976	119,194	-	377,170
Operations and maintenance	384,253	158,308	2,358,147	2,900,708
Depreciation	36,298	13,246	-	49,544
Total operating expenses	<u>678,527</u>	<u>290,748</u>	<u>2,358,147</u>	<u>3,327,422</u>
Operating loss	<u>(127,179)</u>	<u>(4,018)</u>	<u>(59,748)</u>	<u>(190,945)</u>
NONOPERATING REVENUES:				
Investment income	-	-	4,846	4,846
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>4,846</u>	<u>4,846</u>
Loss before capital contributions and transfers	(127,179)	(4,018)	(54,902)	(186,099)
Capital contributions	20,117	-	-	20,117
Transfers out	(36,281)	(34,300)	-	(70,581)
	<u>(16,164)</u>	<u>(34,300)</u>	<u>-</u>	<u>(50,464)</u>
Change in net assets	(143,343)	(38,318)	(54,902)	(236,563)
Net assets, beginning of year	<u>671,087</u>	<u>113,256</u>	<u>55,089</u>	<u>839,432</u>
Net assets, end of year	<u>\$ 527,744</u>	<u>\$ 74,938</u>	<u>\$ 187</u>	<u>\$ 602,869</u>

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Service Center</u>	<u>Technology</u>	<u>Self- Insurance</u>	<u>Internal Service Totals</u>
Cash flows from operating activities:				
Receipts from customers and users	\$ 25,752	\$ -	\$ 102,755	\$ 128,507
Receipts from interfund services	521,941	286,730	2,296,250	3,104,921
Payments to suppliers	(314,853)	(157,085)	(2,323,570)	(2,795,508)
Payments to employees	(269,715)	(117,380)	-	(387,095)
Payments for interfund services used	<u>(48,053)</u>	<u>(3)</u>	<u>-</u>	<u>(48,056)</u>
Net cash provided (used) by operating activities	<u>(84,928)</u>	<u>12,262</u>	<u>75,435</u>	<u>2,769</u>
Cash flows from noncapital financing activities:				
Transfers out	<u>(27,000)</u>	<u>(34,300)</u>	<u>-</u>	<u>(61,300)</u>
Net cash used by noncapital financing activities	<u>(27,000)</u>	<u>(34,300)</u>	<u>-</u>	<u>(61,300)</u>
Cash flows from investing activities:				
Interest on investments	-	-	6,111	6,111
Net unrealized gain on investments	<u>-</u>	<u>-</u>	<u>(2,066)</u>	<u>(2,066)</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>4,045</u>	<u>4,045</u>
Net increase (decrease) in pooled cash and investments	(111,928)	(22,038)	79,480	(54,486)
Pooled cash and investments, beginning of year	<u>143,398</u>	<u>69,110</u>	<u>173,351</u>	<u>385,859</u>
Pooled cash and investments, end of year	<u>\$ 31,470</u>	<u>\$ 47,072</u>	<u>\$ 252,831</u>	<u>\$ 331,373</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	\$ (127,179)	\$ (4,018)	\$ (59,748)	\$ (190,945)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	36,298	13,246	-	49,544
Change in assets and liabilities:				
Other receivables	-	-	100,606	100,606
Due from other funds	(3,654)	-	-	(3,654)
Prepaid items	1,141	(4,570)	(1,074)	(4,503)
Inventory	(14,420)	3,178	-	(11,242)
Accounts payable	34,625	2,612	35,651	72,888
Salaries and benefits payable and compensated absences	<u>(11,739)</u>	<u>1,814</u>	<u>-</u>	<u>(9,925)</u>
Net cash provided (used) by operating activities	<u>\$ (84,928)</u>	<u>\$ 12,262</u>	<u>\$ 75,435</u>	<u>\$ 2,769</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets from government	<u>\$ 20,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,117</u>

**CITY OF SIDNEY, OHIO
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 DECEMBER 31, 2004**

	<u>Municipal Court</u>	<u>Medical Reimbursement</u>	<u>Port Jefferson</u>	<u>Agency Funds Totals</u>
ASSETS				
Pooled cash and investments	\$ -	\$ 13,394	\$ 1,057	\$ 14,451
Municipal Court checking account	100,944	-	-	100,944
Accounts receivable	<u>-</u>	<u>-</u>	<u>5,781</u>	<u>5,781</u>
Total assets	<u>\$ 100,944</u>	<u>\$ 13,394</u>	<u>\$ 6,838</u>	<u>\$ 121,176</u>
LIABILITIES				
Due to employees	\$ -	\$ 5,804	\$ -	\$ 5,804
Due to other governments	75,369	-	6,838	82,207
Undistributed monies	<u>25,575</u>	<u>7,590</u>	<u>-</u>	<u>33,165</u>
Total liabilities	<u>\$ 100,944</u>	<u>\$ 13,394</u>	<u>\$ 6,838</u>	<u>\$ 121,176</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Balance at January 1, 2004	Additions	Deductions	Balance at December 31, 2004
<u>Municipal Court Fund</u>				
ASSETS				
Municipal Court checking account	\$ 105,817	\$ 1,725,962	\$ 1,730,835	\$ 100,944
LIABILITIES				
Due to other governments	\$ 72,304	1,021,506	1,018,441	\$ 75,369
Undistributed monies	33,513	704,456	712,394	25,575
Total liabilities	\$ 105,817	\$ 1,725,962	\$ 1,730,835	\$ 100,944
<u>Medical Reimbursement Fund</u>				
ASSETS				
Pooled cash and investments	\$ 7,136	\$ 70,186	\$ 63,928	\$ 13,394
LIABILITIES				
Due to employees	\$ 1,925	\$ 67,807	\$ 63,928	\$ 5,804
Undistributed monies	5,211	2,379	-	7,590
Total liabilities	\$ 7,136	\$ 70,186	\$ 63,928	\$ 13,394
<u>Port Jefferson Fund</u>				
ASSETS				
Pooled cash and investments	\$ 271	\$ 60,148	\$ 59,362	\$ 1,057
Accounts receivable	5,181	57,730	57,130	5,781
Due from other funds	1,829	1,188	3,017	-
	\$ 7,281	\$ 119,066	\$ 119,509	\$ 6,838
LIABILITIES				
Due to other governments	\$ 7,281	\$ 119,066	\$ 119,509	\$ 6,838

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, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 1,521,185	\$ 1,512,440	\$ (8,745)
Intergovernmental revenues	1,432,200	1,645,968	213,768
Special assessments	202,000	217,213	15,213
Charges for services	1,332,130	1,157,016	(175,114)
Fines, licenses and permits	226,100	180,635	(45,465)
Investment income	315,900	221,176	(94,724)
Miscellaneous receipts and reimbursements	885,320	873,849	(11,471)
Total revenues	<u>5,914,835</u>	<u>5,808,297</u>	<u>(106,538)</u>
EXPENDITURES:			
Current:			
General government			
City Council			
Personal services	76,305	76,241	64
Contractual, materials and other	163,562	150,281	13,281
City Administration			
Personal services	263,610	263,395	215
Contractual, materials and other	25,623	23,549	2,074
Finance			
Personal services	358,040	338,463	19,577
Contractual, materials and other	95,760	92,138	3,622
Law Director			
Personal services	65,450	65,336	114
Contractual, materials and other	34,577	26,845	7,732
Personnel			
Personal services	69,180	69,126	54
Contractual, materials and other	111,826	76,010	35,816
Purchasing			
Personal services	93,800	93,659	141
Contractual, materials and other	33,298	31,578	1,720
City Hall			
Personal services	48,640	44,818	3,822
Contractual, materials and other	204,267	181,727	22,540
Miscellaneous			
Contractual, materials and other	423,079	413,866	9,213
Total general government	<u>2,067,017</u>	<u>1,947,032</u>	<u>119,985</u>
Public safety and judicial			
Police Services			
Personal services	4,043,985	3,983,128	60,857
Contractual, materials and other	718,082	624,526	93,556
Fire Services			
Personal services	3,165,540	3,134,904	30,636
Contractual, materials and other	462,794	434,885	27,909

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, 2004

(continued)

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
Municipal Court			
Personal services	774,070	772,132	1,938
Contractual, materials and other	293,320	269,374	23,946
Prosecutor			
Personal services	143,955	140,115	3,840
Contractual, materials and other	63,415	60,983	2,432
Street Lighting Department			
Contractual, materials and other	221,158	213,810	7,348
Total public safety	<u>9,886,319</u>	<u>9,633,857</u>	<u>252,462</u>
Community environment			
Building Inspection			
Personal services	95,310	94,646	664
Contractual, materials and other	17,713	11,036	6,677
Engineering			
Personal services	515,230	512,974	2,256
Contractual, materials and other	81,439	70,179	11,260
Community Planning & Development			
Personal services	73,035	72,719	316
Contractual, materials and other	36,400	33,608	2,792
Public Works			
Personal services	101,935	99,937	1,998
Contractual, materials and other	12,247	10,559	1,688
Code Enforcement			
Personal services	81,100	78,590	2,510
Contractual, materials and other	14,117	12,666	1,451
Total community environment	<u>1,028,526</u>	<u>996,914</u>	<u>31,612</u>
Parks and recreation			
Parks & Recreation - Administration			
Personal services	141,060	140,153	907
Contractual, materials and other	20,802	20,155	647
Parks & Recreation - Programs			
Personal services	75,465	73,664	1,801
Contractual, materials and other	53,607	50,656	2,951
Parks & Public Grounds			
Personal services	661,375	644,084	17,291
Contractual, materials and other	247,559	239,099	8,460
Urban Forest			
Contractual, materials and other	58,435	58,320	115
Senior Center			
Contractual, materials and other	34,749	33,792	957
Total parks and recreation	<u>1,293,052</u>	<u>1,259,923</u>	<u>33,129</u>
Total expenditures	<u>14,274,914</u>	<u>13,837,726</u>	<u>437,188</u>

CITY OF SIDNEY, OHIO

(continued)

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, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
(Deficiency) of revenues over/(under) expenditures	<u>(8,360,079)</u>	<u>(8,029,429)</u>	<u>330,650</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	8,780,038	8,780,038	-
Sales of capital assets	18,000	37,701	19,701
Transfers out	<u>(667,000)</u>	<u>(667,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>8,131,038</u>	<u>8,150,739</u>	<u>19,701</u>
Excess (deficiency) of revenues and other financing sources over/ (under) expenditures and other financing uses	<u>(229,041)</u>	<u>121,310</u>	<u>350,351</u>
Fund Balances, beginning of year	2,959,033	2,959,033	-
Prior Year Encumbrances	<u>211,132</u>	<u>211,132</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 2,941,124</u>	<u>\$ 3,291,475</u>	<u>\$ 350,351</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, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 934,900	\$ 1,005,944	\$ 71,044
Miscellaneous receipts and reimbursements	112,000	125,822	13,822
Total revenues	<u>1,046,900</u>	<u>1,131,766</u>	<u>84,866</u>
EXPENDITURES:			
Current:			
Transportation			
Personal services	720,630	694,592	26,038
Contractual, materials and other	489,271	457,319	31,952
Total expenditures	<u>1,209,901</u>	<u>1,151,911</u>	<u>57,990</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(163,001)</u>	<u>(20,145)</u>	<u>142,856</u>
OTHER FINANCING SOURCES:			
Transfers out	(68,500)	(68,500)	-
Sale of assets	500	403	(97)
Total other financing sources	<u>(68,000)</u>	<u>(68,097)</u>	<u>(97)</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>(231,001)</u>	<u>(88,242)</u>	<u>142,759</u>
Fund Balances, beginning of year	457,326	457,326	-
Prior Year Encumbrances	2,033	2,033	-
Fund Balances, end of year	<u>\$ 228,358</u>	<u>\$ 371,117</u>	<u>\$ 142,759</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, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 11,139,813	\$ 11,172,960	\$ 33,147
Miscellaneous receipts and reimbursements	75	135	60
Total revenues	11,139,888	11,173,095	33,207
EXPENDITURES:			
Current:			
General government			
Personal services	177,465	175,204	2,261
Contractual, materials and other	30,382	23,764	6,618
Total expenditures	207,847	198,968	8,879
Excess (deficiency) of revenues over/ (under) expenditures	10,932,041	10,974,127	42,086
OTHER FINANCING USES:			
Transfers out	(10,975,048)	(10,975,048)	-
Total other financing uses	(10,975,048)	(10,975,048)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(43,007)	(921)	42,086
Fund Balances, beginning of year	917,817	917,817	-
Prior Year Encumbrances	3,007	3,007	-
Fund Balances, end of year	\$ 877,817	\$ 919,903	\$ 42,086

CITY OF SIDNEY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 AT LEGAL LEVEL OF BUDGETARY CONTROL
 STATE HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 75,800	\$ 81,563	\$ 5,763
Investment income	-	1,354	1,354
Total revenues	<u>75,800</u>	<u>82,917</u>	<u>7,117</u>
EXPENDITURES:			
Current:			
Transportation			
Contractual, materials and other	<u>100,000</u>	<u>100,000</u>	-
Total expenditures	<u>100,000</u>	<u>100,000</u>	-
Excess (deficiency) of revenues over/ (under) expenditures	(24,200)	(17,083)	7,117
Fund Balances, beginning of year	37,955	37,955	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 13,755</u>	<u>\$ 20,872</u>	<u>\$ 7,117</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 AT LEGAL LEVEL OF BUDGETARY CONTROL
 COUNTY AUTO LICENSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 110,000	\$ 98,404	\$ (11,596)
EXPENDITURES:			
Contractual, materials and other			
	<u>110,000</u>	<u>98,404</u>	<u>11,596</u>
Total expenditures	<u>110,000</u>	<u>98,404</u>	<u>11,596</u>
Excess (deficiency) of revenues over/ (under) expenditures	-	-	-
Fund Balances, beginning of year	1	1	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
STORMWATER MANAGEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ -	\$ -	\$ -
EXPENDITURES:			
Current:			
Basic utility services			
Personal services	173,560	171,089	2,471
Contractual, materials and other	46,049	41,780	4,269
Total expenditures	<u>219,609</u>	<u>212,869</u>	<u>6,740</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(219,609)</u>	<u>(212,869)</u>	<u>(6,740)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Total other financing sources	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>(29,609)</u>	<u>(22,869)</u>	<u>(6,740)</u>
Fund Balances, beginning of year	60,773	60,773	-
Prior Year Encumbrances	869	869	-
Fund Balances, end of year	<u>\$ 32,033</u>	<u>\$ 38,773</u>	<u>\$ (6,740)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CAPITAL INVESTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 10,000	\$ 8,788	\$ (1,212)
EXPENDITURES			
	-	-	-
Excess (deficiency) of revenues over/ (under) expenditures	<u>10,000</u>	<u>8,788</u>	<u>(1,212)</u>
Fund Balances, beginning of year	367,632	367,632	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 377,632</u>	<u>\$ 376,420</u>	<u>\$ (1,212)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 153,000	\$ 84,803	\$ (68,197)
Miscellaneous receipts and reimbursements	3,500	4,540	1,040
Total revenues	<u>156,500</u>	<u>89,343</u>	<u>(67,157)</u>
EXPENDITURES:			
Current:			
Health			
Personal services	160,890	159,483	1,407
Contractual, materials and other	27,994	26,264	1,730
Total expenditures	<u>188,884</u>	<u>185,747</u>	<u>3,137</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(32,384)</u>	<u>(96,404)</u>	<u>(64,020)</u>
OTHER FINANCING SOURCES:			
Transfers in	85,000	85,000	-
Total other financing sources	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	52,616	(11,404)	(64,020)
Fund Balances, beginning of year	68,140	68,140	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 120,756</u>	<u>\$ 56,736</u>	<u>\$ (64,020)</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
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 205,320	\$ 208,498	\$ 3,178
Charges for services	73,000	137,285	64,285
Total revenues	<u>278,320</u>	<u>345,783</u>	<u>67,463</u>
EXPENDITURES:			
Current:			
Transportation			
Personal services	298,085	288,619	9,466
Contractual, materials and other	127,249	117,209	10,040
Total expenditures	<u>425,334</u>	<u>405,828</u>	<u>19,506</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(147,014)</u>	<u>(60,045)</u>	<u>86,969</u>
OTHER FINANCING SOURCES:			
Transfers in	55,000	55,000	-
Sales of assets	-	4,300	4,300
Total other financing sources	<u>55,000</u>	<u>59,300</u>	<u>4,300</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>(92,014)</u>	<u>(745)</u>	<u>91,269</u>
Fund Balances, beginning of year	156,552	156,552	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 64,538</u>	<u>\$ 155,807</u>	<u>\$ 91,269</u>

CITY OF SIDNEY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 AT LEGAL LEVEL OF BUDGETARY CONTROL
 C.D.B.G. FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 453,000	\$ 269,660	\$ (183,340)
Investment income	6,000	2,292	(3,708)
Total revenues	<u>459,000</u>	<u>271,952</u>	<u>(187,048)</u>
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	<u>506,000</u>	<u>432,387</u>	<u>73,613</u>
Total expenditures	<u>506,000</u>	<u>432,387</u>	<u>73,613</u>
Excess (deficiency) of revenues over/ (under) expenditures	(47,000)	(160,435)	(113,435)
Fund Balances, beginning of year	68,909	68,909	-
Prior Year Encumbrances	90,106	90,106	-
Fund Balances, end of year	<u>\$ 112,015</u>	<u>\$ (1,420)</u>	<u>\$ (113,435)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 AT LEGAL LEVEL OF BUDGETARY CONTROL
 C.D.B.G. REVOLVING LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 24,680	\$ 23,211	\$ (1,469)
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	<u>209,651</u>	<u>9,641</u>	<u>200,010</u>
Total expenditures	<u>209,651</u>	<u>9,641</u>	<u>200,010</u>
Excess (deficiency) of revenues over/ (under) expenditures	(184,971)	13,570	198,541
Fund Balances, beginning of year	236,138	236,138	-
Prior Year Encumbrances	9,641	9,641	-
Fund Balances, end of year	<u>\$ 60,808</u>	<u>\$ 259,349</u>	<u>\$ 198,541</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
C.D.B.G. PROGRAM INCOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ -	\$ 5,768	\$ 5,768
EXPENDITURES	<u>500</u>	<u>320</u>	<u>180</u>
Excess (deficiency) of revenues over/ (under) expenditures	(500)	5,448	5,948
Fund Balances, beginning of year	1,395	1,395	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 895</u>	<u>\$ 6,843</u>	<u>\$ 5,948</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
H.O.M.E. PROGRAM INCOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 6,600	\$ 1,507	\$ (5,093)
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	<u>36,814</u>	<u>6,097</u>	<u>30,717</u>
Total expenditures	<u>36,814</u>	<u>6,097</u>	<u>30,717</u>
Excess (deficiency) of revenues over/ (under) expenditures	(30,214)	(4,590)	25,624
Fund Balances, beginning of year	24,785	24,785	-
Prior Year Encumbrances	5,814	5,814	-
Fund Balances, end of year	<u>\$ 385</u>	<u>\$ 26,009</u>	<u>\$ 25,624</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
PARKING METER AND OFF-STREET PARKING FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 38,000	\$ 37,737	\$ (263)
EXPENDITURES:			
Current:			
Public safety and judicial			
Personal services	26,200	23,562	2,638
Contractual, materials and other	11,163	9,867	1,296
Total expenditures	<u>37,363</u>	<u>33,429</u>	<u>3,934</u>
Excess (deficiency) of revenues over/ (under) expenditures	637	4,308	3,671
Fund Balances, beginning of year	86,861	86,861	-
Prior Year Encumbrances	446	446	-
Fund Balances, end of year	<u>\$ 87,944</u>	<u>\$ 91,615</u>	<u>\$ 3,671</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
PROBATION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 49,800	\$ 50,096	\$ 296
EXPENDITURES:			
Current:			
Public safety and judicial			
Personal services	45,455	45,017	438
Contractual, materials and other	5,240	754	4,486
Total expenditures	<u>50,695</u>	<u>45,771</u>	<u>4,924</u>
Excess (deficiency) of revenues over/ (under) expenditures	(895)	4,325	5,220
Fund Balances, beginning of year	1,029	1,029	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 134</u>	<u>\$ 5,354</u>	<u>\$ 5,220</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CONVENTION AND VISITORS' BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Local taxes	\$ 62,487	\$ 64,188	\$ 1,701
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	60,000	60,000	-
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	2,487	4,188	1,701
Fund Balances, beginning of year	3,208	3,208	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 5,695</u>	<u>\$ 7,396</u>	<u>\$ 1,701</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
HEALTH DEPARTMENT BUILDING LEASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 37,140	\$ 34,042	\$ (3,098)
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	30,967	30,043	924
Total expenditures	<u>30,967</u>	<u>30,043</u>	<u>924</u>
Excess (deficiency) of revenues over/ (under) expenditures	6,173	3,999	(2,174)
Fund Balances, beginning of year	109,852	109,852	-
Prior Year Encumbrances	127	127	-
Fund Balances, end of year	<u>\$ 116,152</u>	<u>\$ 113,978</u>	<u>\$ (2,174)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
FEMA GRANT
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ -	\$ 63,291	\$ 63,291
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	98,511	60,892	37,619
Excess (deficiency) of revenues over/ (under) expenditures	(98,511)	2,399	100,910
Fund Balances, beginning of year	8,927	8,927	-
Prior Year Encumbrances	21,601	21,601	-
Fund Balances, end of year	<u>\$ (67,983)</u>	<u>\$ 32,927</u>	<u>\$ 100,910</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
SEPARATION PAYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES:			
Current:			
General government			
Personal services	180,515	118,377	62,138
Total expenditures	<u>180,515</u>	<u>118,377</u>	<u>62,138</u>
Excess (deficiency) of revenues over/ (under) expenditures	(180,515)	(118,377)	62,138
OTHER FINANCING SOURCES:			
Transfers in	<u>301,100</u>	<u>301,100</u>	<u>-</u>
Total Other Financing Sources	<u>301,100</u>	<u>301,100</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	120,585	182,723	62,138
Fund Balances, beginning of year	561,939	561,939	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 682,524</u>	<u>\$ 744,662</u>	<u>\$ 62,138</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 10,000	\$ 8,701	\$ (1,299)
EXPENDITURES:			
Current:			
General government			
Contractual, materials and other	32,095	29,496	2,599
Total expenditures	<u>32,095</u>	<u>29,496</u>	<u>2,599</u>
Excess (deficiency) of revenues over/ (under) expenditures	(22,095)	(20,795)	1,300
OTHER FINANCING SOURCES:			
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(2,095)	(795)	1,300
Fund Balances, beginning of year	5,058	5,058	-
Prior Year Encumbrances	95	95	-
Fund Balances, end of year	<u>\$ 3,058</u>	<u>\$ 4,358</u>	<u>\$ 1,300</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 20,000	\$ 13,725	\$ (6,275)
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	65,000	3,799	61,201
Total expenditures	<u>65,000</u>	<u>3,799</u>	<u>61,201</u>
Excess (deficiency) of revenues over/ (under) expenditures	(45,000)	9,926	54,926
Fund Balances, beginning of year	58,717	58,717	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 13,717</u>	<u>\$ 68,643</u>	<u>\$ 54,926</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	385	-	385
Total Expenditures	<u>385</u>	<u>-</u>	<u>385</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(385)</u>	<u>-</u>	<u>385</u>
Fund Balances, beginning of year	386	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
AT LEGAL LEVEL OF BUDGETARY CONTROL
INDIGENT DRIVER ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 15,000	\$ 16,153	\$ 1,153
EXPENDITURES:			
Current:			
Public safety			
Contractual, materials and other	25,000	12,881	12,119
Total expenditures	<u>25,000</u>	<u>12,881</u>	<u>12,119</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(10,000)	3,272	13,272
Fund Balances, beginning of year	104,742	104,742	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 94,742</u>	<u>\$ 108,014</u>	<u>\$ 13,272</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
ENFORCEMENT & EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 4,750	\$ 9,892	\$ 5,142
EXPENDITURES:			
Current:			
Public safety and judicial			
Personal services	11,434	4,440	6,994
Contractual, materials and other	3,000	149	2,851
Total expenditures	<u>14,434</u>	<u>4,589</u>	<u>9,845</u>
Excess (deficiency) of revenues over/ (under) expenditures	(9,684)	5,303	14,987
Fund Balances, beginning of year	16,428	16,428	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 6,744</u>	<u>\$ 21,731</u>	<u>\$ 14,987</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
OCJS GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 148,795	\$ 138,326	\$ (10,469)
EXPENDITURES:			
Current:			
General government			
Contractual, materials and other	148,797	148,797	-
Total expenditures	<u>148,797</u>	<u>148,797</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	(2)	(10,471)	(10,469)
Fund Balances, beginning of year	1	1	-
Prior Year Encumbrances	1	1	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ (10,469)</u>	<u>\$ (10,469)</u>

CITY OF SIDNEY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 AT LEGAL LEVEL OF BUDGETARY CONTROL
 IMPREST CASH FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
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
 AT LEGAL LEVEL OF BUDGETARY CONTROL
 FIRE LOSS SECURITY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

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

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CEMETERY MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 10,000	\$ 11,893	\$ 1,893
Investment income	17,000	15,587	(1,413)
Total revenues	<u>27,000</u>	<u>27,480</u>	<u>480</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	350	304	46
Total expenditures	<u>350</u>	<u>304</u>	<u>46</u>
Excess (deficiency) of revenues over/ (under) expenditures	26,650	27,176	526
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	16,650	17,176	526
Fund Balances, beginning of year	655,661	655,661	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 672,311</u>	<u>\$ 672,837</u>	<u>\$ 526</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
MAUSOLEUM MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 2,000	\$ 2,879	\$ 879
Investment income	440	382	(58)
Total revenues	<u>2,440</u>	<u>3,261</u>	<u>821</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	2,440	3,261	821
Fund Balances, beginning of year	14,778	14,778	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 17,218</u>	<u>\$ 18,039</u>	<u>\$ 821</u>

City of Sidney



Ohio

CITY OF SIDNEY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 AT LEGAL LEVEL OF BUDGETARY CONTROL
 CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 83,700	\$ 255,288	\$ 171,588
Miscellaneous receipts and reimbursements	-	841,179	841,179
Total revenues	<u>83,700</u>	<u>1,096,467</u>	<u>1,012,767</u>
EXPENDITURES:			
Contractual, materials and other	<u>3,634,615</u>	<u>2,984,268</u>	<u>650,347</u>
Total expenditures	<u>3,634,615</u>	<u>2,984,268</u>	<u>650,347</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(3,550,915)</u>	<u>(1,887,801)</u>	<u>1,663,114</u>
OTHER FINANCING SOURCES:			
Proceeds from Bond Issue	-	8,270	8,270
Transfers in	<u>2,195,010</u>	<u>2,195,010</u>	<u>-</u>
Total other financing sources	<u>2,195,010</u>	<u>2,203,280</u>	<u>8,270</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>(1,355,905)</u>	<u>315,479</u>	<u>1,671,384</u>
Fund Balances, beginning of year	376,598	376,598	-
Prior Year Encumbrances	<u>1,078,468</u>	<u>1,078,468</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 99,161</u>	<u>\$ 1,770,545</u>	<u>\$ 1,671,384</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Special assessments	\$ 59,000	\$ 12,121	\$ (46,879)
Total revenues	<u>59,000</u>	<u>12,121</u>	<u>(46,879)</u>
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	95,258	88,089	7,169
Total expenditures	<u>95,258</u>	<u>88,089</u>	<u>7,169</u>
Excess (deficiency) of revenues over/ (under) expenditures	(36,258)	(75,968)	(39,710)
Fund Balances, beginning of year	50,408	50,408	-
Prior Year Encumbrances	<u>33,103</u>	<u>33,103</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 47,253</u>	<u>\$ 7,543</u>	<u>\$ (39,710)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
POLICE FACILITY CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES			
Investment income	\$ -	\$ 34,293	\$ 34,293
EXPENDITURES	<u>7,600,000</u>	<u>6,842,223</u>	<u>757,777</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(7,600,000)</u>	<u>(6,807,930)</u>	<u>792,070</u>
OTHER FINANCING SOURCES:			
Sales of bonds	<u>7,600,000</u>	<u>7,600,000</u>	<u>-</u>
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 792,070</u>	<u>\$ 792,070</u>

STATISTICAL SECTION

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CITY OF SIDNEY, OHIO
Statistical Section
December 31, 2004

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

<u>Contents</u>	<u>Page</u>
Financial Trends (Schedules 1 – 4) These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	97 – 101
Revenue Capacity (Schedules 5 – 6) These schedules contain information to help the reader assess the City’s most significant local revenue source, the municipal income tax.	102 – 103
Debt Capacity (Schedules 7 - 8) These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	104 – 105
Economic and Demographic Information (Schedules 9 – 10) These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	106 – 107
Operating Information (Schedules 11 – 13) These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	108 – 110

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

City of Sidney



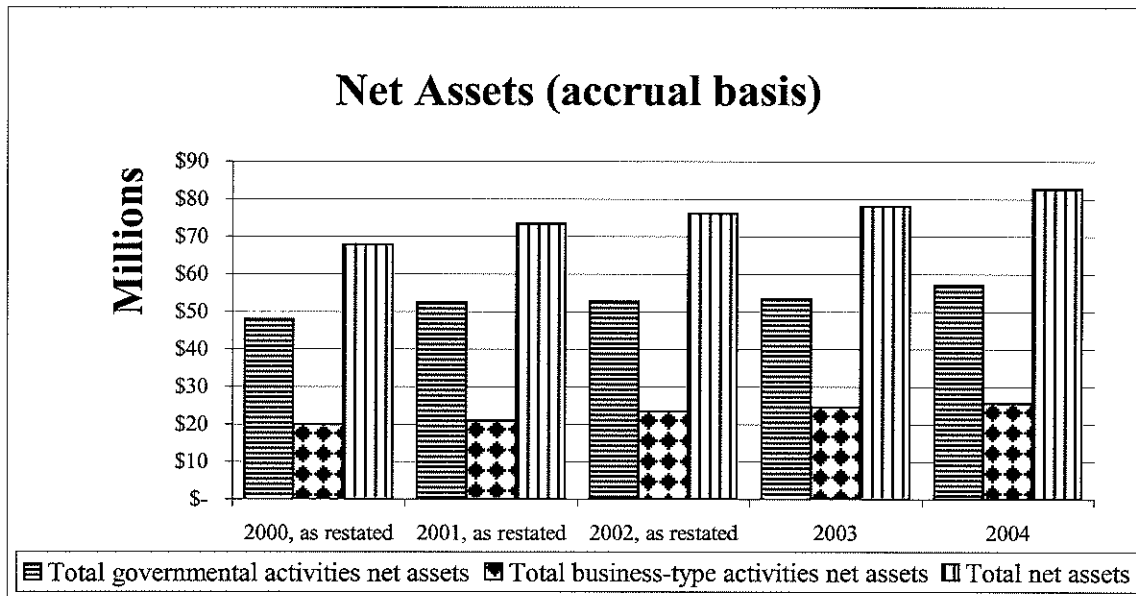
Ohio

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

Schedule 1

	Year Ended December 31,				
	2000, as restated	2001, as restated	2002, as restated	2003	2004
Governmental activities					
Invested in capital assets, net of related debt	\$ 34,168,370	\$ 41,074,076	\$ 41,586,478	\$ 41,850,468	44,263,989
Restricted for:					
Other purposes	1,980,660	1,672,998	1,607,694	1,374,427	1,764,537
Unrestricted	<u>11,818,243</u>	<u>9,694,440</u>	<u>9,523,194</u>	<u>10,240,893</u>	<u>10,957,084</u>
Total governmental activities net assets	<u>47,967,273</u>	<u>52,441,514</u>	<u>52,717,366</u>	<u>53,465,788</u>	<u>56,985,610</u>
Business-type activities					
Invested in capital assets, net of related debt	15,865,656	16,502,437	19,338,974	19,460,644	21,277,102
Unrestricted	<u>3,981,195</u>	<u>4,406,065</u>	<u>4,045,806</u>	<u>5,108,748</u>	<u>4,327,735</u>
Total business-type activities net assets	<u>19,846,851</u>	<u>20,908,502</u>	<u>23,384,780</u>	<u>24,569,392</u>	<u>25,604,837</u>
Total					
Invested in capital assets, net of related debt	50,034,026	57,576,513	60,925,452	61,311,112	65,541,091
Restricted for:					
Other purposes	1,980,660	1,672,998	1,607,694	1,374,427	1,764,537
Unrestricted	<u>15,799,438</u>	<u>14,100,505</u>	<u>13,569,000</u>	<u>15,349,641</u>	<u>15,284,819</u>
Total net assets	<u>\$ 67,814,124</u>	<u>\$ 73,350,016</u>	<u>\$ 76,102,146</u>	<u>\$ 78,035,180</u>	<u>\$ 82,590,447</u>

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



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

- Change in threshold for recording capital assets was raised from \$2,500 to \$5,000.
- Retroactive restatement of governmental infrastructure acquired before January 1, 2000.
- Addition of sewer and water infrastructure not capitalized in prior years.

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

Schedule 2

	Year Ended December 31,				
	2000, as restated	2001, as restated	2002, as restated	2003	2004
Expenses					
Governmental activities:					
General government	1,723,485	1,998,119	1,905,469	1,782,921	1,489,376
Public safety	8,600,737	9,722,217	9,888,848	9,878,689	10,499,661
Health	174,196	261,687	270,727	295,910	218,608
Transportation	2,104,864	2,272,067	2,318,094	2,569,392	2,772,945
Community environment	1,298,061	1,190,075	1,379,329	1,313,960	1,430,611
Parks and recreation	1,150,509	1,211,315	1,338,190	1,400,906	1,427,369
Basic utility services	308,467	318,291	370,166	378,706	460,118
Interest on long-term debt	125,165	121,785	115,448	114,958	266,501
Total governmental activities expenses	<u>15,485,484</u>	<u>17,095,556</u>	<u>17,586,271</u>	<u>17,735,442</u>	<u>18,565,189</u>
Business-type activities:					
Water	2,515,576	2,588,130	2,599,989	2,657,083	2,930,771
Sewer	2,191,821	2,307,869	2,286,024	2,791,159	3,125,699
Solid Waste	999,249	915,794	1,012,932	1,003,765	1,038,399
Other business-type activities	314,250	286,496	324,786	364,138	448,909
Total business-type activities expenses	<u>6,020,896</u>	<u>6,098,289</u>	<u>6,223,731</u>	<u>6,816,145</u>	<u>7,543,778</u>
Total Expenses	<u>21,506,380</u>	<u>23,193,845</u>	<u>23,810,002</u>	<u>24,551,587</u>	<u>26,108,967</u>
Program Revenues					
Governmental activities:					
Public safety	1,492,875	1,495,815	1,399,883	1,850,965	1,901,789
Health	129,641	133,616	173,214	115,028	150,921
Transportation	3,520,102	5,597,599	1,944,035	1,799,891	4,985,199
Community environment	553,089	817,184	494,836	483,702	497,796
Parks and recreation	101,749	31,132	28,670	65,267	29,718
Total governmental activities program revenues	<u>5,797,456</u>	<u>8,075,346</u>	<u>4,040,638</u>	<u>4,314,853</u>	<u>7,565,423</u>
Business-type activities:					
Water	2,879,475	2,835,353	3,127,229	3,109,280	3,321,811
Sewer	2,958,403	2,935,486	3,213,919	3,357,205	3,453,028
Solid Waste	763,583	666,804	884,872	845,898	927,527
Other business-type activities	236,221	213,127	281,415	254,713	548,303
Total business-type activities program revenues	<u>6,837,682</u>	<u>6,650,770</u>	<u>7,507,435</u>	<u>7,567,096</u>	<u>8,250,669</u>
Net (Expense) Revenue ^(a)					
Governmental activities:					
General government	(1,723,485)	(1,998,119)	(1,905,469)	(1,782,921)	(1,489,376)
Public safety	(7,107,862)	(8,226,402)	(8,488,965)	(8,027,724)	(8,597,872)
Health	(44,555)	(128,071)	(97,513)	(180,882)	(67,687)
Transportation	1,415,238	3,325,532	(374,059)	(769,501)	2,212,254
Community environment	(744,972)	(372,891)	(884,493)	(830,258)	(932,815)
Parks and recreation	(1,048,760)	(1,180,183)	(1,309,520)	(1,335,639)	(1,397,651)
Basic utility services	(308,467)	(318,291)	(370,166)	(378,706)	(460,118)
Interest on long-term debt	(125,165)	(121,785)	(115,448)	(114,958)	(266,501)
Total governmental activities	<u>(9,688,028)</u>	<u>(9,020,210)</u>	<u>(13,545,633)</u>	<u>(13,420,589)</u>	<u>(10,999,766)</u>
Business-type activities:					
Water	363,899	247,223	527,240	452,197	391,040
Sewer	766,582	627,617	927,895	566,046	327,329
Solid Waste	(235,666)	(248,990)	(128,060)	(157,867)	(110,872)
Other business-type activities	(78,029)	(73,369)	(43,371)	(109,425)	99,394
Total business-type activities	<u>816,786</u>	<u>552,481</u>	<u>1,283,704</u>	<u>750,951</u>	<u>706,891</u>
Total	<u>(8,871,242)</u>	<u>(8,467,729)</u>	<u>(12,261,929)</u>	<u>(12,669,638)</u>	<u>(10,292,875)</u>

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

(continued) **Schedule 2**

	Year Ended December 31,				
	2000, as restated	2001, as restated	2002, as restated	2003	2004
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Income taxes	10,663,264	10,713,675	10,952,386	11,180,689	11,313,150
Property taxes	1,330,086	1,317,123	1,266,026	1,250,527	1,321,566
Other taxes	561,207	189,818	505,464	618,180	585,600
Grants and contributions not restricted to specific programs	1,114,811	1,117,526	1,273,415	1,146,863	1,287,579
Investment earnings	1,108,964	779,823	447,751	171,516	243,088
(Loss) gain on sale/disposal of capital assets	(29,845)	(40,253)	(68,845)	9,300	12,983
Miscellaneous	297,769	155,936	67,249	88,705	42,357
Transfers	(32,237)	(732,853)	(620,419)	(351,422)	(286,635)
Total governmental activities	<u>15,014,019</u>	<u>13,500,795</u>	<u>13,823,027</u>	<u>14,114,358</u>	<u>14,519,688</u>
Business-type activities:					
Grants and contributions not restricted to specific programs	-	-	-	-	-
Investment earnings	-	-	135,481	76,870	39,519
(Loss) gain on sale/disposal of capital assets	-	-	800	5,369	2,400
Transfers	-	-	620,419	351,422	286,635
Total business-type activities	<u>-</u>	<u>-</u>	<u>756,700</u>	<u>433,661</u>	<u>328,554</u>
Total	<u>15,014,019</u>	<u>13,500,795</u>	<u>14,579,727</u>	<u>14,548,019</u>	<u>14,848,242</u>
Change in Net Assets					
Governmental activities	5,325,991	4,480,585	277,394	693,769	3,519,922
Business-type activities	816,786	552,481	2,040,404	1,184,612	1,035,445
Total	<u>6,142,777</u>	<u>5,033,066</u>	<u>2,317,798</u>	<u>1,878,381</u>	<u>4,555,367</u>

(a) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program.

It indicates the degree to which a function or program is supported by its own fees and program-specific grants versus its reliance upon funding from taxes and other governmental revenues.

Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.

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

Schedule 3

	December 31,									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General Fund										
Reserved for:										
Inventory	\$ 44,516	\$ 49,119	\$ 35,982	\$ 53,980	\$ 58,360	\$ 49,828	\$ 55,145	\$ 51,800	\$ 42,560	\$ 41,583
Prepaid items	63,598	73,763	72,733	41,203	-	36,044	37,179	46,045	41,776	43,949
Encumbrances	44,806	119,514	44,680	63,981	34,400	185,280	145,807	157,350	106,148	95,417
Unreserved	1,495,674	1,303,366	1,863,211	3,331,185	3,691,491	3,050,871	2,981,401	2,707,516	2,710,617	2,894,238
Total general fund	\$ 1,648,594	\$ 1,545,762	\$ 2,016,606	\$ 3,490,349	\$ 3,784,251	\$ 3,322,023	\$ 3,219,532	\$ 2,962,711	\$ 2,901,101	\$ 3,075,187

All Other Governmental Funds

Reserved for:										
Inventory	\$ 49,209	\$ 65,335	\$ 62,441	\$ 70,622	\$ 74,932	\$ 69,568	\$ 83,592	\$ 108,045	\$ 88,655	\$ 85,260
Prepaid items	6,728	6,237	6,204	65,640	-	60,002	57,895	53,795	50,444	97,254
Long-term loans receivable	367,350	442,316	308,045	189,290	128,199	223,204	118,784	107,284	95,191	82,474
Encumbrances	3,375,009	910,640	589,558	1,536,033	3,626,507	1,048,962	1,106,024	529,435	1,016,744	4,845,128
Unreserved, reported in:										
Special revenue funds	2,475,704	2,908,543	2,525,897	3,224,111	4,298,002	5,438,619	4,361,742	4,329,121	3,909,666	4,948,733
Capital projects funds	2,012,578	3,054,178	4,795,107	5,278,776	2,860,969	2,384,613	386,758	1,175,574	889,892	2,682,669
Total all other governmental funds	\$ 8,286,578	\$ 7,387,249	\$ 8,287,252	\$ 10,364,472	\$ 10,988,609	\$ 9,224,968	\$ 6,114,795	\$ 6,303,254	\$ 6,050,592	\$ 12,741,518

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

Schedule 4

	For Year Ended December 31,									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues:										
Local taxes	10,826,941	12,101,226	12,009,109	12,973,054	13,192,036	11,703,628	11,089,189	12,714,069	12,543,684	13,445,397
Intergovernmental revenues	1,641,340	1,685,832	1,562,047	2,246,126	2,901,054	3,267,850	3,632,296	3,353,670	3,320,149	3,810,313
Special assessments	228,275	228,694	229,508	255,468	273,589	263,167	245,742	241,912	227,605	229,316
Charges for services	160,313	180,823	306,107	344,186	469,453	716,325	709,333	768,098	969,279	1,421,837
Fines, licenses and permits	479,921	493,128	563,389	596,304	683,212	404,054	429,437	317,800	287,411	256,498
Investment income	-	-	525,683	678,184	611,734	948,322	823,690	522,063	268,883	207,837
Miscellaneous receipts and reimbursements	1,268,726	1,387,960	549,160	601,241	267,942	568,047	326,270	326,443	303,245	308,898
Total revenues	14,605,516	16,077,663	15,745,003	17,694,563	18,399,020	17,871,393	17,255,957	18,244,055	17,920,256	19,680,096

EXPENDITURES:

Current:										
General government	2,011,526	1,810,824	2,001,523	1,851,953	2,063,421	1,759,529	1,965,157	1,912,226	1,837,408	1,440,284
Public safety	5,800,408	6,421,169	6,905,528	6,832,335	7,794,337	8,349,842	9,120,432	9,162,996	9,300,073	9,861,029
Health	128,330	128,577	112,848	126,224	147,127	230,152	242,231	249,787	259,649	189,070
Transportation	1,155,363	1,213,265	1,268,129	1,124,800	1,309,352	1,291,164	1,221,388	1,275,471	1,504,254	1,644,318
Community environment	1,158,666	873,887	777,725	803,377	749,486	991,344	915,690	1,016,647	1,013,585	1,105,093
Parks and recreation	726,389	775,692	856,820	804,764	941,694	1,044,188	1,044,188	1,213,672	1,246,529	1,251,521
Basic utility services	230,884	194,876	160,497	134,723	137,337	157,069	159,406	204,342	222,810	284,370
Capital outlay	3,189,055	5,426,010	2,106,280	3,759,437	3,937,626	6,654,781	5,128,957	2,627,354	2,449,097	4,247,656
Debt service:										
Principal	110,000	110,000	10,000	15,000	120,000	120,000	120,000	120,000	125,000	130,000
Interest and other charges	17,517	13,319	8,803	8,323	129,181	114,498	122,219	115,895	115,522	239,721
Total expenditures	14,528,138	16,967,619	14,208,153	15,460,936	17,329,561	20,748,930	20,039,668	17,898,390	18,073,927	20,393,062

Excess (deficiency) of revenues over (under) expenditures (712,966)

OTHER FINANCING SOURCES (USES):

Transfers in	9,740,512	10,859,864	10,937,505	11,735,870	15,301,323	13,005,598	11,360,480	11,288,315	11,320,014	12,028,819
Proceeds from issuance of bonds	-	-	-	2,765,000	-	-	-	-	-	7,600,000
Sale of fixed assets	170	3,295	121,985	29,216	18,329	24,544	21,387	21,300	14,400	26,525
Transfers out	(9,930,012)	(10,975,364)	(11,225,493)	(13,270,370)	(15,526,623)	(13,046,831)	(11,810,820)	(11,477,315)	(11,495,014)	(12,132,019)
Total other financing sources (uses)	(189,330)	(112,205)	(166,003)	1,259,716	(206,971)	(16,689)	(428,953)	(167,700)	(160,600)	7,523,325

Net change in fund balances \$ (111,952) \$ (1,002,161) \$ 1,370,847 \$ 3,493,343 \$ 862,488 \$ (2,894,226) \$ (3,212,664) \$ 177,965 \$ (314,271) \$ 6,810,359

Debt service as a percentage of noncapital expenditures 1.1% 1.1% 0.2% 0.2% 0.2% 1.9% 1.7% 1.7% 1.6% 1.6% 2.3%

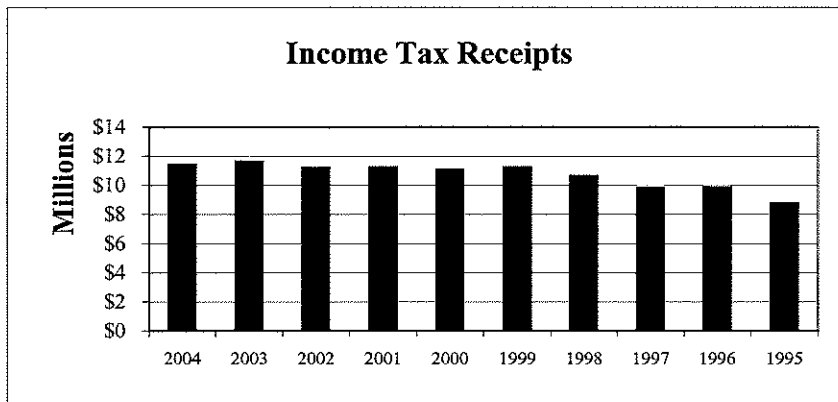
CITY OF SIDNEY, OHIO
INCOME TAX BY PAYER TYPE AND INCOME TAX RATE
LAST TEN FISCAL YEARS (cash basis of accounting – excluding refunds)

Schedule 5

Year	Individuals			Total	Income Tax Rate
	Withheld by Employer	Paid by Taxpayer	Net Profits		
2004	\$ 9,584,082	\$ 422,876	\$ 1,401,307	\$ 11,408,265	1.50%
2003	\$ 9,454,838	\$ 443,801	\$ 1,730,053	\$ 11,628,692	1.50%
2002	\$ 9,191,973	\$ 458,471	\$ 1,545,088	\$ 11,195,532	1.50%
2001	\$ 9,134,504	\$ 465,735	\$ 1,637,333	\$ 11,237,572	1.50%
2000	\$ 8,757,119	\$ 491,777	\$ 1,822,063	\$ 11,070,959	1.50%
1999	\$ 8,430,776	\$ 463,307	\$ 2,351,018	\$ 11,245,101	1.50%
1998	\$ 7,844,728	\$ 465,714	\$ 2,321,262	\$ 10,631,704	1.50%
1997	\$ 7,645,473	\$ 473,549	\$ 1,715,465	\$ 9,834,487	1.50%
1996	\$ 7,275,325	\$ 504,254	\$ 2,067,827	\$ 9,847,406	1.50%
1995	\$ 6,910,944	\$ 445,209	\$ 1,391,555	\$ 8,747,708	1.50%

Source: City of Sidney, Ohio, Income Tax Department

This City levies a 1.5% income tax on all wages, salaries, commissions and other compensation paid by employers and the net profits from a business or professional person earned within the City, excluding income from intangible personal property. In addition, City residents pay City income tax on income earned outside the City, net of a credit for income taxes paid to other municipalities. Employers within the City withhold income tax on employee compensation and remit at least quarterly.



RANKING OF TOP TEN INCOME TAX WITHHOLDERS

CURRENT YEAR AND TEN YEARS AGO *(cash basis of accounting)*

2004	
<u>Rank</u>	<u>Name</u>
1	Copeland Corporation
2	NK Parts Industries, Inc.
3	Superior Metal Products
4	Wilson Memorial Hospital
5	Honda of America Manufacturing, Inc.
6	Cargill, Inc.
7	Sidney Board of Education
8	Lear Operations Corporation
9	Alcoa Building Products, Inc.
10	Ross Aluminum Foundries
Combined percentage of Total income taxes 32.95%	

1995		
<u>2004 Rank</u>	<u>Rank</u>	<u>Name</u>
1	1	Copeland Corporation
9	2	Alcoa Building Products, Inc.
5	3	Honda of America Manufacturing, Inc.
4	4	Wilson Memorial Hospital
7	5	Sidney Board of Education
-	6	Gilardi, AM & Sons Inc.
-	7	Shelby County
-	8	LeRoi International Inc.
-	9	Eagle-Picher Industries, Inc.
-	10	Masland Industries Inc.
Combined percentage of Total income taxes 38.50%		

Source: City of Sidney, Ohio, Income Tax Department

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholdings by taxpayer. The City chose not to disclose percentages and number of filers by income level because the City does not require all taxpayers to file a return, therefore it does not have, nor can it obtain, this type of information.

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General Obligation Bonds	\$ 9,380,000	\$ 8,595,000	\$ 7,900,000	\$ 9,950,000	\$ 9,115,000	\$ 8,260,000	\$ 14,285,000	\$ 13,390,000	\$ 12,455,000	\$ 19,085,000
Assessed value of taxable property ^(a)	\$335,292,344	\$367,577,386	\$394,085,749	\$383,475,209	\$401,899,287	\$410,154,105	\$418,557,164	\$440,544,340	\$442,272,291	\$453,740,892
General Obligation Bonds as percent of total assessed value of taxable property	2.80%	2.34%	2.00%	2.59%	2.27%	2.01%	3.41%	3.04%	2.82%	4.21%
Population ^(b)	19,170	19,145	19,238	19,197	19,350	20,211	20,211	20,211	20,211	20,254
General Obligation Bonds Per capita	\$ 489	\$ 449	\$ 411	\$ 518	\$ 471	\$ 409	\$ 707	\$ 663	\$ 616	\$ 942
Less debt not subject to limitations										
Self-supporting securities issued for water systems or facilities	\$ (2,750,000)	\$ (2,500,000)	\$ (2,250,000)	\$ (2,000,000)	\$ (1,750,000)	\$ (1,500,000)	\$ (1,250,000)	\$ (1,000,000)	\$ (750,000)	\$ (500,000)
Self-supporting securities issued for sanitary sewer systems or facilities	\$ (6,315,000)	\$ (5,890,000)	\$ (5,455,000)	\$ (5,005,000)	\$ (4,540,000)	\$ (4,055,000)	\$ (10,450,000)	\$ (9,925,000)	\$ (9,365,000)	\$ (8,775,000)
Less: Bond Retirement Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net debt subject to 10-1/2% limitation ^(c)	\$ 315,000	\$ 205,000	\$ 195,000	\$ 2,945,000	\$ 2,825,000	\$ 2,705,000	\$ 2,585,000	\$ 2,465,000	\$ 2,340,000	\$ 9,810,000
Voted and Unvoted Debt Limit -- 10-1/2% of assessed value	\$ 35,205,696	\$ 38,595,626	\$ 41,379,004	\$ 40,264,897	\$ 42,199,425	\$ 43,066,181	\$ 43,948,502	\$ 46,257,156	\$ 46,438,591	\$ 47,642,794
Legal Debt Margin within 10-1/2% Limitation	\$ 34,890,696	\$ 38,390,626	\$ 41,184,004	\$ 37,319,897	\$ 39,374,425	\$ 40,361,181	\$ 41,363,502	\$ 43,792,156	\$ 44,098,591	\$ 37,832,794
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	0.89%	0.53%	0.47%	7.31%	6.69%	6.28%	5.88%	5.33%	5.04%	20.59%
Net debt subject to 5-1/2% limitation ^(d)	\$ 315,000	\$ 205,000	\$ 195,000	\$ 2,945,000	\$ 2,825,000	\$ 2,705,000	\$ 2,585,000	\$ 2,465,000	\$ 2,340,000	\$ 9,810,000
Unvoted Debt Limit -- 5-1/2% of assessed value	\$ 18,441,079	\$ 20,216,756	\$ 21,674,716	\$ 21,091,136	\$ 22,104,461	\$ 22,558,476	\$ 23,020,644	\$ 24,229,939	\$ 24,324,976	\$ 24,955,749
Legal Debt Margin within 5-1/2% Limitation	\$ 18,126,079	\$ 20,011,756	\$ 21,479,716	\$ 18,146,136	\$ 19,279,461	\$ 19,853,476	\$ 20,435,644	\$ 21,764,939	\$ 21,984,976	\$ 15,145,749
Net debt within limitations for Unvoted debt as a percentage of debt limit	1.71%	1.01%	0.90%	13.96%	12.78%	11.99%	11.23%	10.17%	9.62%	39.31%

^(a) Source for assessed value data: Shelby County Auditor
^(b) Source for population: For years 1994 - 1999, U.S. Bureau of the Census-Population Estimates Program. For years 2000 - 2004, U.S. Bureau of the Census-2000 Federal Census.
^(c) The Ohio Revised Code provides that the aggregate principal amount of voted and unvoted "net indebtedness" may not exceed 10-1/2% of the assessed valuation.
^(d) The Ohio Revised Code provides that the aggregate principal amount of unvoted "net indebtedness" may not exceed 5-1/2% of the assessed valuation.

**CITY OF SIDNEY, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION DEBT
 DECEMBER 31, 2004**

Schedule 8

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Sidney</u>	<u>Amount Applicable to City of Sidney</u>
City of Sidney	\$9,810,000 ⁽¹⁾	100%	\$9,810,000
Sidney City School District ⁽²⁾	\$23,619,992	100%	\$24,639,342
Shelby County ⁽³⁾	\$2,394,280	N/A	N/A

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

⁽²⁾ Source: Treasurer of Sidney City Schools

⁽³⁾ Source: Shelby County Auditor

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

Schedule 9

Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ^{(1)(b)}	Median Age ^{(1)(b)}	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾	Total Assessed Property Value ⁽⁴⁾	Estimated Actual Property Value ⁽⁴⁾
1995	19,170 (1)(a)	\$19,075	33.9 yrs	4,028	4.4%	\$335,292,344	\$1,082,616,326
1996	19,145 (1)(a)	\$19,075	33.9 yrs	3,998	4.3%	\$367,577,386	\$1,191,225,316
1997	19,238 (1)(a)	\$19,075	33.9 yrs	4,056	4.3%	\$394,085,749	\$1,289,928,287
1998	19,197 (1)(a)	\$19,075	33.9 yrs	3,928	3.7%	\$383,475,209	\$1,236,912,253
1999	19,350 (1)(a)	\$19,075	33.9 yrs	3,953	4.1%	\$401,899,287	\$1,285,641,548
2000	20,211 (1)(b)	\$19,075	33.9 yrs	3,887	4.2%	\$410,154,105	\$1,315,201,174
2001	20,355 (1)(a)	\$19,075	33.9 yrs	3,896	4.0%	\$418,557,164	\$1,344,326,965
2002	20,282 (1)(a)	\$19,075	33.9 yrs	3,918	4.6%	\$440,544,340	\$1,414,316,000
2003	20,254 (1)(a)	\$19,075	33.9 yrs	3,609	4.9%	\$442,272,291	\$1,409,770,730
2004	20,254 (1)(a)	\$19,075	33.9 yrs	3,941	4.4%	\$453,740,892	\$1,458,980,574

⁽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: Sidney City Schools Board of Education

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

⁽⁴⁾ Source: Shelby County Auditor

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

2004		2002	
<u>Employer</u>	<u>Approximate Number of Employees</u>	<u>Employer</u>	<u>Approximate Number of Employees</u>
1 Copeland Corporation	2,100	1 Copeland Corporation	2,200
2 NK Parts Industries	1,100	2 NK Parts Industries	1,100
3 Stolle Products	800	3 Stolle Products	800
4 Wilson Memorial Hospital	775	4 Wilson Memorial Hospital	665
5 Wal-Mart Super Center	600	5 Wal-Mart Super Center	600
6 Norcold	500	6 Con Agra	484
7 Sidney Board of Education	500	7 Sidney Board of Education	459
8 Con Agra	484	8 Alcoa Building Products	450
9 Alcoa Home Exteriors	450	9 Ross Aluminum Foundries	425
10 Ross Aluminum Foundries	425	10 Cargill, Inc.	373
Total	7,734	Total	7,556

Source: West Ohio Development Council

Note: The listing of principal employers from nine years ago is not available. Total number of employees within the City of Sidney is not available.

CITY OF SIDNEY, OHIO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST SIX FISCAL YEARS

Schedule 11

Function/program	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31,					
	1999	2000	2001	2002	2003	2004
General government:	15.74	15.74	15.74	16.74	16.75	16.75
Police						
Officers	36.00	37.00	38.00	39.00	40.00	40.00
Civilians	13.57	13.77	14.45	14.45	14.84	14.84
Fire						
Firefighters and officers	36.00	36.00	37.00	37.00	37.00	37.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00
Judicial	13.60	16.66	17.65	17.84	17.89	17.95
Health - cemetery	2.92	2.85	2.85	3.23	3.38	3.38
Public transportation	8.47	9.05	8.99	8.99	8.37	9.35
Street repair & maintenance	11.60	11.83	11.65	11.89	11.79	11.79
Community development	1.00	1.26	1.26	1.26	1.26	1.23
Community environment	11.14	11.14	11.37	11.37	11.04	11.29
Parks and recreation	17.65	16.82	17.75	17.39	17.90	17.62
Basic utility services - stormwater management	2.96	2.96	2.96	2.96	2.96	2.96
Water	21.10	21.50	21.60	21.60	21.55	21.46
Sewer	14.42	14.36	14.36	14.36	14.13	14.00
Solid waste	3.10	2.87	2.87	2.87	2.87	2.76
Airport	-	-	-	-	-	0.25
Swimming pool	3.31	3.29	3.54	3.54	3.76	3.76
Service center including city garage	4.95	4.95	4.95	5.15	5.19	4.69
Information technology	2.00	2.00	3.00	3.00	3.00	3.00
Total	220.53	225.05	230.99	233.64	234.68	235.08

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

Note: Number of employees, expressed in terms of full-time equivalents, was not maintained prior to the year ended December 31, 1999.

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

Schedule 12

Function/program	For Year Ended December 31,					
	1999	2000	2001	2002	2003	2004
General Government						
Accounts payable checks processed	6,473	6,333	6,783	6,571	6,138	6,150
Purchase orders issued	2,040	2,155	1,915	1,850	1,865	1,900
Police						
Calls for service processed	36,928	37,770	37,942	37,548	36,676	37,720
9-1-1 calls processed	3,445	3,334	3,762	3,864	3,905	4,410
Adult & juvenile arrests	2,534	2,963	2,767	3,000	2,493	2,765
Traffic citations	2,473	2,761	2,562	3,885	3,976	3,270
Fire						
Fire calls	611	556	552	568	602	606
EMS calls	2,375	2,485	2,432	2,475	2,452	2,613
Municipal Court						
New cases filed	11,104	13,318	13,798	13,471	12,435	9,200
Cases completed	11,382	13,806	14,407	14,424	13,116	9,800
Prisoners transported by bailiff	953	1,081	1,203	1,250	991	1,000
Cemetery						
Burials	115	88	98	95	80	100
Grave sales	88	50	85	70	47	62
Public Transportation						
Total ridership	47,024	53,032	48,457	40,710	41,427	50,308
Streets and highways						
Miles of street responsibility	90.5	92.6	95.3	95.9	96.2	97
Traffic signal intersections	49	53	52	51	52	51
Planning						
Sign permits issued	28	46	61	48	68	66
ZBA applications reviewed	53	29	24	25	31	22
Building inspection						
Building permits issued	307	294	278	309	586	345
Building inspections	738	921	993	1,045	1,898	1,085
Engineering						
Sanitary sewer inspections	99	95	274	107	104	100
Parks and recreation						
Free clinics organized and directed	10	10	13	16	17	20
Free clinics (attendance)	662	583	590	707	444	695
Park shelters maintained	30	32	34	33	33	33
Number of trees maintained (approximately)	10,000	10,000	10,300	10,300	10,500	10,700
Trees planted	150	120	170	150	250	208
Senior Center members	1,100	1,198	1,350	1,307	1,200	1,200
Utility Billing						
Customers (mail/drop box)	20,165	20,542	14,570	16,206	15,353	15,730
Customers (walk-in)	25,025	25,300	31,784	33,351	33,475	35,040
Water						
Gallons of water processed (in millions)	1,254	1,290	1,223	1,142	1,141	1,154
Lime sludge processed/removed (dry tons)	2,702	4,687	8,461	20,699	43,476	5,632
Water main breaks	15	27	16	18	18	18
Regular meter readings obtained	40,910	39,574	31,839	32,578	33,555	34,561
Sewer						
Wastewater processed (million gallons per day)	4.27	4.40	4.80	5.40	5.50	5.70
Biosolids processed (dry tons)	584	1,128	972	1,095	593	677
Feet of sewer cleaned	55,308	80,390	155,581	173,000	90,000	232,735
Refuse collected						
Refuse collected (annual tonnage)	7,037	7,423	7,647	7,100	7,456	7,600
Swimming Pool						
Daily admissions	18,357	13,641	17,912	21,469	13,548	11,700
Season passes	340	323	295	413	360	379
Information Technology						
Number of personal computers maintained	80	95	126	131	136	148
Service Center - Garage						
Units in fleet	228	228	235	247	251	235

Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 1999 - 2003. Estimated statistics for 2004.

Note: Most of these operating indicators were not maintained prior to 1999.

**CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST SIX FISCAL YEARS**

<u>Function/Program</u>	<u>Year Ended December 31,</u>					
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Police						
Stations	1	1	1	1	1	1
Fire						
Stations	2	2	2	2	2	2
Street Repair & Maintenance ⁽¹⁾						
Miles of streets	90.30	92.62	95.32	95.89	96.35	98.61
Basic utility services - stormwater management ⁽¹⁾						
Miles of storm sewers	63.20	65.40	69.01	69.31	69.90	71.78
Parks and recreation ⁽²⁾						
Acres of parks maintained	381	386	387	380	380	380
Acres of public grounds maintained	250	250	250	250	250	250
Neighborhood parks	14	14	15	15	14	14
Sewer ⁽¹⁾						
Miles of sanitary sewers	107.81	109.28	112.15	113.70	114.36	116.19
Water ⁽¹⁾						
Miles of water mains	107.24	109.18	112.51	113.79	114.33	117.11

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

⁽²⁾ **Source:** City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 1999 - 2003. Estimated statistics for 2004.

Note: Most of these operating indicators were not maintained prior to 1999.



**Auditor of State
Betty Montgomery**

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CITY OF SIDNEY

SHELBY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 4, 2005**