

CITY OF SIDNEY, OHIO

**Independent Auditors' Reports on
Compliance and Internal Controls**

December 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

To the Mayor and City Council
City of Sidney
201 West Popular St.
Sidney, Ohio 45365

We have reviewed the Independent Auditor's Report of the City of Sidney, Shelby County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2001 through December 31, 2001. 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 black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 15, 2002

This Page is Intentionally Left Blank.

CITY OF SIDNEY, OHIO

Table of Contents

| | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1 – 2 |
| Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 | 3 – 4 |
| Schedule of Expenditures of Federal Awards | 5 |
| Notes to Schedule of Expenditures of Federal Awards | 6 |
| Schedule of Findings and Questioned Costs | 7 – 8 |
| Schedule of Prior Audit Findings and Questioned Costs | 9 |

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Mayor and City Council
City of Sidney, Ohio

We have audited the basic financial statements of City of Sidney, Ohio (the City), as of and for the year ended December 31, 2001, and have issued our report thereon dated May 7, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated May 7, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated May 7, 2002.

This report is intended for the information of the Mayor and members of City Council, management, the Auditor of State of Ohio, 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.

Clark, Sclayfer, Hackett & Co.
Springfield, Ohio
May 7, 2002

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133

To the Mayor and City Council
City of Sidney, Ohio

Compliance

We have audited the compliance of City of Sidney, Ohio, (the City) 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 of its major federal programs for the year ended December 31, 2001. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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, *Audits 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'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 of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of City of Sidney, Ohio, as of and for the year ended December 31, 2001, and have issued our report thereon dated May 7, 2002. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements of City of Sidney, Ohio. 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 a whole.

This report is intended for the information of the Mayor and members of City Council, management, the Auditor of State of Ohio, 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.

Clair Schaefer, Hackett & Co.
Springfield, Ohio
May 7, 2002

CITY OF SIDNEY, OHIO
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2001

| | <u>Federal CFDA</u> | <u>Project Number</u> | <u>Expenditures</u> |
|--|-------------------------|---------------------------|-------------------------|
| U.S. Department of Housing and Urban Development (Passing Through Ohio Department of Development Office of Housing and Community Partnerships): | | | |
| Community Development Block Grant | * 14.228 | A-F-00-177-1 | \$ 218,000 |
| Community Development Block Grant | * 14.228 | A-C-01-177-1 | 18,037 |
| Community Development Block Grant | * 14.228 | RLF Funds | 301,545 |
| Community Development Block Grant | * 14.228 | A-C-99-177-1 | 8,400 |
| | | | <u>545,982</u> |
| HOME Investment Partnerships Program | 14.239 | A-C-01-177-2 | 5,700 |
| HOME Investment Partnerships Program | 14.239 | A-C-99-177-2 | 242,048 |
| | | | <u>247,748</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>793,730</u> |
| U.S. Department of Transportation (Passing through Ohio Department of Transportation): | | | |
| Public Transportation for Nonurbanized Areas | 20.509 | RPT-0075-017-982 | 87,110 |
| Total U.S. Department of Transportation | | | <u>87,110</u> |
| U.S. Department of Agriculture, Food and Nutrition Service (Passing through Ohio Department of Education, Division of School Food Service): | | | |
| Summer Food Service Program for Children | 10.559 | (1) | 8,275 |
| Total U.S. Department of Agriculture | | | <u>8,275</u> |
| U.S. Department of Justice (Passing through the City of Piqua, Ohio): | | | |
| COPS Universal Grant | 16.710 | 98-UMWX1565 | 36,037 |
| Drug Control and System Improvement Act | 16.579 | 2000-DG-A01-7125 | 123,996 |
| Total U.S. Department of Criminal Justice | | | <u>160,033</u> |
| Total Federal Awards | | | <u>\$ 1,049,148</u> |

* Denotes major program.

(1) - Project number not available.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A—SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of City of Sidney, Ohio's federal award programs. The schedule has been prepared on the cash basis of accounting.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505**

CITY OF SIDNEY, OHIO
DECEMBER 31, 2001

1. SUMMARY OF AUDITORS' RESULTS

| | | |
|--------------|---|---|
| (d)(1)(i) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Was there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Was there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported non-compliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Was there any material internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(iv) | Was there any other reportable internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(1)(vi) | Are there any reportable findings under §.510? | No |
| (d)(1)(vii) | Major Programs (list): | U.S. Department of Housing and Urban Development, CFDA #14.218 |
| (d)(1)(viii) | Dollar Threshold: Type A\B Programs | Type A: > \$300,000 Type B: All others |
| (d)(1)(ix) | Low Risk Auditee? | Yes |

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

Findings: None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Findings: None

**CITY OF SIDNEY, OHIO
DECEMBER 31, 2001**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .315(b)**

None

City of Sidney
Ohio



Comprehensive Annual
Financial Report

For the Year Ended
December 31, 2001

City of Sidney, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2001



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

CITY OF SIDNEY



OHIO

TABLE OF CONTENTS

City of Sidney, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2001

| | <u>Page</u> |
|---|-------------|
| I | |
| INTRODUCTORY SECTION | |
| A. LIST OF PRINCIPAL OFFICIALS | i |
| B. LETTER OF TRANSMITTAL | ii - xi |
| C. CITY ORGANIZATIONAL CHART | xii |
| D. CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING | xiii |
| | |
| II | |
| FINANCIAL SECTION | |
| A. INDEPENDENT AUDITORS' REPORT | 1 - 2 |
| B. MANAGEMENT'S DISCUSSION AND ANALYSIS | 3 - 12 |
| C. BASIC FINANCIAL STATEMENTS | |
| | |
| <u>Government-wide Financial Statements:</u> | |
| Statement of Net Assets | 13 |
| Statement of Activities | 14 |
| | |
| <u>Fund Statements:</u> | |
| Balance Sheet - Governmental Funds | 16 - 17 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 18 - 19 |
| Balance Sheet - Proprietary Funds | 20 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds | 21 |
| Statement of Cash Flows - Proprietary Funds | 22 - 23 |
| Statement of Fiduciary Net Assets - Fiduciary Funds | 24 |

| | |
|---|------------------------|
| Notes to the Basic Financial Statements | <u>Page</u> 25 - 46 |
|---|------------------------|

D. REQUIRED SUPPLEMENTARY INFORMATION

| | |
|---|---------|
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - General Fund | 47 - 49 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Street Fund | 50 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Municipal Income Tax Fund | 51 |
| Notes to the Required Supplementary Information | 52 - 53 |

E. SUPPLEMENTAL SECTION

| | |
|---------------------------------|---------|
| <u>Fund Descriptions</u> | 55 - 58 |
|---------------------------------|---------|

Combining Statements - Non-Major Funds:

| | |
|---|---------|
| Combining Balance Sheet - Non-major Governmental Funds | 59 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Governmental Funds | 60 |
| Combining Balance Sheet - Non-major Special Revenue Funds | 61 - 62 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Special Revenue Funds | 63 - 64 |
| Combining Balance Sheet - Non-major Capital Projects Funds | 65 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Capital Projects Funds | 66 |
| Combining Balance Sheet - Non-major Enterprise Funds | 67 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Non-major Enterprise Funds | 68 |
| Combining Statement of Cash Flows - Non-major Enterprise Funds | 69 |
| Combining Balance Sheet - Internal Service Funds | 70 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Funds | 71 |
| Combining Statement of Cash Flows - Internal Service Funds | 72 |

| | <u>Page</u> |
|--|-------------|
| Combining Statement of Fiduciary Net Assets - Fiduciary Funds | 73 |
| | |
| <u>Budget-To-Actual Statements - Non-Major Special Revenue Funds</u> | |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - State Highway Fund | 75 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - County Auto License Fund | 75 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Stormwater Management Fund | 76 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Cemetery Fund | 77 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Transportation Fund | 78 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - C.D.B.G. Fund | 79 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - C.D.B.G. Revolving Loan Fund | 80 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - ParkingMeter/Off-Street Parking Fund | 80 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Probation Grant Fund | 81 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Health Department Building Lease Fund | 81 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Separation Payment Fund | 82 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Insurance Fund | 82 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Drug Law Enforcement Fund | 83 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Law Enforcement Fund | 83 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Indigent Driver Alcohol Treatment Fund | 84 |

| | <u>Page</u> |
|---|-------------|
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Enforcement and Education Fund | 84 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - OCJS Grant Fund | 85 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Imprest Cash Fund | 85 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Fire Loss Security Fund | 86 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Cemetery Maintenance Fund | 86 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Mausoleum Maintenance Fund | 87 |
| <u>Budget-To-Actual Statements - Capital Projects Funds</u> | |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Capital Improvement Fund | 89 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Capital Investment Fund | 90 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Special Assessment Fund | 90 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary (Non-GAAP) Basis - Monumental Building Renovation Fund | 91 |

III STATISTICAL SECTION

| | |
|--|----|
| Table 1: General Governmental Expenditures by Function - Last Ten Years | 93 |
| Table 2: General Governmental Revenues by Source - Last Ten Years | 94 |
| Table 3: Property Tax Levies and Collections - Real and Public Utility Property - Last Ten Years | 95 |
| Table 4: Property Tax Levies and Collections - Tangible Personal Property - Last Ten Years | 96 |
| Table 5: Assessed and Estimated Actual Value of Tangible Property - Last Ten Years | 97 |
| Table 6: Property Tax Rates - Direct and Overlapping Governments - Last Ten Years | 98 |

| | <u>Page</u> |
|--|-------------|
| Table 7: Special Assessments and Collections - Last Ten Years | 99 |
| Table 8: Computation of 5-1/2% Legal Debt Margin for Unvoted Debt | 100 |
| Table 9: Computation of 10-1/2% Legal Debt Margin for Voted and Unvoted Debt | 101 |
| Table 10: Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Years | 102 |
| Table 11: Ratio of Annual Debt Service Expenditures of General Bonded Debt to General Governmental Expenditures - Last Ten Years | 103 |
| Table 12: Computation of Direct and Overlapping General Obligation Debt | 104 |
| Table 13: Revenue Bond Coverage - Sewer Revenue Fund - Last Ten Years | 105 |
| Table 14: Demographic Statistics - Last Ten Years | 106 |
| Table 15: Property Value and New Construction - Last Ten Years | 107 |
| Table 16: Principal Taxpayers (Property Tax) | 108 |
| Table 17: Miscellaneous Statistics | 109 |

CITY OF SIDNEY



OHIO

**CITY OF SIDNEY, OHIO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2001**

CITY COUNCIL MEMBERS

Frank Mariano, Mayor

Rick Sims, Vice Mayor

Merrill Asher

Mark Barga

Mark Copeland

Greg Miller

Thomas R. Miller

APPOINTED OFFICIALS

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



City of Sidney

June 27, 2002

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

The Comprehensive Annual Financial Report of the City of Sidney, Ohio for the year ended December 31, 2001, is hereby submitted for your review. This report represents the commitment of the City of Sidney to adhere to nationally recognized standards of excellence in its financial reporting.

Management is responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures. We believe that the data presented in this report is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City. Further, we believe that all disclosures necessary to enable the reader to gain an understanding of the City of Sidney's activities have been included.

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

This report is presented in three sections:

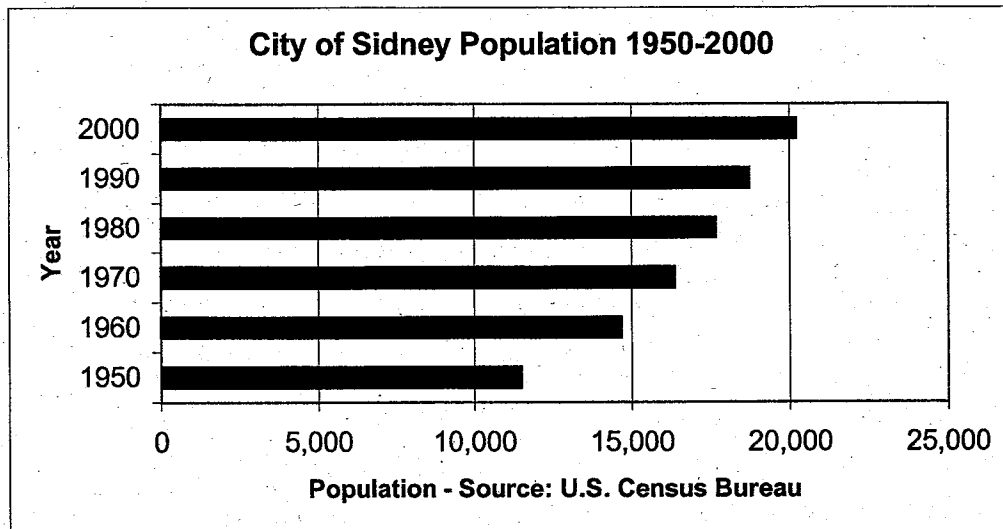
1. The Introductory Section includes this letter of transmittal, the City's organizational chart, a listing of principal City officials and the Certificate of Achievement for Excellence in Financial Reporting. This section is unaudited.
2. The Financial Section of the report is structured in the form 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, 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.

THE CITY OF SIDNEY

General Information

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, the county seat of Shelby County, was incorporated in 1820.

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, adopt budgets, levy taxes, borrow money, license and regulate businesses and trades, and perform 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.

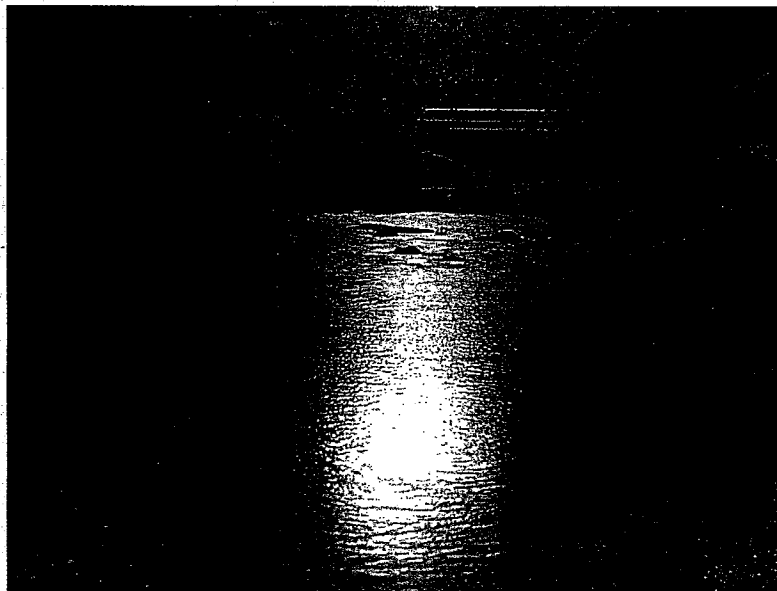
The Law Director is appointed by Council and serves at their pleasure. The Law Director is the legal advisor, attorney and counsel for the City and performs duties pursuant to the Charter and general laws of the State pertaining to municipal legal advisors.

Departmental Highlight – Parks and Recreation

Each year in this report we spotlight the activities and accomplishments of one of the outstanding departments or divisions of the City. This year, the focus is upon the Parks and Recreation department.

The City of Sidney's Parks and Recreation department is comprised of the recreation division, parks and grounds division, urban forestry division, Monarch Community Center division, swimming pool division, and cemetery division. There are thirteen full-time employees and approximately 50 to 55 seasonal employees.

The City of Sidney places a strong emphasis on the importance of a quality parks system. Every neighborhood is within a short distance (most are within one-half mile) of one of the 18 neighborhood parks, and everyone can enjoy the magnificent 180-acre Tawawa Park. The parks and grounds division maintains these parks, totaling 380 acres, as well as 250 acres of public grounds, 14 baseball and softball fields, 12 soccer fields, 33 park shelters, 18 modular playground structures, and 3.5 miles of bikeway.



Tawawa Park: A view of the covered bridge over Tawawa Creek.

The recreation division conducts many programs, most free of charge, throughout the year. This division manages an aquatic facility with three pools and many interactive play features. During the summer months, approximately 30 youth recreation programs are offered free of charge and park attendants oversee activities at the neighborhood parks. Throughout the year, the recreation division sponsors "Saturday Night Live" events at the YMCA and open gym nights at the Salvation Army for local youths. Also, they manage a grant-funded summer food program that serves approximately 5,000 meals at two different sites within the City.



Free basketball clinic at a neighborhood park.

The municipal pool complex contains 3 pools varying in size from an Olympic size pool to a children's wading pool. The two smallest pools have been refurbished for the 2002 season. The five-year plan calls for the addition of two water slides for the intermediate pool in 2003. Daily attendance at the pool averages about 800.

The urban forestry division services over 10,000 trees, plants approximately 160 to 180 trees and fertilizes about 400 trees yearly. The City has been a member of Tree City USA for 13 years.

The Parks and Recreation department maintains the Monarch Community Center. This building houses the Senior Citizens Center and the Gateway Arts Council. The City's recreation coordinator assists the Senior Citizens Center with programming. Membership at the Senior Citizens Center is approximately 1,330.

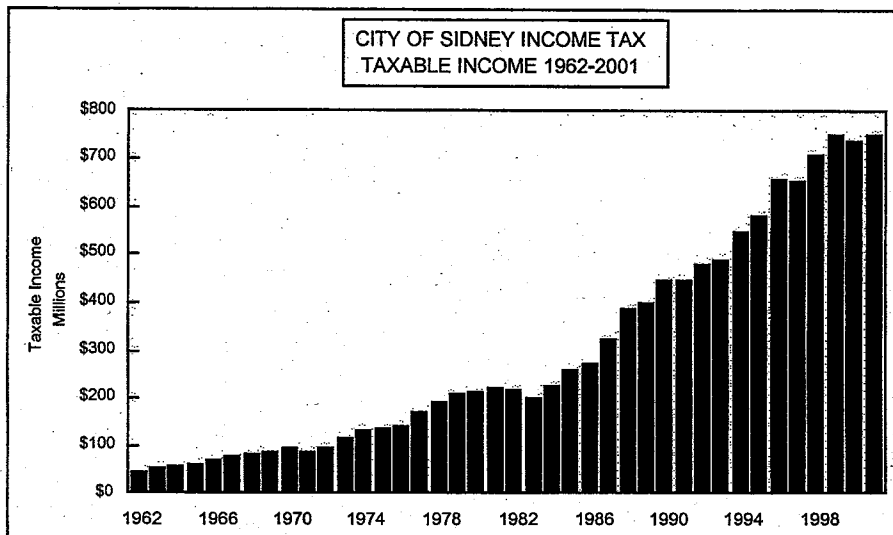
The cemetery division maintains the municipal Graceland Cemetery. There are approximately 90 burials per year in this 110-acre cemetery.

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. 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. Sidney is still served by these railroad lines today. In the 1950's, the interstate highway began to play a significant role in the development of the City. Today, Interstate 75 connects Sidney with Canada to the north and Florida to the south. Sidney has four interchanges on Interstate 75, providing quick and convenient access for both commercial and industrial users.

The local economy has grown at a robust and steady pace for the last four decades. Income subject to the City of Sidney income tax has grown at an average annual rate of approximately 8% since 1962. However, due to the economic slowdown, there has been no growth in the last 2 years.



Economic Environment – Today

The City of Sidney is an attractive location for industrial development. Sidney ranks number 20 on Site Selection Magazine's Top 100 Small Towns for new and expanded facilities for the period 1989 to 2000.

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 2001 were:

| <u>Company</u> | <u>Primary Business</u> |
|-------------------------------|--|
| Copeland Corporation | Air compressor manufacturing |
| American Trim LLC | Appliance and auto manufacturing |
| Wilson Memorial Hospital | Health care |
| Alcoa Building Products, Inc. | Diverse aluminum product manufacturing |
| Sidney Board of Education | Public education |
| Gilardi & Sons, Inc | Food processing |
| NK Parts, Inc. | Warehousing and distribution |
| Shelby County | County government |
| Lear Operations Corporation | Automotive supplier |
| Ross Aluminum Foundries | Aluminum foundry |

In addition to the above employers, Honda of America Mfg., Inc., operates a major auto engine plant just eight miles outside of the City that 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. Improvements to State Route 47, widening the road from two to four lanes, preceded the development of the City's newest industrial park, Stolle West. It is a 142-acre industrial park in a prime location. The developer has already put with utilities and streets in place.

2001 Economic Activity and Outlook for the Future

Municipal income tax cash collections have not increased in the last two years, with 2001 collections virtually identical to 1999 collections. Most of the difficulty is in net profits taxes. The local economy is experiencing the corporate profits downturn that has occurred throughout the nation. On the positive side, taxes withheld by employers from their employees' wages increased slightly in 2001, indicating stability in employment.

The Shelby County unemployment rate at the end of the year was 4.0%, down from 4.2% at the end of 2000. The statewide rate was 3.9%. As of the date this is being written, the latest data available – April 2002 – reports the U.S. rate at 5.7%, Ohio is 5.4%, and Shelby County is at 4.9%.

Despite the well-documented negative events in 2001 – the tragedy of September 11, depressed corporate profits, and the general economic sluggishness – industrial growth did occur within Sidney in 2001. One of the factors that contributes to the growth 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. WODC's 2001 Annual Report provides the following information on new development activity in Sidney in 2001:

- Cargill, Inc. completed a 110,000 square foot addition as well as adding machinery and equipment for the introduction of a new dressings, sauces and mayonnaise division. Investment in the project totaled \$30.5 million and added 55 additional jobs.
- Cargill, Inc. began construction of a plant for the production of a food ingredient. The new plant is estimated to cost \$30 million and create 45 additional jobs.
- Gates Formed Fibre Products transferred some of its auto interior processes from Detroit to Sidney and made additional investment in machinery and equipment, which will total about \$3 million additional investment to Sidney. An estimated 69 local jobs are to be created.
- Bbi Enterprises began an investment of \$7.9 million in additional real property, equipment, and inventory for a new line of automobile components. This expansion is expected to create 90 new jobs.

Certainly the issues that have negatively impacted the national economy in the last couple of years have been felt in Sidney as well. However, the underlying strength of the local economy has minimized the effects and there has been little impact upon the City's ability to provide quality services. When the national economy rebounds, as history tells us it will, the outlook for renewed economic vitality here in Sidney looks favorable as the factors that have made Sidney an attractive industrial site for many years – such as its favorable location, strong relationships between business and local government, and an expanding population base – remain in place.

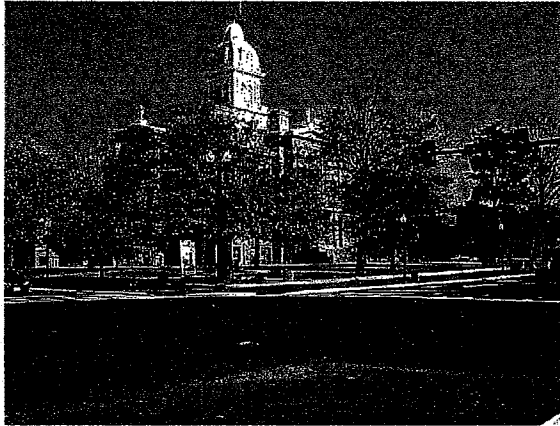
MAJOR INITIATIVES

For the Year

The City of Sidney continued to reinvest into the infrastructure of the community in 2001 as well as address the objectives identified in the 1997 Comprehensive Plan.

The streetscape plan for the downtown reached fruition in 2001. Sidney offers an historic downtown featuring the famous Louis Sullivan-designed People's Savings & Loan building, the Monumental Building (currently housing Sidney Municipal Court, originally erected as a monument to those Shelby County residents who died in the Civil War), and the Shelby County Courthouse. The Courthouse, which occupies one city-block known as Court Square, has been named one of the "Great American Public Places". Shelby County has dutifully maintained this 1883 structure, which acts as a focal point of our downtown. Because the downtown is the oldest part of our community, the infrastructure was in need of upgrading and

improvement. In 2001, water lines, sanitary sewer lines and gas lines were replaced, and a storm sewer system was installed. In addition, all curb and gutter were replaced and the street reconstructed around the court square. To improve the aesthetic appearance after the infrastructure improvements were made, the streetlights were replaced with decorative poles with light fixtures that resemble those that existed around the turn of the century. Brick pavers were installed at the corners and in a four-foot section along all curb lines. The total project was completed at a cost of about \$3.9 million. That cost was partially offset by the use of about \$1.3 million in federal and state grant funds in the project. It is anticipated that property owners in the area will also reinvest in their properties now that the public improvements are complete.



Shelby County Courthouse in the center of downtown

A view of the downtown along Court Street

Planning began in 2001 for the renovation of the existing Municipal Building and/or construction of a new police facility. The Municipal Building, originally constructed in 1939, no longer meets the space needs of the various City departments. The primary need that will be addressed is to provide the police department with appropriate facilities to meet both current and future programming needs. The first phase of this project, currently underway, is an architectural study to determine the site requirements and needs for space for each of the departments that occupy the Municipal Building. The renovation or construction is currently scheduled for 2003.

Future Plans

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

The wastewater treatment plant currently is operating near its treatment capacity of 5 million gallons per day (MGD). The City began a project in 2001, to be completed in 2002, which will increase the capacity of the plant to 7 MGD. The added capacity will position the City to accommodate future growth. The project was funded by the issuance of \$6.9 million general obligation bonds in 2001.

A 16-inch water main near Cargill, Inc. will be looped to the existing 16-inch water main on Kuther Road in 2002. This project, at an estimated \$150,000, will increase fire flows and meet consumers' current and future water needs in that industrialized area.

A 16-inch water main will be extended in 2002 from Hoewisher Road (Eagle Glen subdivision) under the CSX railroad to be connected and looped to the existing water main at St. Rt. 29. This project will increase water pressure and fire flows to the residential areas of the north end.

In 2002, the City began the first phase of a multi-year project to eliminate the Fair Road sanitary sewer lift station and install a gravity sewer line. This improvement will allow the City to serve

approximately 300 acres of undeveloped land in a prime industrial area near the Interstate 75 / Fair Road interchange.

The City of Sidney last updated its Comprehensive Plan in 1997. According to the West Ohio Development Council, "Since 1997, industrial growth in Sidney has met or exceeded planned expectations." The comprehensive plan will be again be updated in 2002 to provide a blueprint for future growth and development in the community.

FINANCIAL INFORMATION

Accounting / Budgetary Control System

Internal Controls. 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 generally accepted accounting principles.

The concept of reasonable assurance recognizes that:

1. The cost of control should not exceed the benefits likely to be derived; and
2. The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the City is responsible for ensuring 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. Expenditures and encumbrances cannot exceed the legal level of control. Legal level of control for the City of Sidney is based on object of expenditure for each department as follows: 1) Personal Services and 2) Contractual, Materials and Other.

A purchasing control system is maintained which generally requires that an applicable appropriation be encumbered, or reserved, before a purchase may be made or a contract executed.

RISK MANAGEMENT

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

MVRMA was formed in 1988 by a core group of Dayton, Ohio area municipalities who possessed professional administrations, stable operations, and unusually good claims and loss experience. Since then, the Association's marketing committee has sought out cities with similar characteristics. The City of Sidney joined in 1993. The 2001 membership consisted of these sixteen Ohio cities: Beavercreek, Blue Ash, Indian Hill, Kettering, Madeira, Mason, Miamisburg, Montgomery, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington and Wyoming.

The amount of each member's annual contribution for losses and operating costs is based upon a weighted average computation that includes a four-year average of seven factors including the dollar

amount of claims expenses and losses, population, and property values. Claims experience is the most heavily weighted factor.

A full-time executive director, a claims manager, a loss control manager and an administrative assistant staff the Association's Centerville, Ohio, office. It is a not for profit corporation that has recognition as a tax exempt organization. It operates under bylaws and policies established by the governing board which is composed of one trustee from each member city. The Association has been fully audited by the Ohio Department of Insurance. It is subject to an annual financial audit and publishes a CAFR.

MVRMA provides in-house professional claims administration, with assistance as needed from Marsh USA, Inc. The first \$2,500 of each claims loss is a "deductible" that is fully payable by the member city filing the claim. Claim settlements, payments and defense costs in excess of that amount are paid from the reserves of the Association up to a maximum of \$500,000 for liability claims and \$150,000 for property claims. Expenses for claims exceeding these limits are covered by the traditional insurance coverages purchased by the Association. Property is covered at replacement value and the maximum for liability coverage per occurrence is \$11 million.

CASH MANAGEMENT

The City of Sidney's Investment and Deposit Policy, adopted by City Council under the authority permitted an Ohio charter city to establish its own investment policy, provides the guidance for the City's investment program. That policy stresses preservation of capital and protection of investment principal as primary objectives. A secondary consideration is the optimization of investment returns at acceptable levels of risk.

Eligible securities must have a maturity of five years or less from the date of purchase and be within one of the following classes:

1. Government securities issued by the United States government, Federal agencies instrumentalities;
2. Certificates of deposit if secured by proper collateral;
3. Bankers acceptances issued by institutions ranked nationally as being in the top fifty in asset and deposit size within their industry;
4. Repurchase agreements;
5. Commercial paper rated A-1/P-1;
6. Money market funds whose portfolios consist of instruments otherwise authorized in the investment policy;
7. State Treasury Asset Reserve of Ohio;
8. NOW accounts or similar accounts.

The investment portfolio at December 31, 2001 consisted of 32.6% certificates of deposit, 1.6% U.S. Treasury bonds and notes, 63.9% federal agency / instrumentality notes, and 1.7% money market funds.

The City uses a passive investment style in which securities are generally held until their maturity dates. This style, in the spirit of the preservation of principal objective, helps avoid the necessity to sell securities at less than face value.

The weighted average maturity of the portfolio at December 31, 2001 was 601 days and the weighted average yield as of that date was 4.83%, compared to the benchmark 2-year U.S. Treasury yield of approximately 3.05%.

INDEPENDENT AUDIT

The basic financial statements of the City of Sidney, included in this report, were audited by the independent accounting firm Clark, Schaefer, Hackett & Co. 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 generally accepted accounting principles. 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. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditors' report on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

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, 2000. 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 generally accepted accounting principles 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 three consecutive years. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

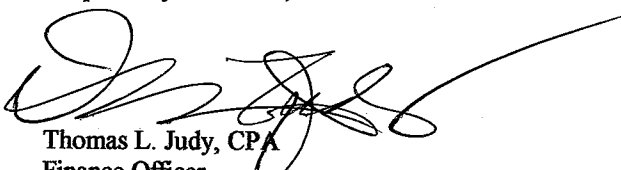
Distinguished Budget Presentation Award. The City received the GFOA's Distinguished Budget Presentation Award for its annual budget documents for both 2000 and 2001. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. The 2002 budget document was submitted to the GFOA and we believe that it meets the eligibility 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 Ginger Adams for her skillful preparation of the financial statements and to Dianna Morrow for preparation of much of the source data used in the preparation of this report.

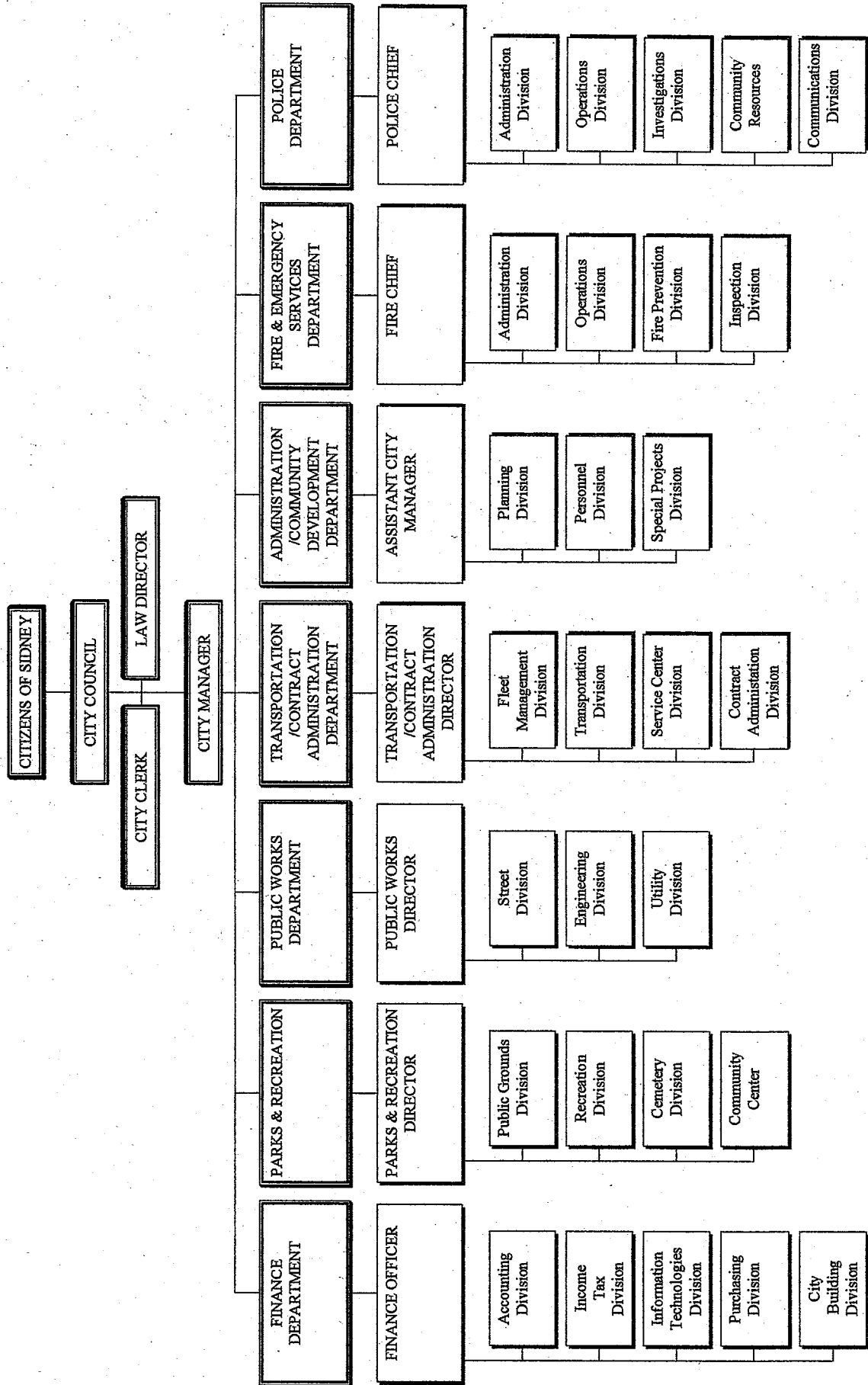
Finally, a special thanks is extended to Mayor Frank Mariano and all the members of City Council whose support enables the City of Sidney to strive for excellence in its financial reporting and to maintain high standards of financial integrity.

Respectfully submitted,



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

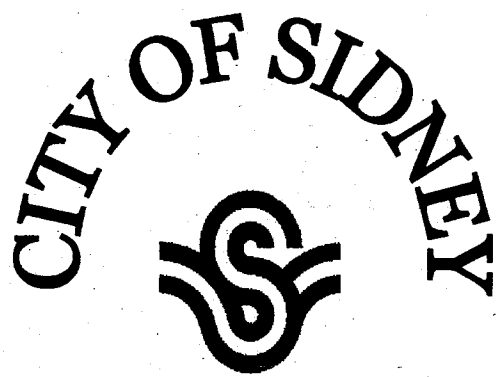
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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.



Timothy A. Crew
President

Jeffrey L. Esder
Executive Director



OHIO

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report

To the Mayor and City Council
City of Sidney, Ohio

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, 2001, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of Sidney's management. Our responsibility is to express opinions on these 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 basic financial statements. An audit also includes assessing the accounting principles used and 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney, Ohio, as of December 31, 2001, 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, 2002 on our consideration of the City of Sidney's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted of the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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.

The accompanying required supplementary information, including the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 47 through 53 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted of 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.

Clark, Schaefer, Hackett & Co.
Springfield, Ohio
May 7, 2002

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
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, 2001. Readers should also review the transmittal letter that begins on page ii and the basic financial statements on pages 13 - 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 conditions.

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 2001?" 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 current year's revenues and expenses regardless of when the cash is received or paid.

- *The Statement of Net Assets.* This statement (page 13) reports all assets and liabilities of the City as of December 31, 2001. 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 14) 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, 2001. Changes in net assets are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the City's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

Reporting on the City of Sidney's Most Significant Funds

Fund financial statements

These statements provide financial position and results of the City's major funds. A fund is an accounting entity created to account for a specific activity or purpose. Major funds of the City of Sidney are the General Fund, Street Repair and Maintenance Fund, Municipal Income Tax Fund, Capital Improvement Fund, Water Fund, Sewer Fund and Solid Waste Fund. The creation of some funds is mandated by law and others are created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

- *Governmental funds.* Governmental funds are used to account for “governmental-type” activities. Unlike the government-wide financial statements, governmental fund statements use a “flow of financial resources” measurement focus. That is to say, the operating statement of a governmental fund attempts to answer the question “Are there more or less resources that can be spent in the near future as a result of events and transactions of the 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 28 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 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.

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

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

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

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

- *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 47 to 51 of this report.
- *Supplemental information.* Combining statements for non-major funds and budgetary schedules for non-major special revenue funds and capital projects funds are presented in the Supplemental Section of this report beginning on page 59. These statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The City of Sidney as a Whole

The following table presents condensed information on net assets as of December 31, 2001 and 2000.

| | <u>Net Assets</u> | | | | | |
|---|--|----------------------|--|---------------------------------|----------------------|---------------------------------|
| | <u>December 31, 2001 and 2000</u> | | | | | |
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2001</u> | <u>2000</u> | <u>2001</u> | <u>2000, as restated</u> | <u>2001</u> | <u>2000, as restated</u> |
| <u>Assets:</u> | | | | | | |
| Current and other assets | \$ 16,483,758 | \$ 18,283,441 | \$ 12,016,057 | \$ 4,833,196 | \$ 28,499,815 | \$ 23,116,637 |
| Capital assets | <u>23,576,322</u> | <u>16,054,833</u> | <u>22,011,220</u> | <u>21,235,083</u> | <u>45,587,542</u> | <u>37,289,916</u> |
| Total assets | <u>40,060,080</u> | <u>34,338,274</u> | <u>34,027,277</u> | <u>26,068,279</u> | <u>74,087,357</u> | <u>60,406,553</u> |
| <u>Liabilities:</u> | | | | | | |
| Long-term liabilities | 3,976,156 | 4,062,620 | 12,012,532 | 6,010,506 | 15,988,688 | 10,073,126 |
| Other liabilities | <u>3,725,164</u> | <u>3,126,918</u> | <u>1,021,801</u> | <u>564,882</u> | <u>4,746,965</u> | <u>3,691,800</u> |
| Total liabilities | <u>7,701,320</u> | <u>7,189,538</u> | <u>13,034,333</u> | <u>6,575,388</u> | <u>20,735,653</u> | <u>13,764,926</u> |
| <u>Net Assets:</u> | | | | | | |
| Invested in capital assets, net of debt | 20,991,322 | 13,349,833 | 16,586,879 | 15,511,696 | 37,578,201 | 28,861,529 |
| Restricted | 1,456,923 | 1,787,966 | - | - | 1,456,923 | 1,787,966 |
| Unrestricted | <u>9,910,515</u> | <u>12,010,937</u> | <u>4,406,065</u> | <u>3,981,195</u> | <u>14,316,580</u> | <u>15,992,132</u> |
| Total net assets | <u>\$ 32,358,760</u> | <u>\$ 27,148,736</u> | <u>\$ 20,992,944</u> | <u>\$ 19,492,891</u> | <u>\$ 53,351,704</u> | <u>\$ 46,641,627</u> |

Net assets and capital assets at December 31, 2000 have been restated to capitalize business-type activities' infrastructure such as the water and sewer lines. This restatement increased capital assets and its corresponding net assets, invested in capital assets, net of debt by \$10.3 million. For a more detailed explanation of this restatement, see note 11 on page 44 of the Notes to the Basic Financial Statements.

Increases in net assets generally indicate an improvement in financial position. In total, net assets increased from \$46.6 million to \$53.4 million in 2001. In looking at the components of net assets, the "invested in capital assets, net of related debt" category increased from \$28.9 million at December 31, 2000 to \$37.6 million at December 31, 2001. See the "Capital asset activity" portion of this analysis for factors contributing to this increase.

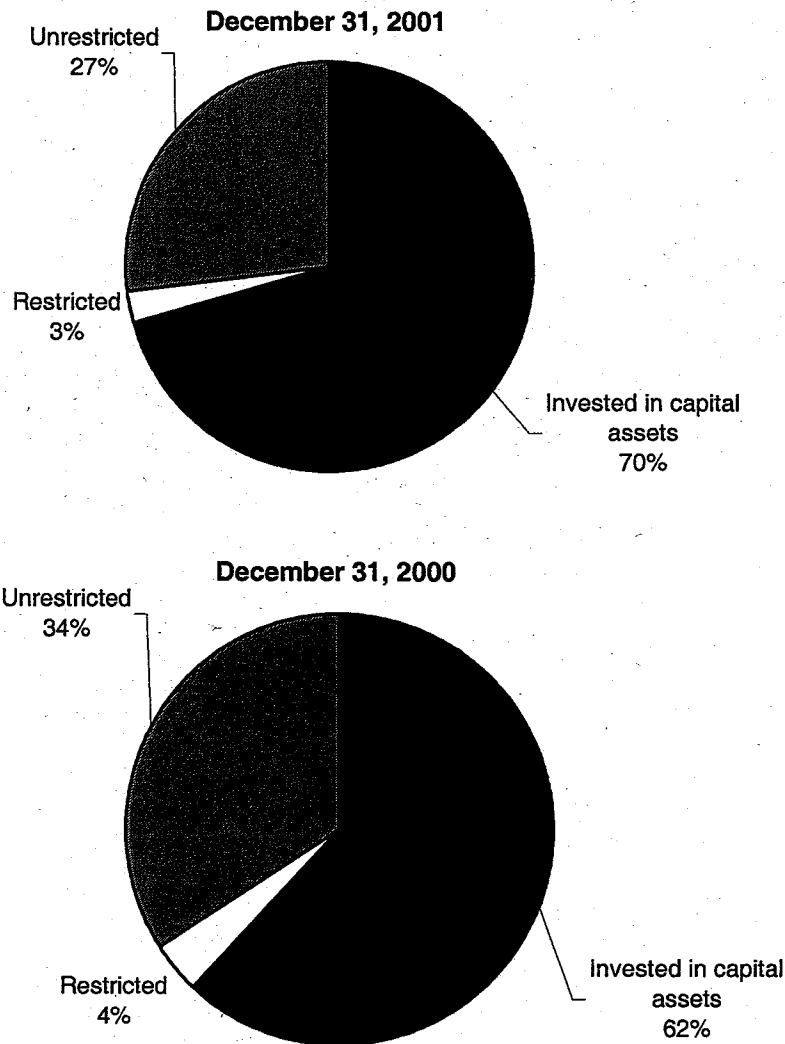
Restricted net assets are subject to external restrictions as to their use. This category of net assets decreased from \$1.8 million at December 31, 2000 to \$1.5 million at December 31, 2001.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

The remaining unrestricted net assets are available for future use as directed by City Council. In total, this amount decreased \$1.7 million. Unrestricted net assets of the City's governmental activities declined \$2.1 million while unrestricted net assets of the business-type activities increased \$0.4 million. The decline in unrestricted net assets of governmental activities is to be expected in a year in which the City makes significant amounts of capital purchases that are not financed with debt. The purchase of a capital asset with cash will increase net assets invested in capital assets and reduce unrestricted net assets. The downtown Streetscape project in 2001 was funded with unrestricted cash.

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

Components of Net Assets



CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

The following table presents condensed information on the changes in net assets for the years ended December 31, 2001 and 2000.

Changes in Net Assets
For the Years Ended December 31, 2001 and 2000

| | <u>Governmental activities</u> | | <u>Business-type activities</u> | | <u>Total</u> | |
|--|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | <u>2001</u> | <u>2000</u> | <u>2001</u> | <u>2000</u> | <u>2001</u> | <u>2000</u> |
| <u>Revenues</u> | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,543,438 | \$ 1,858,284 | \$ 6,488,911 | \$ 6,754,990 | \$ 8,032,349 | \$ 8,613,274 |
| Operating grants and contributions | 1,579,224 | 1,502,882 | 29,800 | 15,000 | 1,609,024 | 1,517,882 |
| Capital grants and contributions | 1,614,919 | 319,880 | 132,059 | 67,692 | 1,746,978 | 387,572 |
| General revenues: | | | | | | |
| Income taxes | 10,713,675 | 10,663,264 | - | - | 10,713,675 | 10,663,264 |
| Property taxes | 1,317,123 | 1,330,086 | - | - | 1,317,123 | 1,330,086 |
| Other taxes | 189,818 | 561,207 | - | - | 189,818 | 561,207 |
| Grants and other contributions not restricted to specific programs | 4,455,291 | 3,231,221 | 282,513 | 5,932 | 4,737,804 | 3,237,153 |
| Investment earnings | 779,823 | 1,108,964 | 251,912 | 169,062 | 1,031,735 | 1,278,026 |
| Gain/(loss) on sale of capital assets | (322,766) | (49,849) | (23,210) | 2,187 | (345,976) | (47,662) |
| Miscellaneous | 155,936 | 297,769 | - | - | 155,936 | 297,769 |
| Total revenues | 22,026,481 | 20,823,708 | 7,161,985 | 7,014,863 | 29,188,486 | 27,838,571 |
| <u>Expenses</u> | | | | | | |
| General government | 2,004,013 | 1,726,953 | - | - | 2,004,013 | 1,726,953 |
| Security of persons and property | 9,738,140 | 8,612,061 | - | - | 9,738,140 | 8,612,061 |
| Health | 262,976 | 175,285 | - | - | 262,976 | 175,285 |
| Transportation | 1,650,301 | 1,485,762 | - | - | 1,650,301 | 1,485,762 |
| Community environment | 1,190,361 | 1,298,204 | - | - | 1,190,361 | 1,298,204 |
| Leisure time activities | 1,216,154 | 1,153,708 | - | - | 1,216,154 | 1,153,708 |
| Basic utility services | 182,387 | 172,563 | - | - | 182,387 | 172,563 |
| Interest on long-term debt | 121,785 | 125,165 | - | - | 121,785 | 125,165 |
| Water | - | - | 2,592,405 | 2,389,507 | 2,592,405 | 2,389,507 |
| Sewer | - | - | 2,316,654 | 2,006,052 | 2,316,654 | 2,006,052 |
| Solid Waste | - | - | 915,794 | 999,249 | 915,794 | 999,249 |
| Other business-type activities | - | - | 287,419 | 314,711 | 287,419 | 314,711 |
| Total expenses | 16,366,117 | 14,749,701 | 6,112,272 | 5,709,519 | 22,478,389 | 20,459,220 |
| Excess (deficiency) before transfers | 5,660,364 | 6,074,007 | 1,049,713 | 1,305,344 | 6,710,077 | 7,379,351 |
| Transfers | (450,340) | (12,233) | 450,340 | 12,233 | - | - |
| Change in net assets | \$ 5,210,024 | \$ 6,061,774 | \$ 1,500,053 | \$ 1,317,577 | \$ 6,710,077 | \$ 7,379,351 |

Change in net assets was \$6.7 million for the year ended December 31, 2001 and \$7.4 million for the prior year. Total revenues increased approximately \$1.3 million, or 5.0%. Total expenses increased approximately \$2.0 million, or 9.9%.

Revenue from grants and contributions increased about \$3.0 million in 2001, from \$5.1 million to \$8.1 million. The largest item in this category was the donation of streets to the City by private developers in the amount of \$3.3 million. These donations as well as additional grant revenue received for a housing program and the Streetscape project, account for most of the increase in grants and contributions.

The City's single largest revenue source, municipal income tax revenue, showed virtually no increase in 2001.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

The charges for services revenue declined from \$8.6 million in 2000 to \$8.0 million in 2001. Business-type activities' charges for services declined approximately \$266,000 primarily due to reductions in water and sewer revenues related to a slowing of industrial and residential growth as compared to the prior year. Airport fuel charges also declined due to the loss of a major hangar tenant. Charges for services for governmental activities declined nearly \$315,000. The largest portion of this change was due to a decrease in the activity of an economic development loan program.

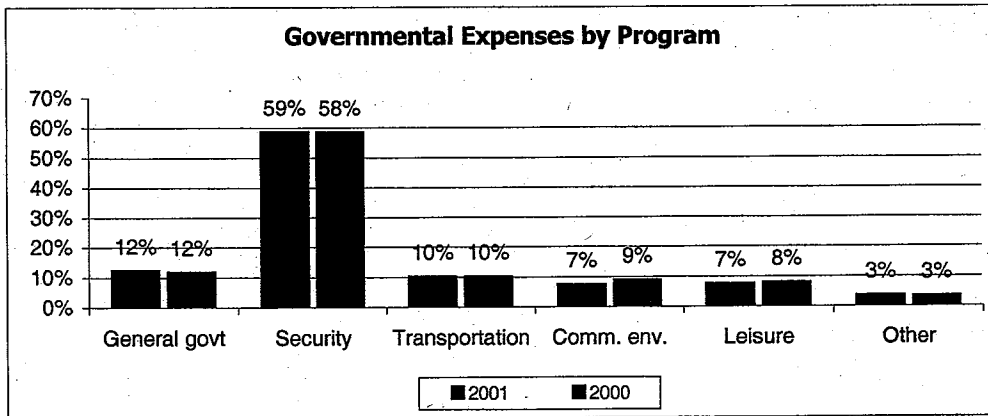
Significant increases in total expenses include the following:

- Security of persons and property increased \$1.1 million, or 13%. Approximately \$254,000 of this increase was due to municipal court costs. The court added a new deputy clerk position for 2001 and had 3 new assistant bailiff/security officer positions in place for all of 2001 (versus only 4 months during 2000). Additionally, the court paid for an entire year of utilities, cleaning and maintenance expenses related to the relocation to the Monumental Building. Another \$303,000 of the increase in security costs was attributable to personnel-related increases in police patrol and fire. There were additional staff added during 2001 and fewer vacancies than in 2000 in the police and fire operations. The last significant increase within this category was a new OCJS grant. This is a new fund for 2001 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. Expenses totaled \$161,000 for the year ended December 31, 2001 related to this fund.
- Sewer expenses increased \$311,000, or 15%. The majority of this increase was additional depreciation expense. Depreciation increased, for the most part, because nearly \$4.5 million of sewer infrastructure was added as a prior period adjustment during 2001.
- Water expenses increased \$203,000, or 8%. Approximately half of this increase was due to lime sludge removal expenses. The remainder of the increase was attributable to additional depreciation expense during 2001. Like sewer, water main infrastructure with an estimated cost of \$6.5 million was added as a prior period adjustment during 2001.

Governmental activities

Governmental net assets increased by \$5.2 million. Net assets invested in capital assets net of related debt increased by \$7.6 million, meaning that net assets available for other governmental purposes decreased by \$2.4 million.

Expenses of governmental activities break down as follows:



From this chart, it is evident that even though governmental expenses have increased for the year ended December 31, 2001, the composition of the expenses by program remained stable from 2000 to 2001. Security of persons and property - consisting mainly of police, fire, and municipal court activities -

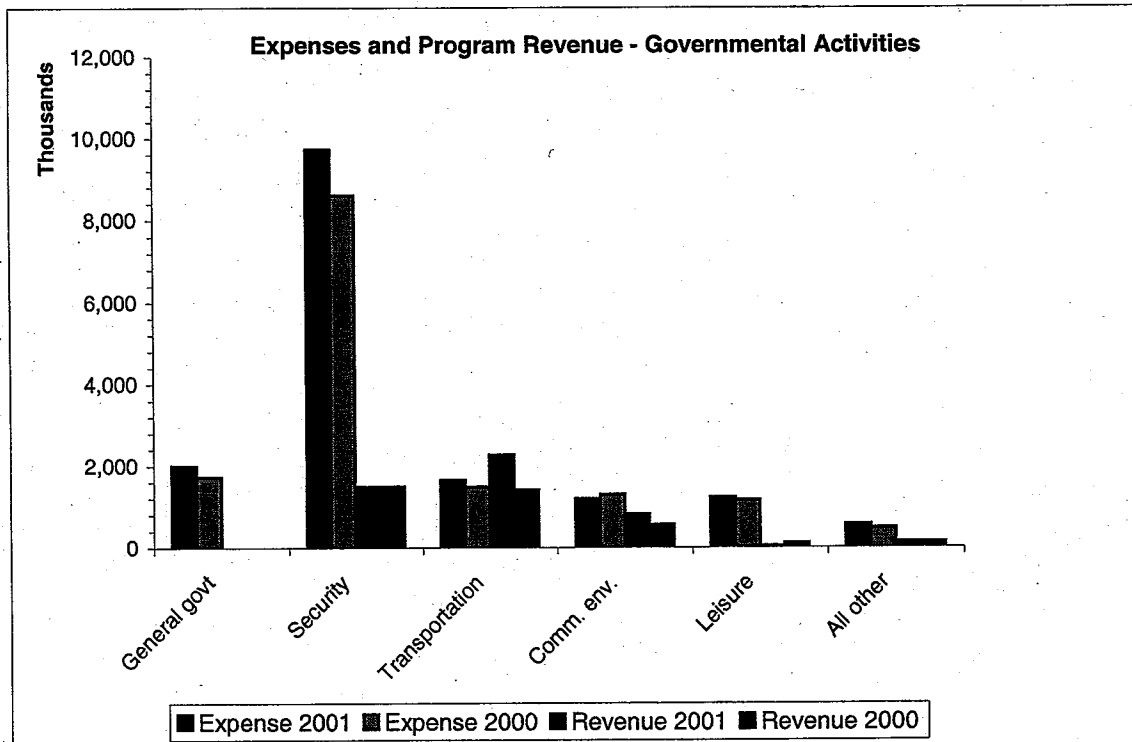
CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

comprises about 58% to 59% of governmental activities' expenses. Transportation, which consists of street repair and maintenance activities and the Dial-a-ride transportation system, accounts for about 10% of expenses. The community environment program, which consists of activities such as community planning, engineering, and code enforcement, makes up about 8% to 9% of expenses. Leisure time activities – the parks and recreation programs – are responsible for 7% to 8% of governmental expenses.

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

Expenses and Program Revenue – Governmental Activities

| | <u>Year Ended December 31, 2001</u> | | | <u>Year Ended December 31, 2000</u> | | |
|--------------------------------------|-------------------------------------|------------------------|-------------------------|-------------------------------------|------------------------|-------------------------|
| | <u>Expense</u> | <u>Program revenue</u> | <u>Net program cost</u> | <u>Expense</u> | <u>Program revenue</u> | <u>Net program cost</u> |
| General government | \$ 2,004,013 | \$ - | \$ (2,004,013) | \$ 1,726,953 | \$ - | \$ (1,726,953) |
| Security of persons and property | 9,738,140 | 1,495,815 | (8,242,325) | 8,612,061 | 1,492,875 | (7,119,186) |
| Transportation | 1,650,301 | 2,259,834 | 609,533 | 1,485,762 | 1,403,692 | (82,070) |
| Community environment | 1,190,361 | 817,184 | (373,177) | 1,298,204 | 553,089 | (745,115) |
| Leisure time activities | 1,216,154 | 31,132 | (1,185,022) | 1,153,708 | 101,749 | (1,051,959) |
| All others | 567,148 | 133,616 | (433,532) | 473,013 | 129,641 | (343,372) |
| Total governmental activities | \$ 16,366,117 | \$ 4,737,581 | \$ (11,628,536) | \$ 14,749,701 | \$ 3,681,046 | \$ (11,068,655) |



CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

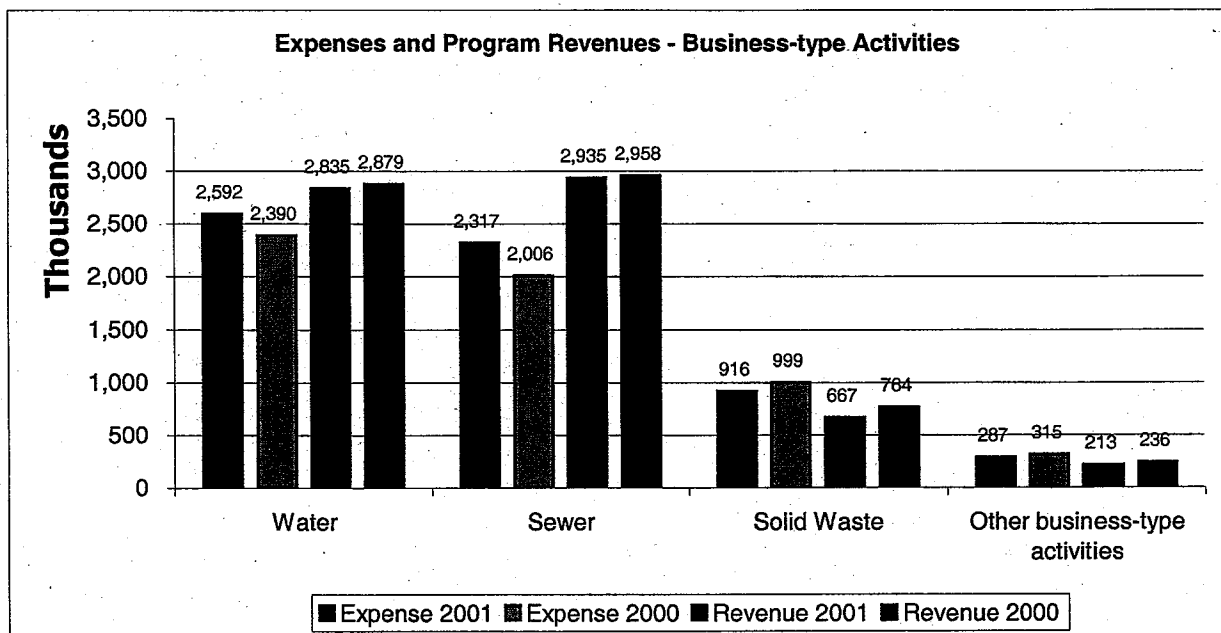
Business-type activities

Business-type activities' net assets increased \$1.5 million. Investment in capital assets, net of related debt increased \$1.1 million. The remainder of the increase in net assets was in the unrestricted net assets category.

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

Expenses and Program Revenue – Business-type Activities

| | <u>For Year Ended December 31, 2001</u> | | | <u>For Year Ended December 31, 2000</u> | | |
|--------------------------------|---|------------------------|-------------------------|---|------------------------|-------------------------|
| | <u>Expense</u> | <u>Program revenue</u> | <u>Net program cost</u> | <u>Expense</u> | <u>Program revenue</u> | <u>Net program cost</u> |
| Water | \$ 2,592,405 | \$ 2,835,353 | \$ 242,948 | \$ 2,389,507 | \$ 2,879,475 | \$ 489,968 |
| Sewer | 2,316,654 | 2,935,486 | 618,832 | 2,006,052 | 2,958,403 | 952,351 |
| Solid Waste | 915,794 | 666,804 | (248,990) | 999,249 | 763,583 | (235,666) |
| Other business-type activities | <u>287,419</u> | <u>213,127</u> | <u>(74,292)</u> | <u>314,711</u> | <u>236,221</u> | <u>(78,490)</u> |
| Total governmental activities | <u>\$ 6,112,272</u> | <u>\$ 6,650,770</u> | <u>\$ 538,498</u> | <u>\$ 5,709,519</u> | <u>\$ 6,837,682</u> | <u>\$ 1,128,163</u> |



The large margin of sewer revenues over expenses is part of a plan by management to accumulate sufficient cash reserves to accommodate future debt payments for the expansion of the wastewater treatment plant. This expansion is discussed in greater detail in the "Capital Asset Activity" and the "Debt" sections of this analysis.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

In the solid waste fund, a cash subsidy of \$165,340 from the General Fund to cover the cost of the yard waste program, as well as cash reserves, were used to offset the operating deficit in the Solid Waste Fund. The City's five-year financial plan adopted by City Council in 2001 provides for annual rate increases in this fund to keep pace with the cost of providing the service. The yard waste program will continue to be subsidized by the General Fund.

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 is generally a good indicator of net resources available for spending at the end of the fiscal year, subject to any stated restrictions on its use.

The combined fund balances of the City's governmental funds at December 31, 2001 was \$9.3 million as compared to \$12.5 million at December 31, 2000. Much of this decrease was in the Capital Improvement Fund, the fund balance of which decreased from \$2.4 million to \$1.0 million, due to the completion of major capital projects in 2001. Also, the Monumental Building Renovation Fund balance decreased by over \$400,000 as the renovation of the historic building into a new home for Sidney Municipal Court was completed in 2001. The balance of the Municipal Income Tax Fund decreased from \$2.4 million to \$1.3 million due to stagnation in tax collections resulting from the slowed economy.

The General Fund is the primary operating fund of the City of Sidney, accounting for such activities as police and fire protection, emergency medical services, and parks and recreation. The General Fund balance decreased from \$3.3 million at the beginning of the year to \$3.2 million at year-end. Total general fund revenues decreased \$245,000. While local taxes revenues increased \$54,000, intergovernmental revenues, charges for services and investment income declined \$157,000, \$27,000 and \$119,000, respectively, as compared to the prior year. Adding to this decrease in revenues, expenditures increased \$778,000. The largest program increase was attributable to the security of persons and property which experienced increased Municipal Court costs and personnel costs for police and fire personnel.

Budget variations

The only significant variation of actual results compared to the General Fund budget was that transfers-in were \$8,430,407 compared to a budget of \$9,200,000, a variance of \$769,593. This variance is entirely due to the transfer from the Municipal Income Tax Fund. Amounts received from the City's income tax are paid into the Municipal Income Tax Fund and 80% of the net proceeds after collection are transferred to the General Fund. The budget had projected a growth in income tax collection in 2001 of about 4% over 2000. However, due to the economic slowdown, actual income tax cash collections, net of refunds, increased only 1.2%. The City has sufficient unreserved fund balance to absorb that shortfall, but if such a trend continues for a prolonged period of time, it will become necessary to re-prioritize long-range capital plans and consider other user charges and fees to offset the revenue loss.

Capital asset and debt administration

Capital asset activity

Significant capital activity for the year included:

- ✓ Plans were completed and construction began on the renovation of the wastewater treatment plant. Construction in progress for this project at December 31, 2001 totaled \$809,000.
- ✓ The streetscape plan for the downtown was completed. This included replacing water lines, sanitary sewer lines and gas lines. A storm sewer system was installed. In addition, all curb and gutter were replaced and the street reconstructed around the court square. The streetlights were replaced. Brick pavers were installed at various locations. The total project was completed at a

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2001
Unaudited

cost of about \$3.9 million. That cost was partially offset by the use of about \$1.3 million in federal and state grant funds in the project.

- ✓ The Monumental Building's renovation was completed. Expenditures totaling an additional \$261,000 were paid during 2001. This building now houses the municipal court.
- ✓ Developers donated streets to the City with a total estimated cost of approximately \$3.3 million.

Additional detail on the capital asset activity for the year ended December 31, 2001 is presented in the Notes to the Basic Financial Statements in note 5 on pages 36 – 37.

Debt

Ohio law restricts the amount of debt that a City may issue. The aggregate principal amount of unvoted "net indebtedness" may not exceed 5.5% of the assessed valuation for property tax purposes of all real and personal property located within the City. Certain debt with a repayment source other than general tax revenues, is excluded from the definition of net indebtedness. Under that definition, the City has approximately \$2.6 million of net indebtedness as of December 31, 2001, leaving a legal debt margin for unvoted debt of approximately \$20.4 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 \$43.9 million, leaving a total debt margin of approximately \$41.4 million.

In 2000, the City entered into a wastewater planning and design loan agreement with the Ohio Water Development Authority (O.W.D.A.) for an amount up to \$620,000 to be used for the planning and design of an expansion to the wastewater treatment plant. The balance at December 31, 2000 was \$168,387. During 2001, additional loan proceeds of \$242,337 were received. During December 2001, this loan was repaid in full using the proceeds from the following debt issuance.

General obligation bonds totaling \$6.9 million were issued during November 2001 to pay for the expansion of the wastewater treatment plant. Interest rates for this new issuance of bonds range from 4.0% to 4.625% and are to be repaid beginning in the year 2003 through 2022.

A summary of debt outstanding at December 31, 2001 and 2000 is as follows:

| | <u>Governmental activities</u> | | <u>Business-type activities</u> | |
|--------------------------|--------------------------------|----------------------|---------------------------------|----------------------|
| | December 31, 2001 | December 31, 2000 | December 31, 2001 | December 31, 2000 |
| General obligation bonds | \$ 2,585,000 | \$ 2,705,000 | \$11,700,000 | \$ 5,555,000 |
| O.W.D.A. loan | - | - | - | 168,387 |
| Total | <u>\$ 2,585,000</u> | <u>\$ 2,705,000</u> | <u>\$11,700,000</u> | <u>\$ 5,723,387</u> |

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

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, 2001

| | Governmental Activities | Business-type Activities | Total |
|---|-----------------------------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Pooled cash and investments | \$ 10,419,002 | \$ 10,378,067 | \$ 20,797,069 |
| Receivables (net): | | | |
| Income taxes | 2,980,452 | - | 2,980,452 |
| Property taxes | 1,328,656 | - | 1,328,656 |
| Other taxes | 13,180 | - | 13,180 |
| Accounts | - | 1,195,710 | 1,195,710 |
| Interest | 180,328 | 62,675 | 243,003 |
| Loans | 118,784 | - | 118,784 |
| Special assessments | 20,883 | - | 20,883 |
| Other | 413,335 | 6,493 | 419,828 |
| Internal balances | 24,499 | (24,499) | - |
| Receivables from other governments | 700,260 | - | 700,260 |
| Inventory | 160,283 | 254,867 | 415,150 |
| Prepaid items | 124,096 | 142,744 | 266,840 |
| Capital assets: | | | |
| Capital assets not subject to depreciation: | | | |
| Land | 2,216,301 | 526,604 | 2,742,905 |
| Construction in progress | 495,936 | 809,183 | 1,305,119 |
| Capital assets net of accumulated depreciation | <u>20,864,085</u> | <u>20,675,433</u> | <u>41,539,518</u> |
| Total assets | <u>\$ 40,060,080</u> | <u>\$ 34,027,277</u> | <u>\$ 74,087,357</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 1,527,547 | \$ 642,628 | \$ 2,170,175 |
| Salaries and benefits payable | 974,610 | 174,254 | 1,148,864 |
| Other accrued liabilities | 1,185 | - | 1,185 |
| Deferred revenue | 1,211,589 | 137,911 | 1,349,500 |
| Accrued interest payable | 10,233 | 67,008 | 77,241 |
| Noncurrent liabilities: | | | |
| Due within one year | 195,700 | 775,000 | 970,700 |
| Due in more than one year | <u>3,780,456</u> | <u>11,237,532</u> | <u>15,017,988</u> |
| Total liabilities | <u>\$ 7,701,320</u> | <u>\$ 13,034,333</u> | <u>\$ 20,735,653</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | \$ 20,991,322 | \$ 16,586,879 | \$ 37,578,201 |
| Restricted for: | | | |
| Capital projects | 14,751 | - | 14,751 |
| Other purposes | 1,442,172 | - | 1,442,172 |
| Unrestricted | <u>9,910,515</u> | <u>4,406,065</u> | <u>14,316,580</u> |
| Total net assets | <u>\$ 32,358,760</u> | <u>\$ 20,992,944</u> | <u>\$ 53,351,704</u> |
| Total liabilities and net assets | <u>\$ 40,060,080</u> | <u>\$ 34,027,277</u> | <u>\$ 74,087,357</u> |

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2001**

| 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 | \$ 2,004,013 | \$ - | \$ - | \$ - | \$ (2,004,013) | | \$ (2,004,013) |
| Security of persons and property | 9,738,140 | 1,179,156 | 316,659 | - | (8,242,325) | | (8,242,325) |
| Health | 262,976 | 133,616 | - | - | (129,360) | | (129,360) |
| Transportation | 1,650,301 | 100,435 | 1,253,290 | 906,109 | 609,533 | | 609,533 |
| Community environment | 1,190,361 | 107,374 | 1,000 | 708,810 | (373,177) | | (373,177) |
| Leisure time activities | 1,216,154 | 22,857 | 8,275 | - | (1,185,022) | | (1,185,022) |
| Basic utility services | 182,387 | - | - | - | (182,387) | | (182,387) |
| Interest on long-term debt | 121,785 | - | - | - | (121,785) | | (121,785) |
| Total governmental activities | <u>16,366,117</u> | <u>1,543,438</u> | <u>1,579,224</u> | <u>1,614,919</u> | <u>(11,628,536)</u> | | <u>(11,628,536)</u> |
| Business-type activities: | | | | | | | |
| Water | 2,592,405 | 2,835,353 | - | - | | \$ 242,948 | 242,948 |
| Sewer | 2,316,654 | 2,803,427 | - | 132,059 | | 618,832 | 618,832 |
| Solid Waste | 915,794 | 637,004 | 29,800 | - | | (248,990) | (248,990) |
| Other business-type activities | 287,419 | 213,127 | - | - | | (74,292) | (74,292) |
| Total business-type activities | <u>6,112,272</u> | <u>6,488,911</u> | <u>29,800</u> | <u>132,059</u> | | <u>538,498</u> | <u>538,498</u> |
| Total | \$ 22,478,389 | \$ 8,032,349 | \$ 1,609,024 | \$ 1,746,978 | (11,628,536) | 538,498 | (11,090,038) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Income taxes | | | | | 10,713,675 | - | 10,713,675 |
| Property taxes | | | | | 1,317,123 | - | 1,317,123 |
| Other taxes | | | | | 189,818 | - | 189,818 |
| Grants and contributions not restricted to specific programs | | | | | 4,455,291 | 282,513 | 4,737,804 |
| Investment earnings | | | | | 779,823 | 251,912 | 1,031,735 |
| Loss on sale of capital assets | | | | | (322,766) | (23,210) | (345,976) |
| Miscellaneous | | | | | 155,936 | - | 155,936 |
| Transfers | | | | | (450,340) | 450,340 | - |
| Total general revenues and transfers | | | | | <u>16,838,560</u> | <u>961,555</u> | <u>17,800,115</u> |
| Change in net assets | | | | | 5,210,024 | 1,500,053 | 6,710,077 |
| Net assets - beginning, as restated | | | | | <u>27,148,736</u> | <u>19,492,891</u> | <u>46,641,627</u> |
| Net assets - ending | | | | | <u>\$ 32,358,760</u> | <u>\$ 20,992,944</u> | <u>\$ 53,351,704</u> |

See Notes to the Basic Financial Statements.

CITY OF SIDNEY



OHIO

**CITY OF SIDNEY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2001**

| | <u>General Fund</u> | <u>Street Repair & Maintenance Fund</u> | <u>Municipal Income Tax Fund</u> | <u>Capital Improvement Fund</u> |
|--------------------------------------|---------------------|---|--|---|
| ASSETS | | | | |
| Pooled cash and investments | \$ 3,963,649 | \$ 486,564 | \$ 640,870 | \$ 1,451,323 |
| Receivables (net): | | | | |
| Income taxes | - | - | 2,980,452 | - |
| Property taxes | 1,328,656 | - | - | - |
| Other taxes | 13,180 | - | - | - |
| Interest | 151,715 | - | - | - |
| Loans | - | - | - | - |
| Special assessments | 1,534 | - | - | - |
| Other | 181,726 | 2,939 | 425 | 147,202 |
| Due from other funds | 2,192 | - | - | - |
| Receivables from other governments | 116,745 | 539,871 | - | - |
| Inventory | 55,145 | 60,857 | 2,743 | - |
| Prepaid items | 37,179 | 521 | 1,495 | 54,876 |
| | <u>3,963,649</u> | <u>486,564</u> | <u>640,870</u> | <u>1,451,323</u> |
| Total assets | <u>\$ 5,851,721</u> | <u>\$ 1,090,752</u> | <u>\$ 3,625,985</u> | <u>\$ 1,653,401</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 158,159 | \$ 7,381 | \$ 442,381 | \$ 550,657 |
| Salaries and benefits payable | 839,436 | 49,587 | 10,117 | - |
| Other accrued liabilities | - | - | - | 1,185 |
| Due to other funds | 4,076 | 661 | 1,065 | - |
| Deferred revenue | 1,630,518 | 447,539 | 1,832,639 | 105,443 |
| | <u>2,632,189</u> | <u>505,168</u> | <u>2,286,202</u> | <u>657,285</u> |
| Total liabilities | <u>2,632,189</u> | <u>505,168</u> | <u>2,286,202</u> | <u>657,285</u> |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Inventory | 55,145 | 60,857 | 2,743 | - |
| Prepaid items | 37,179 | 521 | 1,495 | 54,876 |
| Encumbrances | 145,807 | 1,150 | 504 | 983,284 |
| Unreserved, reported in: | | | | |
| General fund | 2,981,401 | - | - | - |
| Special revenue funds | - | 523,056 | 1,335,041 | - |
| Capital projects funds | - | - | - | (42,044) |
| | <u>2,981,401</u> | <u>523,056</u> | <u>1,335,041</u> | <u>(42,044)</u> |
| Total fund balances | <u>3,219,532</u> | <u>585,584</u> | <u>1,339,783</u> | <u>996,116</u> |
| Total liabilities and fund balances | <u>\$ 5,851,721</u> | <u>\$ 1,090,752</u> | <u>\$ 3,625,985</u> | <u>\$ 1,653,401</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, 2001**

| Non-major Governmental Funds | Total Governmental Funds | | |
|------------------------------------|--------------------------------|--|----------------------|
| | | Total governmental fund balances | \$ 9,334,327 |
| \$ 3,134,554 | \$ 9,676,960 | <i>Amounts reported for governmental activities in the statement of net assets are different because:</i> | |
| - | 2,980,452 | Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 22,937,746 |
| - | 1,328,656 | Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds: | |
| - | 13,180 | Income taxes receivable | 1,832,214 |
| 22,252 | 173,967 | Other taxes and intergovernmental receivable | 684,410 |
| 118,784 | 118,784 | Other receivables | 403,118 |
| 19,349 | 20,883 | Internal service funds are used to charge the costs of certain activities, such as the central garage, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | 1,091,649 |
| 67,041 | 399,333 | Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds: | |
| - | 2,192 | Bonds and notes payable | (2,585,000) |
| 43,644 | 700,260 | Compensated absences | (944,429) |
| 19,992 | 138,737 | Unfunded police and fire pension liability | (385,042) |
| 1,003 | 95,074 | Accrued interest on long-term debt | (10,233) |
| <u>\$ 3,426,619</u> | <u>\$ 15,648,478</u> | Net assets of governmental activities | <u>\$ 32,358,760</u> |
| | | | |
| \$ 91,662 | \$ 1,250,240 | | |
| 43,649 | 942,789 | | |
| - | 1,185 | | |
| 1,649 | 7,451 | | |
| <u>96,347</u> | <u>4,112,486</u> | | |
| | | | |
| 233,307 | 6,314,151 | | |
| | | | |
| 19,992 | 138,737 | | |
| 1,003 | 95,074 | | |
| 121,086 | 1,251,831 | | |
| | | | |
| - | 2,981,401 | | |
| 2,622,429 | 4,480,526 | | |
| <u>428,802</u> | <u>386,758</u> | | |
| | | | |
| 3,193,312 | 9,334,327 | | |
| | | | |
| <u>\$ 3,426,619</u> | <u>\$ 15,648,478</u> | | |

**CITY OF SIDNEY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

| | General Fund | Street Repair & Maintenance Fund | Municipal Income Tax Fund | Capital Improvement Fund |
|--|---------------------|---|---------------------------------|--------------------------------|
| REVENUES: | | | | |
| Local taxes | \$ 1,354,087 | \$ - | \$ 9,735,102 | \$ - |
| Intergovernmental revenues | 1,502,694 | 823,932 | - | 11,000 |
| Special assessments | 202,910 | - | - | - |
| Charges for services | 569,944 | - | - | - |
| Fines, licenses and permits | 364,294 | - | - | - |
| Investment income | 722,946 | - | - | - |
| Miscellaneous receipts and reimbursements | 133,856 | 85,227 | 82 | 41,759 |
| Total revenues | 4,850,731 | 909,159 | 9,735,184 | 52,759 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 1,626,537 | - | 283,755 | - |
| Security of persons & property | 8,836,704 | - | - | - |
| Health | 80,380 | - | - | - |
| Transportation | - | 891,527 | - | - |
| Community environment | 848,744 | - | - | - |
| Leisure time activities | 1,044,188 | - | - | - |
| Basic utility services | - | - | - | - |
| Capital outlay | 133,098 | - | - | 3,759,532 |
| Debt service: | | | | |
| Principal | - | - | - | 100,000 |
| Interest and other charges | - | - | - | 114,923 |
| Total expenditures | 12,569,651 | 891,527 | 283,755 | 3,974,455 |
| Excess (deficiency) of revenues over (under) expenditures | (7,718,920) | 17,632 | 9,451,429 | (3,921,696) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 8,430,407 | 60,000 | - | 2,535,173 |
| Sale of fixed assets | 21,262 | 125 | - | - |
| Transfers out | (835,240) | - | (10,538,009) | - |
| Total other financing sources (uses) | 7,616,429 | 60,125 | (10,538,009) | 2,535,173 |
| Net change in fund balances | (102,491) | 77,757 | (1,086,580) | (1,386,523) |
| Fund balances, beginning of year | 3,322,023 | 507,827 | 2,426,363 | 2,382,639 |
| Fund balances, end of year | \$ 3,219,532 | \$ 585,584 | \$ 1,339,783 | \$ 996,116 |

**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, 2001**

Net change in fund balances - total governmental funds \$ (3,212,664)

| Non-major Governmental Funds | Total Governmental Funds |
|------------------------------------|--------------------------------|
| \$ - | \$ 11,089,189 |
| 1,294,670 | 3,632,296 |
| 42,832 | 245,742 |
| 139,389 | 709,333 |
| 65,143 | 429,437 |
| 100,744 | 823,690 |
| 65,346 | 326,270 |
| <hr/> | <hr/> |
| 1,708,124 | 17,255,957 |
| | |
| 54,865 | 1,965,157 |
| 283,728 | 9,120,432 |
| 161,851 | 242,231 |
| 329,861 | 1,221,388 |
| 66,946 | 915,690 |
| - | 1,044,188 |
| 159,406 | 159,406 |
| 1,236,327 | 5,128,957 |
| | |
| 20,000 | 120,000 |
| 7,296 | 122,219 |
| <hr/> | <hr/> |
| 2,320,280 | 20,039,668 |
| | |
| (612,156) | (2,783,711) |
| | |
| 334,900 | 11,360,480 |
| - | 21,387 |
| <hr/> | <hr/> |
| (437,571) | (11,810,820) |
| | |
| (102,671) | (428,953) |
| | |
| (714,827) | (3,212,664) |
| | |
| 3,908,139 | 12,546,991 |
| <hr/> | <hr/> |
| \$ 3,193,312 | \$ 9,334,327 |

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. 3,695,502

In the statement of activities, only the gain on the sale of fixed assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. (327,316)

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

| | |
|--|-----------|
| Income taxes | 978,498 |
| Interest revenue | (35,415) |
| Other revenue | 29,958 |
| Contribution of capital assets | 3,337,765 |
| Grant paid directly to contractor for capital assets | 845,000 |

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 120,000

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 | (61,358) |
| Interest payable | 434 |
| Unfunded pension liability | 4,658 |

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. (165,038)

Change in net assets of governmental activities \$ 5,210,024

**CITY OF SIDNEY, OHIO
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2001**

| | Business-type Activities | | | | Totals | Governmental Activities - Internal Service Funds |
|---|--------------------------|----------------------|-------------------|----------------------------------|----------------------|---|
| | Water | Sewer | Solid Waste | Non-major Enterprise Funds | | |
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Pooled cash and investments | \$ 1,190,289 | \$ 8,759,664 | \$ 373,559 | \$ 54,555 | \$ 10,378,067 | \$ 742,042 |
| Receivables (net): | | | | | | |
| Accounts | 515,879 | 594,356 | 73,189 | 12,286 | 1,195,710 | - |
| Interest | 20,744 | 41,931 | - | - | 62,675 | 6,361 |
| Other | - | - | - | 6,493 | 6,493 | 14,002 |
| Inventory | 207,832 | 30,627 | - | 16,408 | 254,867 | 21,546 |
| Due from other funds | - | - | - | - | - | 8,673 |
| Prepaid items | 10,976 | 130,433 | - | 1,335 | 142,744 | 29,022 |
| Total current assets | <u>1,945,720</u> | <u>9,557,011</u> | <u>446,748</u> | <u>91,077</u> | <u>12,040,556</u> | <u>821,646</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 | - | 809,183 | - | - | 809,183 | - |
| Capital assets net of accumulated depreciation | <u>6,844,565</u> | <u>12,427,791</u> | <u>5,250</u> | <u>1,397,827</u> | <u>20,675,433</u> | <u>638,576</u> |
| Total noncurrent assets | <u>6,987,744</u> | <u>13,299,794</u> | <u>16,590</u> | <u>1,707,092</u> | <u>22,011,220</u> | <u>638,576</u> |
| Total assets | <u>\$ 8,933,464</u> | <u>\$ 22,856,805</u> | <u>\$ 463,338</u> | <u>\$ 1,798,169</u> | <u>\$ 34,051,776</u> | <u>\$ 1,460,222</u> |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | \$ 98,720 | \$ 469,912 | \$ 55,050 | \$ 17,117 | \$ 640,799 | \$ 277,307 |
| Salaries and benefits payable | 101,422 | 63,826 | 8,442 | 564 | 174,254 | 31,821 |
| Due to other funds | 1,768 | 982 | 584 | 42 | 3,376 | 38 |
| Due to agency fund | 1,829 | - | - | - | 1,829 | - |
| Current portion of long term debt | 250,000 | 525,000 | - | - | 775,000 | - |
| Deferred revenue | - | - | 131,418 | 6,493 | 137,911 | 18,845 |
| Accrued interest payable | 8,464 | 58,544 | - | - | 67,008 | - |
| Total current liabilities | <u>462,203</u> | <u>1,118,264</u> | <u>195,494</u> | <u>24,216</u> | <u>1,800,177</u> | <u>328,011</u> |
| Noncurrent liabilities: | | | | | | |
| Noncurrent portion of long term debt | 1,000,000 | 9,925,000 | - | - | 10,925,000 | - |
| Compensated absences | 238,780 | 67,213 | 6,539 | - | 312,532 | 61,685 |
| Total noncurrent liabilities | <u>1,238,780</u> | <u>9,992,213</u> | <u>6,539</u> | <u>-</u> | <u>11,237,532</u> | <u>61,685</u> |
| Total liabilities | <u>\$ 1,700,983</u> | <u>\$ 11,110,477</u> | <u>\$ 202,033</u> | <u>\$ 24,216</u> | <u>\$ 13,037,709</u> | <u>\$ 389,696</u> |
| NET ASSETS | | | | | | |
| Invested in capital assets, net of related debt | \$ 5,737,744 | \$ 9,125,453 | \$ 16,590 | \$ 1,707,092 | \$ 16,586,879 | \$ 638,576 |
| Unrestricted | 1,494,737 | 2,620,875 | 244,715 | 66,861 | 4,427,188 | 431,950 |
| Total net assets | <u>7,232,481</u> | <u>11,746,328</u> | <u>261,305</u> | <u>1,773,953</u> | <u>21,014,067</u> | <u>1,070,526</u> |
| Total liabilities and net assets | <u>\$ 8,933,464</u> | <u>\$ 22,856,805</u> | <u>\$ 463,338</u> | <u>\$ 1,798,169</u> | <u>\$ 34,051,776</u> | <u>\$ 1,460,222</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | | (21,123) | |
| Total net assets from above | | | | | <u>21,014,067</u> | |
| Net assets of business-type activities | | | | | <u>\$ 20,992,944</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, 2001

| | Business-type Activities | | | | Totals | Governmental Activities - Internal Service Funds |
|---|--------------------------|---------------|----------------|----------------------------------|--------------|---|
| | Water | Sewer | Solid Waste | Non-major Enterprise Funds | | |
| OPERATING REVENUES: | | | | | | |
| Charges for services | \$ 2,645,040 | \$ 2,793,708 | \$ 636,986 | \$ 205,998 | \$ 6,281,732 | \$ 1,872,489 |
| Other revenue | 190,313 | 9,719 | 18 | 7,129 | 207,179 | 13,785 |
| Total operating revenues | 2,835,353 | 2,803,427 | 637,004 | 213,127 | 6,488,911 | 1,886,274 |
| OPERATING EXPENSES: | | | | | | |
| Personal services | 1,220,387 | 790,899 | 123,460 | 53,012 | 2,187,758 | 387,117 |
| Operations and maintenance | 912,412 | 673,588 | 768,056 | 187,862 | 2,541,918 | 1,728,251 |
| Depreciation | 315,239 | 641,698 | 15,505 | 46,421 | 1,018,863 | 42,878 |
| Total operating expenses | 2,448,038 | 2,106,185 | 907,021 | 287,295 | 5,748,539 | 2,158,246 |
| Operating income, (loss) | 387,315 | 697,242 | (270,017) | (74,168) | 740,372 | (271,972) |
| NONOPERATING REVENUES (EXPENSES): | | | | | | |
| Investment income | 91,855 | 160,057 | - | - | 251,912 | 28,263 |
| Intergovernmental | - | 132,059 | 29,800 | - | 161,859 | - |
| Gain (loss) on disposal of assets | 475 | (16,837) | (6,848) | - | (23,210) | (3,957) |
| Interest expense | (120,183) | (182,085) | - | - | (302,268) | - |
| Total nonoperating revenues (expenses) | (27,853) | 93,194 | 22,952 | - | 88,293 | 24,306 |
| Income (loss) before contributions and transfers | 359,462 | 790,436 | (247,065) | (74,168) | 828,665 | (247,666) |
| Capital contributions | - | 1,423 | - | 281,090 | 282,513 | 21,162 |
| Transfers in | 250,000 | - | 165,340 | 35,000 | 450,340 | - |
| Change in net assets | 609,462 | 791,859 | (81,725) | 241,922 | 1,561,518 | (226,504) |
| Total net assets - beginning of year, as restated | 6,623,019 | 10,954,469 | 343,030 | 1,532,031 | | 1,297,030 |
| Total net assets - end of year | \$ 7,232,481 | \$ 11,746,328 | \$ 261,305 | \$ 1,773,953 | | \$ 1,070,526 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | | (61,465) | |
| Change in net assets of business-type activities | | | | | \$ 1,500,053 | |

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

(continued)

| | Business-type Activities | | | | Totals | Governmental Activities - Internal Service Funds |
|--|--------------------------|---------------------|-------------------|----------------------------------|----------------------|---|
| | Water | Sewer | Solid Waste | Non-major Enterprise Funds | | |
| Cash flows from operating activities: | | | | | | |
| Receipts from customers and users | \$ 2,808,898 | \$ 2,735,933 | \$ 759,125 | \$ 209,224 | \$ 6,513,180 | \$ - |
| Receipts from interfund services | - | - | - | - | - | 1,941,936 |
| Payments to suppliers | (874,685) | (250,529) | (821,915) | (188,713) | (2,135,842) | (1,644,728) |
| Payments to employees | (1,174,079) | (765,522) | (121,295) | (52,951) | (2,113,847) | (401,433) |
| Payments for interfund services used | (1,859) | (80,255) | (375) | (470) | (82,959) | (120) |
| Net cash provided (used) by operating activities | <u>758,275</u> | <u>1,639,627</u> | <u>(184,460)</u> | <u>(32,910)</u> | <u>2,180,532</u> | <u>(104,345)</u> |
| Cash flows from noncapital financing activities: | | | | | | |
| Transfers-in | 250,000 | - | 165,340 | 35,000 | 450,340 | - |
| Intergovernmental | - | 132,059 | 29,800 | - | 161,859 | - |
| Net cash provided by noncapital financing activities | <u>250,000</u> | <u>132,059</u> | <u>195,140</u> | <u>35,000</u> | <u>612,199</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | | | | |
| Acquisition of capital assets | (438,696) | (1,097,478) | - | - | (1,536,174) | (3,065) |
| Proceeds from sale of assets | 475 | - | - | - | 475 | - |
| Proceeds from the sale of capital debt | - | 7,142,337 | - | - | 7,142,337 | - |
| Principal paid on capital debt | (250,000) | (915,724) | - | - | (1,165,724) | - |
| Interest paid on capital debt | (121,875) | (155,286) | - | - | (277,161) | - |
| Net cash provided (used) by capital and related financing activities | <u>(810,096)</u> | <u>4,973,849</u> | <u>-</u> | <u>-</u> | <u>4,163,753</u> | <u>(3,065)</u> |
| Cash flows from investing activities: | | | | | | |
| Interest on investments | 76,805 | 129,092 | - | - | 205,897 | 25,011 |
| Net unrealized gain on investments | 10,451 | 18,861 | - | - | 29,312 | 4,100 |
| Net cash provided by investing activities | <u>87,256</u> | <u>147,953</u> | <u>-</u> | <u>-</u> | <u>235,209</u> | <u>29,111</u> |
| Net increase (decrease) in cash and cash equivalents | 285,435 | 6,893,488 | 10,680 | 237,299 | 7,191,693 | (78,299) |
| Pooled cash and investments, beginning of year | 904,854 | 1,866,176 | 362,879 | 52,465 | 3,186,374 | 820,341 |
| Pooled cash and investments, end of year | <u>\$ 1,190,289</u> | <u>\$ 8,759,664</u> | <u>\$ 373,559</u> | <u>\$ 289,764</u> | <u>\$ 10,378,067</u> | <u>\$ 742,042</u> |

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

| | 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) | \$ 387,315 | \$ 697,242 | \$ (270,017) | \$ (74,168) | \$ 740,372 | \$ (271,972) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Depreciation | 315,239 | 641,698 | 15,505 | 46,421 | 1,018,863 | 42,878 |
| Change in assets and liabilities: | | | | | | |
| Accounts receivable | (24,833) | (31,902) | 83,382 | (3,903) | 22,744 | - |
| Other receivables | 11,303 | 6,801 | 1,361 | 315 | 19,780 | 22,044 |
| Due from other funds | - | - | - | - | - | 20,693 |
| Prepaid items | (549) | (36,139) | - | 403 | (36,285) | (4,966) |
| Inventory | (34,400) | (164) | - | (1,282) | (35,846) | 8,844 |
| Accounts payable | 72,676 | 381,334 | (53,859) | (410) | 399,741 | 79,501 |
| Salaries and benefits payable and compensated absences | 46,308 | 25,377 | 2,165 | 61 | 73,911 | (14,316) |
| Due to other governments | - | - | - | (32) | (32) | - |
| Due to other funds | (1,859) | (2,227) | (375) | - | (4,461) | 24 |
| Deferred revenue | (12,925) | (42,393) | 37,378 | (315) | (18,255) | 12,925 |
| Net cash provided (used) by operating activities | \$ 758,275 | \$ 1,639,627 | \$ (184,460) | \$ (32,910) | \$ 2,180,532 | \$ (104,345) |
| Noncash investing, capital and financing activities: | | | | | | |
| Contributions of capital assets from government | \$ - | \$ - | \$ - | \$ 281,090 | \$ 281,090 | \$ 15,910 |

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2001**

| | <u>Agency Funds</u> |
|-----------------------------|-------------------------|
| ASSETS | |
| Pooled cash and investments | \$ 125,839 |
| Accounts receivable | 6,498 |
| Due from other funds | <u>1,829</u> |
| Total assets | <u>\$ 134,166</u> |
| LIABILITIES | |
| Due to employees | \$ 865 |
| Due to other funds | 52,434 |
| Due to other governments | 45,277 |
| Undistributed monies | <u>35,590</u> |
| Total liabilities | <u>\$ 134,166</u> |

See Notes to the Basic Financial Statements

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

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, account groups, 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 generally accepted accounting principles, 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, 2001.

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.

Several 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, 2001

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 generally accepted accounting principles 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, 2001

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 and non-expendable trust funds) are accounted for through governmental funds. The City reports the following major governmental funds:

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

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

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

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

Proprietary (Business-type) Funds

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

Internal service funds - account for services, such as information management and vehicle maintenance, 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

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 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest of general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

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

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

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

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

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

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

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 City must submit a tax budget of estimated cash receipts and beginning-of-year cash fund balances for all funds to the County Budget Commission by July 20 of each year for the following year, January 1 through December 31.
- (2) The County Budget Commission certifies its actions by September 1 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.
- (3) About January 1, the Certificate is amended to reflect the actual unencumbered balances from the preceding year. The City must prepare its appropriations so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the initial or amended Certificate.
- (4) A temporary appropriation measure may be passed to control cash disbursements for the period January 1 through March 31. Before April 1, a permanent appropriation measure must be passed for the period January 1 through December 31. The budget identifies specific expenditure amounts by character for each division within each fund.
- (5) Unencumbered appropriations lapse at year end. No contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Director of Finance first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract.
- (6) All funds of the City have annual budgets legally adopted by the City Council.

The City Manager acts as budget officer for the City and submits a proposed operating budget to the City Council on an annual basis. Public hearings are held to obtain taxpayer comments. The Council enacts the budget through passage of an ordinance. The appropriations ordinance controls expenditures at the level of (1) personal services and (2) contractual, materials and other. Council can amend the budget at functional expense lines, through the passage of supplemental ordinances. Management can amend appropriations below this level without council approval. Supplemental appropriations to the original appropriations ordinance were made during the year, but were not material in relation to the original appropriations.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the governmental

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

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 generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

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

- (1) Revenues are recorded when received in cash (budget) as opposed to when they are both measurable and available (GAAP).
- (2) Expenditures are recorded when paid in cash (budget) as opposed to 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 enable more efficient cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Pooled Cash and Investments" on the balance sheet.

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

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

F. Inventory and Prepaid Items

Inventory is valued at cost using the first-in/first out (FIFO) method. The proprietary funds' inventories are recorded as expenses when used. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

individual inventory items are purchased. Reported inventories are offset by a fund balance reserve, which indicates they do not constitute "available spendable resources," and are not available for appropriations.

Payments made to vendors for services that will benefit periods beyond December 31, 2001 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. Insurance and Risk

The City of Sidney covers most of its risks of loss through commercial insurance. Effective January 1, 1990, the City began a partially self-funded health plan. The City funds the maximum liability, which is equal to the City's aggregate stop loss plus the insurance companies' premium and administrative costs. During 2001, the City incurred claims of \$958,097. The City plans to use any excess funds to contain health coverage costs.

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Also included in capital assets are infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) constructed or acquired on or after January 1, 2000. Pursuant to GASB Statement No. 34, for all fiscal years beginning after June 15, 2006, the City must retroactively report all governmental infrastructure assets acquired before January 1, 2000. The City expects to accomplish retroactive reporting of infrastructure prior to that deadline.

The City defines capital assets as assets with an initial, individual cost of more than \$2,500 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 | 20 to 25 |
| Buildings and improvements | 20 to 40 |
| Machinery and equipment | 2 to 25 |
| Infrastructure | 23 to 43 |

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

I. Bond Issuance Costs

Bond issuance costs for proprietary funds are deferred and amortized over the terms of the bonds using methods that approximate the effective interest method. Issuance costs at December 31, 2001 amounted to \$183,086 net of accumulated amortization of \$106,780. These costs are included in prepaid items in the accompanying financial statements.

J. Compensated Absences

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

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. Financial Disclosure

Private-sector standards of accounting and reporting issues 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

O. Estimates

The preparation of these financial statements in conformity with generally accepted accounting principles 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. Pooled Cash and Investments:

The City maintains a cash deposit and investment pool for all funds. Each fund's share of cash deposits and investments is shown separately on the combined balance sheet as "pooled cash and investments." Cash and cash equivalents shown in the combined balance sheets include mutual funds, obligations of United States Government Agencies and certificates of deposit with maturities of three months or less when purchased. For disclosure under Government Accounting Standards Board Statement No. 3 (GASB 3), all certificates of deposit are included under the caption "cash deposits" and the remaining cash equivalents are included under the caption "investments." Income accrued on cash deposits and investments are shown collectively by fund on the combined balance sheet as "accrued interest receivable."

Deposits - At December 31, 2001, the carrying amount of the City's deposits was \$6,551,889 and the bank balance was \$6,360,943. Of the bank balance:

1. \$701,415 was covered by federal depository insurance; and
2. \$5,659,528 was covered by collateral held by financial institutions not in the City's name or by single financial institution collateralized pools held in the financial institution's name as specified by Section 135.181 of the Ohio Revised Code (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.

Investments - 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, United States agency and instrumentality notes, bankers' acceptances and commercial paper of the highest rating. The above legislative investment policy applies to all funds, fund types and component units. All deposits are made to authorized public depositories and contracts with such institutions are in accordance with the ORC and the City's charter. All investments are reported at fair value which is based on quoted market prices. The City invests in STAROhio, an investment pool managed by the State Treasurer's Office which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940. The State operates the pool

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

a manner similar to Rule 2a7 of the Investment Company Act of 1940. The State operates the pool in accordance with ORC Section 135.45. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2001.

GASB 3 requires government entities to categorize investments to give an indication of the level of risk assumed by the entity at year end. These categories are as follows: Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes investments that are uninsured and unregistered for which the securities are held by the counterparty in the City's name. Category 3 includes uninsured or unregistered investments for which securities are held by the counterparty or by their trust department or agent but not in the City's name. Pooled and mutual funds are not required to be categorized by GASB 3.

A summary of the fair value of investments held at December 31, 2001, and an indication of the related risk is as follows:

| <u>Description</u> | <u>Fair Value</u> | <u>Risk Category</u> |
|-----------------------------------|----------------------|----------------------|
| Government securities | \$ 8,970,145 | Category 3 |
| State Treasurer's Investment Pool | <u>5,275,035</u> | Unclassified |
| | <u>\$ 14,245,180</u> | |

Due to significantly higher cash flows at certain times during the year, the City's investment in overnight repurchase agreements for which the underlying securities were held by the bank increased significantly (Category 3). As a result, the amounts that were in Category 3 at those times were substantially higher than at year end.

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9 (GASB 9). Cash equivalents are defined as investments with an original maturity of three months or less. Reconciliation between the classification of cash and investments on the basic financial statements and the classification per GASB Statement 3 is as follows:

| | <u>Cash and cash equivalents</u> | <u>Investments</u> |
|-----------------------|----------------------------------|----------------------|
| GASB 9 | \$ 20,797,069 | \$ - |
| Investments: | | |
| Government securities | (8,970,145) | 8,970,145 |
| STAROhio | <u>(5,275,035)</u> | <u>5,275,035</u> |
| GASB 3 | <u>\$ 6,551,889</u> | <u>\$ 14,245,180</u> |

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

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 2001 were levied on December 31, 2000 on assessed values listed as of January 1, 2000, the lien date. One-half of these taxes were due on February 14, 2001, with the remaining balance due on July 20, 2001.

Tangible personal property taxes collected during 2001 had a levy date of December 31, 2000. One-half of these taxes were due between February 14, 2001, and April 30, 2001, with the remaining balance due on October 20, 2001.

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 2000 upon which the 2001 levy was based was approximately \$410,154,105. The assessed value for 2001 upon which the 2002 levy will be based is approximately \$418,557,164.

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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

5. Capital Assets:

Capital asset activity for the year ended December 31, 2001 was as follows:

Governmental activities:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|
| <u>Capital assets not being depreciated:</u> | | | | |
| Land | \$ 1,504,645 | \$ 711,656 | \$ - | \$ 2,216,301 |
| Construction in progress | <u>859,749</u> | <u>-</u> | <u>(363,813)</u> | <u>495,936</u> |
| Subtotal | <u>2,364,394</u> | <u>711,656</u> | <u>(363,813)</u> | <u>2,712,237</u> |
| <u>Capital assets being depreciated:</u> | | | | |
| Buildings and improvements | 8,787,849 | 388,979 | - | 9,176,828 |
| Machinery and equipment | 6,561,606 | 807,884 | (375,063) | 6,994,427 |
| General infrastructure | <u>3,162,716</u> | <u>7,155,864</u> | <u>-</u> | <u>10,318,580</u> |
| Subtotal | <u>18,512,171</u> | <u>8,352,727</u> | <u>(375,063)</u> | <u>26,489,835</u> |
| Totals at historical cost | <u>20,876,565</u> | <u>9,064,383</u> | <u>(738,876)</u> | <u>29,202,072</u> |
| <u>Less accumulated depreciation for:</u> | | | | |
| Buildings and improvements | 1,586,157 | 183,903 | - | 1,770,060 |
| Machinery and equipment | 3,215,546 | 641,834 | (217,522) | 3,639,858 |
| General infrastructure | <u>20,029</u> | <u>195,803</u> | <u>-</u> | <u>215,832</u> |
| Total accumulated depreciation | <u>4,821,732</u> | <u>1,021,540</u> | <u>(217,522)</u> | <u>5,625,750</u> |
| Net capital assets | <u>\$ 16,054,833</u> | <u>\$ 8,042,843</u> | <u>\$ (521,354)</u> | <u>\$ 23,576,322</u> |

Depreciation was charged to governmental activities as follows:

| | |
|--|------------------|
| General government | \$ 53,771 |
| Security of persons and property | 437,897 |
| Health | 19,415 |
| Transportation | 312,665 |
| Community environment | 11,885 |
| Leisure time activities | 110,184 |
| Basic utility services | <u>22,310</u> |
| Total governmental activities depreciation expense | <u>\$968,127</u> |

The above difference between increases in accumulated depreciation and the depreciation charged to governmental activities is attributable to (1) the portion of Internal Service funds' depreciation allocable to business-type activities in the Statement of Net Assets and (2) accumulated depreciation of assets transferred from business-type activities to governmental activities during the year ended December 31, 2001.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

Business-type activities:

| | Beginning Balance, as <u>Restated</u> | <u>Increases</u> | <u>Decreases</u> | Ending Balance |
|---|---|-------------------|--------------------|---------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 526,604 | \$ - | \$ - | \$ 526,604 |
| Construction in progress | <u>279,261</u> | <u>627,341</u> | <u>(97,419)</u> | <u>809,183</u> |
| Subtotal | <u>805,865</u> | <u>627,341</u> | <u>(97,419)</u> | <u>1,335,787</u> |
| Capital assets being depreciated: | | | | |
| Buildings, improvements and infrastructure | 29,455,419 | 1,188,260 | - | 30,643,679 |
| Machinery and equipment | <u>6,263,597</u> | <u>99,081</u> | <u>(14,152)</u> | <u>6,348,526</u> |
| Subtotal | <u>35,719,016</u> | <u>1,287,341</u> | <u>(14,152)</u> | <u>36,992,205</u> |
| Totals at historical cost | <u>36,524,881</u> | <u>1,914,682</u> | <u>(111,571)</u> | <u>38,327,992</u> |
| Less accumulated depreciation for: | | | | |
| Buildings, improvements and infrastructure | 10,543,086 | 748,343 | - | 11,291,429 |
| Machinery and equipment | <u>4,746,711</u> | <u>284,049</u> | <u>(5,417)</u> | <u>5,025,343</u> |
| Total accumulated depreciation | <u>15,289,797</u> | <u>1,032,392</u> | <u>(5,417)</u> | <u>16,316,772</u> |
| Net capital assets | <u>\$21,235,084</u> | <u>\$ 882,290</u> | <u>\$(106,154)</u> | <u>\$22,011,220</u> |

Depreciation was charged to business-type activities as follows:

| | |
|---|---------------------|
| Water | \$ 315,239 |
| Sewer | 641,698 |
| Solid waste | 15,505 |
| Airport | 23,244 |
| Swimming Pool | <u>23,177</u> |
| Total business-type activities depreciation expense | <u>\$ 1,018,863</u> |

Beginning balances have been restated to reflect infrastructure held within the Water and Sewer Funds. See Note 11 for additional disclosures.

The above difference between increases in accumulated depreciation and the depreciation charged to business-type activities is attributable to the accumulated depreciation of assets transferred from governmental activities to business-type activities during the year ended December 31, 2001.

6. Defined Benefit Pension Plans:

Both the Ohio Police and Fire Pension Fund and the Public Employees Retirement System of Ohio 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 cost-sharing multiple-employer defined benefit pension plans, namely, the Ohio Police and Fire Pension Fund or the Public Employees Retirement System of Ohio.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

Public Employees Retirement System

The City of Sidney participates in the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available stand-alone financial report. Interested parties may obtain a copy by making a written request to PERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5% for employees other than law enforcement. In January 2001, House Bill 416 divided the PERS law enforcement program into two separate divisions with separate employee contributions rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs and township police with an employee contribution rate of 10.1%. All other members of the PERS law enforcement program were placed in a newly named public safety division and continued to contribute at 9%.

The 2001 employer contribution rate was 13.55% of covered payroll. The 2001 employer contribution rate for both the law enforcement and public safety divisions was 16.70% of covered payroll. The City's contributions, representing 100% of employer' contributions for the years ended December 31, 2001, 2000, and 1999 were \$703,560, \$652,273, and \$691,875, respectively.

Ohio Police and Fire Pension Fund

The City of Sidney contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined pension plan. OP&F provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions 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, 2001, 2000 and 1999 were \$846,536, \$795,876, and \$764,493, 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, 2001, the unfunded liability is payable, including principal and interest, in annual installments for \$21,672 through the year 2035. The principal balance of \$385,042 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.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

7. Postemployment Benefits:

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten 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 PERS 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 rate was 13.55% of covered payroll; 4.30% was the portion that was used to fund health care for the year. The 2001 employee rate was 16.70% and 4.3% was used to fund health care for both law enforcement and public safety divisions.

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

Actuarial Review: The following assumptions and calculations were based on PERS' latest Actuarial Review as of December 31, 2000.

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 2000 was 7.75%.

Active Employee Total Payroll: An annual increase of 4.75% 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 4.75% base increase, were assumed to range from 0.54% to 5.1%.

Health Care: Health care costs were assumed to increase 4.75% annually.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

The OPEB's are advance-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The portion of City's contributions that were used to fund postemployment benefits was \$223,240. \$11,735.9 million represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2000. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

In January 2001, House Bill 416 divided the PERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs and township police with an employee contribution rate of 10.1%. All other members of the PERS law enforcement program were placed in a newly named public safety division and continue to contribute at 9%. The employer contribution rate for both the law enforcement and public safety divisions is 16.70%. Law enforcement officer benefits permit age and service retirement at an earlier age with a different formula than for PERS members not covered under this division.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides 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 persons. 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 Ohio Revised Code provides the authority allowing the OP&F's Board of Trustees to provide health care coverage and states that health care cost paid from the fund shall be included in the employer's contribution rate. The total police employer contribution is 19.5% of covered payroll and the total firefighters' 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 7.25% and 7.50% of covered payroll in 2000 and 2001, respectively. The allocation is 7.75% in 2002. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The statewide number of participants eligible to receive health care benefits as of December 31, 2000, the date of the last actuarial valuation available, was 12,853 for police and 10,037 for firefighters. The City's annual contribution for 2001 that were used to fund postemployment benefits was \$151,077 for police and \$142,142 for firefighters. The fund's total health care expenses for the year ended December 31, 2000 was \$106,160,054, which was net of members' contributions of \$5,657,431.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

8. Noncurrent Liabilities:

The following is a summary of changes for noncurrent liabilities of the City for the year ended December 31, 2001:

| | Balance January 1, 2001 | Additions | Reductions | Balance December 31, 2001 | Due Within One Year |
|---|-------------------------------|-------------------------|--------------------------|---------------------------------|--------------------------|
| Governmental activities: | | | | | |
| Capital improvement fund: | | | | | |
| <i>G.O. bonds, 1998-2018, 3.25% to 5.0%, Monumental Bldg renovation</i> | \$ 2,565,000 | \$ - | \$ 100,000 | \$ 2,465,000 | \$ 100,000 |
| Health department building lease fund: | | | | | |
| <i>G.O. bonds, 1993-2007, 2.5% to 4.9%</i> | 140,000 | - | 20,000 | 120,000 | 20,000 |
| Accrued vacation and sick leave * | 967,920 | 38,194 | - | 1,006,114 | 70,500 |
| Unfunded police/fire pension obligation | <u>389,700</u> | <u>-</u> | <u>4,658</u> | <u>385,042</u> | <u>5,200</u> |
| Total Governmental Activities Noncurrent Liabilities | <u>\$ 4,062,620</u> | <u>\$ 38,194</u> | <u>\$ 124,658</u> | <u>\$ 3,976,156</u> | <u>\$ 195,700</u> |

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

| | Balance January 1, 2001 | Additions | Reductions | Balance December 31, 2001 | Due Within One Year |
|--|-------------------------------|----------------------------|----------------------------|---------------------------------|--------------------------|
| Business-type activities: | | | | | |
| Water fund: | | | | | |
| <i>G.O. bonds, 1986-2006, 8.125%</i> | \$ 1,500,000 | \$ - | \$ 250,000 | \$ 1,250,000 | \$ 250,000 |
| Sewer fund: | | | | | |
| <i>G.O. bonds, advanced refunding, 1993-2007, 2.5% to 4.9%</i> | 4,055,000 | - | 505,000 | 3,550,000 | 525,000 |
| <i>O.W.D.A. loan, 2000-2006, 3.2%</i> | 168,387 | 242,337 | 410,724 | - | - |
| <i>G.O. bonds, 2001-2022, 4.0% to 4.625%</i> | - | 6,900,000 | - | 6,900,000 | - |
| Accrued vacation and sick leave * | <u>287,119</u> | <u>25,413</u> | <u>-</u> | <u>312,532</u> | <u>-</u> |
| Total | <u>\$ 6,010,506</u> | <u>\$ 7,167,750</u> | <u>\$ 1,165,742</u> | <u>\$ 12,012,532</u> | <u>\$ 775,000</u> |

* Additions and reductions of accrued vacation and sick leave are shown net since it is impracticable for the City to determine these amounts separately. The current portion of accrued sick leave amounts payable is included with accrued payroll in the governmental funds. The current portion complies with provisions of GASB 16 and GASB Interpretation Number 6.

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 year end, \$61,685 of internal service funds' accrued vacation and sick leave is included in the above amounts. Compensated absences are liquidated by the Separation Payment Fund.

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

On June 29, 2000, the City entered into a Wastewater Planning and Design Loan agreement with the Ohio Water Development Authority (O.W.D.A.) for an amount up to \$620,000 to be used for the planning and design of an expansion to the wastewater treatment plant. During 2001, a total of \$242,337 was received as additional loan proceeds. The loan was repaid during December 2001 with the proceeds from the issuance of the \$6.9 million of general obligation bonds listed above.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

with the proceeds from the issuance of the \$6.9 million of general obligation bonds listed above. This new issuance of bonds is to be used to pay for the expansion to the wastewater treatment plant. It is expected that sewer system revenues will be used to meet the debt service requirements of the new bonds. The expansion is expected to be completed during 2003. At December 31, 2001, unspent proceeds totaling \$6,275,659 remained from the \$6.9 million issuance.

Annual requirements to pay principal and interest on long-term debt at December 31, 2001 are:

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|-----------|--------------------------------|---------------------|---------------------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2002 | \$ 120,000 | \$ 116,850 | \$ 775,000 | \$ 576,798 |
| 2003 | 125,000 | 115,977 | 810,000 | 533,346 |
| 2004 | 130,000 | 107,307 | 840,000 | 485,362 |
| 2005 | 135,000 | 102,037 | 870,000 | 435,906 |
| 2006 | 140,000 | 96,515 | 900,000 | 384,981 |
| 2007-2011 | 700,000 | 381,785 | 2,110,000 | 1,471,313 |
| 2012-2016 | 845,000 | 210,707 | 2,125,000 | 1,043,775 |
| 2017-2021 | 390,000 | 27,288 | 2,075,000 | 544,344 |
| 2022-2026 | - | - | <u>1,195,000</u> | <u>55,269</u> |
| Total | <u>\$ 2,585,000</u> | <u>\$ 1,158,466</u> | <u>\$ 11,700,000</u> | <u>\$ 5,531,094</u> |

Advance Refunding

On September 15, 1993, the City of Sidney advance refunded the 1987 Sewer System Improvement Mortgage Reserve bond issue with new General Obligation Bonds. The City issued \$7.302 million of general obligation refunding bonds to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the enterprise fund. This advance refunding was undertaken to reduce total debt service payments over the remaining 14 years by \$1,958,469 and to obtain an economic gain (difference between present value of the debt service payments of the refunded and refunding bonds) of \$315,392.

9. Construction Commitment

The City has an active construction project in progress at year-end to expand the wastewater treatment plant. The expansion is expected to increase the capacity of the plant from 5 million gallons per day to 7 million. The City's original commitment with the general contractor is approximately \$5.1 million. As of December 31, 2001, expenses totaling \$180,395 have been incurred against this contract. Proceeds from the newly issued bonds discussed in Note 8 will be used to pay for this contract.

10. Contingent Liabilities:

The City is 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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

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.

11. Prior Year Restatements:

During 2001, it was determined that water and sewer infrastructure had not been properly capitalized in prior years. Rather, some of these amounts had been expensed as incurred. The cost and accumulated depreciation of these capital assets at January 1, 2001 were as follows:

| | <u>Water</u> | <u>Sewer</u> |
|---|---------------------|---------------------|
| Proprietary fund infrastructure, at estimated historical cost | \$ 6,482,483 | \$ 9,142,023 |
| Less: accumulated depreciation | <u>2,195,650</u> | <u>3,055,328</u> |
| Net capital assets | <u>\$ 4,286,833</u> | <u>\$ 6,086,695</u> |

Beginning balance restatements for the Water and Sewer proprietary funds are as follows:

| | <u>Water</u> | <u>Sewer</u> |
|--|---------------------|----------------------|
| Net assets at the beginning of the year, as previously reported | \$ 2,336,186 | \$ 4,867,774 |
| Correction of error in reporting proprietary fund infrastructure | <u>4,286,833</u> | <u>6,086,695</u> |
| Net assets at the beginning of the year, as restated | <u>\$ 6,623,019</u> | <u>\$ 10,954,469</u> |

12. Interfund receivables and payables:

Interfund balances in the basic financial statements at December 31, 2001 were as follows:

| <u>Fund</u> | <u>Receivable</u> | <u>Payable</u> |
|------------------------------|-------------------|------------------|
| General | \$ 2,192 | \$ 4,076 |
| Street repair & maintenance | - | 661 |
| Municipal income tax | - | 1,065 |
| Non-major governmental funds | - | 1,649 |
| Internal service funds | 8,673 | 38 |
| Water | - | 3,597 |
| Sewer | - | 982 |
| Solid waste | - | 584 |
| Non-major enterprise funds | - | 42 |
| Agency fund | <u>1,829</u> | <u>-</u> |
| | <u>\$ 12,694</u> | <u>\$ 12,694</u> |

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

13. Interfund transfers:

Interfund transfers in the basic financial statements for the year ended December 31, 2001 were:

| <u>Fund</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|------------------------------|----------------------|----------------------|
| General | \$ 8,430,407 | \$ 835,240 |
| Street repair & maintenance | 60,000 | - |
| Municipal income tax | - | 10,538,009 |
| Capital improvement | 2,535,173 | - |
| Non-major governmental funds | 334,900 | 437,571 |
| Water | 250,000 | - |
| Solid waste | 165,340 | - |
| Non-major enterprise funds | - | - |
| | <u>\$ 11,810,820</u> | <u>\$ 11,810,820</u> |

The transfer of \$177,571 from a non-major governmental fund (namely Monumental Building Renovation Fund) to the capital improvement fund was due to completion of the Monumental Building renovation project. All other interfund transfers are routine in nature and are to subsidize the operations of the applicable funds.

14. 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>2001</u> | <u>2000</u> |
|-----------------------------------|-------------------|------------------|
| Unpaid claims, beginning of year | \$ 186,939 | \$ 152,494 |
| Incurred claims (including IBNRs) | 958,097 | 993,188 |
| Claim payments | <u>(879,229)</u> | <u>(958,743)</u> |
| Unpaid claims, end of year | <u>\$ 265,807</u> | <u>\$186,939</u> |

15. 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, Inc.), a joint insurance pool. The pool

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2001

consists of sixteen municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The City pays an annual premium to MVRMA, Inc. for this coverage. The agreement provides that the MVRMA, Inc. 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 2001, the Association's per-occurrence retention limit for property was \$150,000, with the exception of boiler and machinery for which there was a \$5,000 per occurrence retention limit. Liability had a per-occurrence retention limit of \$500,000. After the retention limits are reached, excess insurance will cover up to the limits stated below.

| | |
|---|------------------------------|
| General Liability (including law enforcement) | \$10,500,000 per occurrence |
| Automobile Liability | \$10,500,000 per occurrence |
| Public Officials Liability | \$10,500,000 per occurrence |
| Boiler and Machinery | BLANKET COVERAGE |
| Property | BLANKET COVERAGE |
| Flood and Earthquake | \$100,000,000 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
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

(continued)

| | Original Budget | Final Budget | Actual Including Encumbrances | -Variance from Final Budget |
|---|--------------------|------------------|-------------------------------------|-----------------------------------|
| REVENUES: | | | | |
| Local taxes | \$ 1,458,885 | \$ 1,458,885 | \$ 1,644,000 | \$ 185,115 |
| Intergovernmental revenues | 1,139,230 | 1,139,230 | 1,080,383 | (58,847) |
| Special assessments | 201,000 | 201,000 | 208,260 | 7,260 |
| Charges for services | 89,300 | 89,300 | 117,243 | 27,943 |
| Fines, licenses and permits | 703,000 | 703,000 | 762,975 | 59,975 |
| Investment income | 601,600 | 601,600 | 590,934 | (10,666) |
| Miscellaneous receipts and reimbursements | 352,995 | 352,995 | 409,146 | 56,151 |
| Total revenues | <u>4,546,010</u> | <u>4,546,010</u> | <u>4,812,941</u> | <u>266,931</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | | | | |
| City Council | | | | |
| Personal services | 63,140 | 63,790 | 63,658 | 132 |
| Contractual, materials and other | 138,042 | 148,392 | 140,838 | 7,554 |
| City Administration | | | | |
| Personal services | 231,890 | 230,425 | 226,792 | 3,633 |
| Contractual, materials and other | 34,453 | 35,918 | 32,471 | 3,447 |
| Finance | | | | |
| Personal services | 242,595 | 243,995 | 243,687 | 308 |
| Contractual, materials and other | 67,152 | 67,152 | 66,737 | 415 |
| Law Director | | | | |
| Personal services | 60,965 | 60,965 | 60,861 | 104 |
| Contractual, materials and other | 29,530 | 29,530 | 28,614 | 916 |
| Personnel | | | | |
| Personal services | 55,470 | 55,550 | 55,416 | 134 |
| Contractual, materials and other | 152,346 | 152,266 | 138,466 | 13,800 |
| Purchasing | | | | |
| Personal services | 86,900 | 84,900 | 83,296 | 1,604 |
| Contractual, materials and other | 34,131 | 40,131 | 37,781 | 2,350 |
| City Hall | | | | |
| Personal services | 45,450 | 45,450 | 43,343 | 2,107 |
| Contractual, materials and other | 207,717 | 202,317 | 191,714 | 10,603 |
| Miscellaneous | | | | |
| Contractual, materials and other | 360,570 | 380,570 | 359,199 | 21,371 |
| Total general government | <u>1,810,351</u> | <u>1,841,351</u> | <u>1,772,873</u> | <u>68,478</u> |
| Security of persons & property | | | | |
| Police Services | | | | |
| Personal services | 3,379,081 | 3,404,626 | 3,274,711 | 129,915 |
| Contractual, materials and other | 1,565,069 | 1,544,069 | 1,391,965 | 152,104 |
| Fire Services | | | | |
| Personal services | 2,722,315 | 2,718,715 | 2,666,413 | 52,302 |
| Contractual, materials and other | 456,637 | 455,167 | 425,150 | 30,017 |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

(continued)

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--------------------------------------|--------------------|-----------------|-------------------------------------|----------------------------------|
| Municipal Court | | | | |
| Personal services | 614,000 | 614,000 | 599,210 | 14,790 |
| Contractual, materials and other | 313,549 | 313,549 | 269,525 | 44,024 |
| Prosecutor | | | | |
| Personal services | 132,115 | 132,115 | 131,551 | 564 |
| Contractual, materials and other | 65,752 | 65,752 | 62,488 | 3,264 |
| Street Lighting Department | | | | |
| Contractual, materials and other | 206,000 | 206,000 | 205,946 | 54 |
| Total security of persons & property | 9,454,518 | 9,453,993 | 9,026,959 | 427,034 |
| Community environment | | | | |
| Building Inspection | | | | |
| Personal services | 80,030 | 77,990 | 76,152 | 1,838 |
| Contractual, materials and other | 19,070 | 19,220 | 18,759 | 461 |
| Engineering | | | | |
| Personal services | 432,415 | 435,110 | 431,942 | 3,168 |
| Contractual, materials and other | 103,619 | 100,924 | 95,226 | 5,698 |
| Community Planning & Development | | | | |
| Personal services | 60,035 | 60,035 | 55,560 | 4,475 |
| Contractual, materials and other | 38,353 | 38,353 | 26,978 | 11,375 |
| Public Works | | | | |
| Personal services | 89,565 | 89,565 | 89,483 | 82 |
| Contractual, materials and other | 16,377 | 16,377 | 14,104 | 2,273 |
| Code Enforcement | | | | |
| Personal services | 64,465 | 66,355 | 65,831 | 524 |
| Contractual, materials and other | 9,255 | 14,325 | 12,769 | 1,556 |
| Total community environment | 913,184 | 918,254 | 886,804 | 31,450 |
| Leisure time activities | | | | |
| Parks & Recreation - Administration | | | | |
| Personal services | 114,620 | 116,820 | 115,968 | 852 |
| Contractual, materials and other | 13,590 | 12,710 | 12,439 | 271 |
| Parks & Recreation - Programs | | | | |
| Personal services | 70,308 | 71,118 | 70,054 | 1,064 |
| Contractual, materials and other | 45,738 | 45,738 | 44,134 | 1,604 |
| Parks & Public Grounds | | | | |
| Personal services | 562,376 | 559,886 | 554,331 | 5,555 |
| Contractual, materials and other | 201,043 | 198,043 | 193,165 | 4,878 |
| Urban Forest | | | | |
| Contractual, materials and other | 55,000 | 55,000 | 54,277 | 723 |
| Senior Center | | | | |
| Contractual, materials and other | 33,400 | 39,215 | 36,607 | 2,608 |
| Total leisure time activities | 1,096,075 | 1,098,530 | 1,080,975 | 17,555 |
| Total expenditures | 13,274,128 | 13,312,128 | 12,767,611 | 544,517 |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|---------------------|---------------------|-------------------------------------|----------------------------------|
| (Deficiency) of revenues over/(under) expenditures | (8,728,118) | (8,766,118) | (7,954,670) | 811,448 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 9,200,000 | 9,200,000 | 8,430,407 | (769,593) |
| Transfers out | (835,240) | (835,240) | (835,240) | - |
| Total other financing sources (uses) | 8,364,760 | 8,364,760 | 7,595,167 | (769,593) |
| Excess (deficiency) of revenues and other financing sources over/ (under) expenditures and other financing uses | (363,358) | (401,358) | (359,503) | 41,855 |
| Fund Balances, beginning of year | 3,937,250 | 3,937,250 | 3,937,250 | - |
| Encumbrances, end of year | - | - | 255,134 | 255,134 |
| Fund Balances, end of year | <u>\$ 3,573,892</u> | <u>\$ 3,535,892</u> | <u>\$ 3,832,881</u> | <u>\$ 296,989</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
STREET FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|-------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 835,000 | \$ 835,000 | \$ 825,993 | \$ (9,007) |
| Miscellaneous receipts and reimbursements | 75,000 | 75,000 | 100,537 | 25,537 |
| Total revenues | <u>910,000</u> | <u>910,000</u> | <u>926,530</u> | <u>16,530</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Personal services | 628,865 | 618,865 | 605,733 | 13,132 |
| Contractual, materials and other | 384,272 | 394,272 | 340,283 | 53,989 |
| Total expenditures | <u>1,013,137</u> | <u>1,013,137</u> | <u>946,016</u> | <u>67,121</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | <u>(103,137)</u> | <u>(103,137)</u> | <u>(19,486)</u> | <u>83,651</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | 60,000 | 60,000 | 60,000 | - |
| Total other financing sources | <u>60,000</u> | <u>60,000</u> | <u>60,000</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | <u>(43,137)</u> | <u>(43,137)</u> | <u>40,514</u> | <u>83,651</u> |
| Fund Balances, beginning of year | 444,900 | 444,900 | 444,900 | - |
| Encumbrances, end of year | - | - | 1,150 | 1,150 |
| Fund Balances, end of year | <u>\$ 401,763</u> | <u>\$ 401,763</u> | <u>\$ 486,564</u> | <u>\$ 84,801</u> |

CITY OF SIDNEY, OHIO
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, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|---------------------|---------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Local taxes | \$ 11,631,000 | \$ 11,631,000 | \$ 10,649,330 | \$ (981,670) |
| Miscellaneous receipts and reimbursements | 175 | 175 | 1,404 | 1,229 |
| Total revenues | <u>11,631,175</u> | <u>11,631,175</u> | <u>10,650,734</u> | <u>(980,441)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | | | | |
| Personal services | 122,920 | 122,920 | 122,495 | 425 |
| Contractual, materials and other | 38,543 | 38,543 | 33,191 | 5,352 |
| Total expenditures | <u>161,463</u> | <u>161,463</u> | <u>155,686</u> | <u>5,777</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | <u>11,469,712</u> | <u>11,469,712</u> | <u>10,495,048</u> | <u>(974,664)</u> |
| OTHER FINANCING USES: | | | | |
| Transfers out | <u>(11,500,000)</u> | <u>(11,500,000)</u> | <u>(10,538,009)</u> | <u>(961,991)</u> |
| Total other financing uses | <u>(11,500,000)</u> | <u>(11,500,000)</u> | <u>(10,538,009)</u> | <u>(961,991)</u> |
| Deficiency of revenues and other financing sources over expenditures and other financing uses | (30,288) | (30,288) | (42,961) | (12,673) |
| Fund Balances, beginning of year | 681,023 | 681,023 | 681,023 | - |
| Encumbrances, end of year | - | - | 2,808 | 2,808 |
| Fund Balances, end of year | <u>\$ 650,735</u> | <u>\$ 650,735</u> | <u>\$ 640,870</u> | <u>\$ (9,865)</u> |

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2001

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 wherein transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against an applicable appropriation. All annual appropriations lapse at year-end to the extent they have not been expended or lawfully encumbered. Fund balances shown are unencumbered cash balances. This basis is utilized for all interim financial statements issued during the year.

The basis of budgeting differs from the generally accepted accounting principles (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 in establishing its budgets as follows:

1. The City must submit a *tax budget* of estimated cash receipts and beginning-of-year cash fund balances for all funds to the County Budget Commission by July 20 of each year for the following year, January 1 through December 31. (O.R.C. 5705.28)
 - a. The County Budget Commission certifies its actions by September 1 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. (O.R.C. 5705.35)
 - b. About January 1, the Certificate is amended to reflect the actual unencumbered balances from the preceding year. The City must prepare its appropriations so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the initial or amended Certificate. (O.R.C. 5705.36)
2. The *five-year financial plan* is updated on an annual basis, usually in September. The plan is prepared after receiving input from all departments. The plan shall include all major operating funds and all capital improvement funds of the City. The purpose of this plan is to:
 - a. identify major policy issues for City Council consideration prior to the preparation of the annual budget;
 - b. establish capital project priorities and make advance preparation for the funding of projects within the five-year horizon;
 - c. make conservative financial projections for all major operating funds and all capital improvements to provide assurance that adequate funding exists for proposed projects and services;

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2001

- 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, 2001, from the GAAP basis to the budget basis are as follows:

| | <u>General</u> | <u>Street</u> | <u>Income Tax</u> |
|--|---------------------|------------------|--------------------|
| Net change in fund balance – <i>GAAP Basis</i> | \$ (102,491) | \$ 77,757 | \$ (1,086,580) |
| Increase / (decrease): | | | |
| Due to revenues | (59,052) | 17,246 | 915,550 |
| Due to expenditures | <u>(197,960)</u> | <u>(54,489)</u> | <u>128,069</u> |
| Excess/(deficiency) of revenues and other sources over/(under) expenditures and other uses – <i>Budget Basis</i> | <u>\$ (359,503)</u> | <u>\$ 40,514</u> | <u>\$ (42,961)</u> |

CITY OF SIDNEY



OHIO

CITY OF SIDNEY, OHIO

Fund Descriptions

December 31, 2001

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Major special revenue funds:

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

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

Non-major special revenue funds:

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

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

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

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

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

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

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

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

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

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

CITY OF SIDNEY, OHIO

Fund Descriptions

December 31, 2001

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

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

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

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

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

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

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

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

Fire Loss Security Fund. To account for the holding of a portion of insurance proceeds from fire loss of private property, held as security against the cost of removing, securing or repairing the damaged structure.

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

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.

CITY OF SIDNEY, OHIO
Fund Descriptions
December 31, 2001

Non-major capital projects funds:

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

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

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

ENTERPRISE FUNDS

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

Major enterprise funds:

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

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

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

Non-major enterprise funds:

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

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

CITY OF SIDNEY, OHIO

Fund Descriptions

December 31, 2001

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, 2001**

| | Non-major Special Revenue Funds | Non-major Capital Projects Funds | Total Non-major Governmental Funds |
|--------------------------------------|--|---|--|
| ASSETS | | | |
| Pooled cash and investments | \$ 2,662,582 | \$ 471,972 | \$ 3,134,554 |
| Receivables (net): | | | |
| Interest | 16,590 | 5,662 | 22,252 |
| Loans | 118,784 | - | 118,784 |
| Special assessments | - | 19,349 | 19,349 |
| Other | 67,041 | - | 67,041 |
| Receivables from other governments | 43,644 | - | 43,644 |
| Inventory | 19,992 | - | 19,992 |
| Prepaid items | 1,003 | - | 1,003 |
| | <u>2,929,636</u> | <u>496,983</u> | <u>3,426,619</u> |
| Total assets | <u>\$ 2,929,636</u> | <u>\$ 496,983</u> | <u>\$ 3,426,619</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 82,946 | \$ 8,716 | \$ 91,662 |
| Salaries and benefits payable | 43,649 | - | 43,649 |
| Due to other funds | 1,649 | - | 1,649 |
| Deferred revenue | 73,606 | 22,741 | 96,347 |
| | <u>201,850</u> | <u>31,457</u> | <u>233,307</u> |
| Total liabilities | <u>201,850</u> | <u>31,457</u> | <u>233,307</u> |
| Fund Balances: | | | |
| Reserved for: | | | |
| Inventory | 19,992 | - | 19,992 |
| Prepaid Items | 1,003 | - | 1,003 |
| Encumbrances | 84,362 | 36,724 | 121,086 |
| Unreserved | 2,622,429 | 428,802 | 3,051,231 |
| | <u>2,727,786</u> | <u>465,526</u> | <u>3,193,312</u> |
| Total fund balances | <u>2,727,786</u> | <u>465,526</u> | <u>3,193,312</u> |
| Total liabilities and fund balances | <u>\$ 2,929,636</u> | <u>\$ 496,983</u> | <u>\$ 3,426,619</u> |

CITY OF SIDNEY, OHIO
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Special Revenue Funds | Capital Projects Funds | Total Non-major Governmental Funds |
|--|-----------------------------|------------------------------|--|
| REVENUES: | | | |
| Intergovernmental revenues | \$ 1,194,670 | \$ 100,000 | \$ 1,294,670 |
| Special assessments | - | 42,832 | 42,832 |
| Charges for services | 139,389 | - | 139,389 |
| Fines, licenses and permits | 65,143 | - | 65,143 |
| Investment income | 79,501 | 21,243 | 100,744 |
| Miscellaneous receipts and reimbursements | <u>65,346</u> | <u>-</u> | <u>65,346</u> |
| Total revenues | <u>1,544,049</u> | <u>164,075</u> | <u>1,708,124</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 54,865 | - | 54,865 |
| Security of persons & property | 283,728 | - | 283,728 |
| Health | 161,851 | - | 161,851 |
| Transportation | 329,861 | - | 329,861 |
| Community environment | 66,946 | - | 66,946 |
| Basic utility services | 159,406 | - | 159,406 |
| Capital outlay | 935,455 | 300,872 | 1,236,327 |
| Debt service: | | | |
| Principal | 20,000 | - | 20,000 |
| Interest | <u>7,296</u> | <u>-</u> | <u>7,296</u> |
| Total expenditures | <u>2,019,408</u> | <u>300,872</u> | <u>2,320,280</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(475,359)</u> | <u>(136,797)</u> | <u>(612,156)</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| Transfers in | 334,900 | - | 334,900 |
| Transfers out | <u>(10,000)</u> | <u>(427,571)</u> | <u>(437,571)</u> |
| Total other financing sources (uses) | <u>324,900</u> | <u>(427,571)</u> | <u>(102,671)</u> |
| Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses | (150,459) | (564,368) | (714,827) |
| Fund balances, beginning of year | <u>2,878,245</u> | <u>1,029,894</u> | <u>3,908,139</u> |
| Fund balances, end of year | <u>\$ 2,727,786</u> | <u>\$ 465,526</u> | <u>\$ 3,193,312</u> |

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2001

(continued)

| | State Highway | County Auto License | Stormwater Management | Cemetery | Transportation | C.D.B.G. | C.D.B.G. Revolving Loan | Parking Meter/ Off-Street Parking | Probation Grant | Health Department Building Lease |
|--|------------------|---------------------|-----------------------|-------------------|-------------------|-------------------|-------------------------|-----------------------------------|------------------|----------------------------------|
| | | | | | | | | | | |
| ASSETS | | | | | | | | | | |
| Pooled cash and investments | \$ 37,150 | \$ 14,000 | \$ 129,069 | \$ 91,964 | \$ 233,308 | \$ 216,178 | \$ 327,131 | \$ 72,009 | \$ 14,208 | \$ 65,698 |
| Receivables (net): | | | | | | | | | | |
| Interest | - | - | - | - | - | 530 | 5,820 | - | - | - |
| Loans | - | - | - | - | - | - | 118,784 | - | - | - |
| Other | - | - | - | 22,568 | - | 38,227 | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - | - | - | - |
| Receivables from other governments | 43,644 | - | - | - | - | - | - | - | - | - |
| Inventory | - | - | 19,992 | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | 334 | 210 | - | - | 375 | 84 | - |
| Total assets | \$ 80,794 | \$ 14,000 | \$ 149,061 | \$ 114,866 | \$ 233,518 | \$ 254,935 | \$ 451,735 | \$ 72,384 | \$ 14,292 | \$ 65,698 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable | - | - | 402 | 488 | 604 | 604 | 526 | 2,998 | 64 | 8,616 |
| Salaries and benefits payable | - | - | 12,751 | 9,900 | 15,353 | - | - | 1,921 | 3,724 | - |
| Due to other funds | - | - | 34 | 121 | 1,486 | - | - | 8 | - | - |
| Deferred revenue | 36,051 | - | - | 21,287 | - | 404 | 4,054 | - | - | - |
| Total liabilities | \$ 36,051 | \$ - | \$ 13,187 | \$ 31,796 | \$ 17,443 | \$ 60,721 | \$ 4,580 | \$ 4,927 | \$ 3,788 | \$ 8,616 |
| Fund Balances: | | | | | | | | | | |
| Reserved for: | | | | | | | | | | |
| Inventory | - | - | 19,992 | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | 334 | 210 | - | - | 375 | 84 | - |
| Encumbrances | - | - | 2,516 | 3,363 | 1,913 | 71,706 | 250 | - | - | 101 |
| Unreserved | 44,743 | 14,000 | 113,366 | 79,373 | 213,952 | 122,508 | 446,905 | 67,082 | 10,420 | 56,981 |
| Total fund balances | \$ 44,743 | \$ 14,000 | \$ 135,874 | \$ 83,070 | \$ 216,075 | \$ 194,214 | \$ 447,155 | \$ 67,457 | \$ 10,504 | \$ 57,082 |
| Total liabilities and fund balances | \$ 80,794 | \$ 14,000 | \$ 149,061 | \$ 114,866 | \$ 233,518 | \$ 254,935 | \$ 451,735 | \$ 72,384 | \$ 14,292 | \$ 65,698 |

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2001

| | Separation Payment | Insurance | Drug Law Enforcement | Law Enforcement | Indigent Driver Alcohol Treatment | Enforcement & Education | OCS Grant | Imprest Cash | Fire Loss Security | Cemetery Maintenance | Mausoleum Maintenance | Non-major Special Revenue Funds Totals |
|------------------------------------|-----------------------|-----------------|-------------------------|--------------------|--|----------------------------|------------------|-----------------|-----------------------|-------------------------|--------------------------|---|
| Pooled cash and investments | \$ 673,725 | \$ 4,615 | \$ 55,572 | \$ 3,386 | \$ 71,015 | \$ 9,390 | \$ 10,792 | \$ 2,300 | \$ 9,948 | \$ 612,088 | \$ 9,036 | \$ 2,662,582 |
| Receivables (net): | | | | | | | | | | | | |
| Interest | - | - | - | - | - | - | - | - | - | 10,095 | 145 | 16,590 |
| Loans | - | - | - | - | - | - | - | - | - | - | - | 118,784 |
| Other | - | 4,014 | 1,670 | - | 397 | 165 | - | - | - | - | - | 67,041 |
| Due from other funds | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables from other governments | - | - | - | - | - | - | - | - | - | - | - | 43,644 |
| Inventory | - | - | - | - | - | - | - | - | - | - | - | 19,992 |
| Prepaid items | - | - | - | - | - | - | - | - | - | - | - | 1,003 |
| Total assets | \$ 673,725 | \$ 8,629 | \$ 57,242 | \$ 3,386 | \$ 71,412 | \$ 9,555 | \$ 10,792 | \$ 2,300 | \$ 9,948 | \$ 622,183 | \$ 9,181 | \$ 2,929,636 |

LIABILITIES AND FUND BALANCES

| | | | | | | | | | | | | |
|--|-------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|-----------------|-------------------|-----------------|---------------------|
| Liabilities: | | | | | | | | | | | | |
| Accounts payable | \$ - | \$ 2,410 | \$ - | \$ - | \$ - | \$ 136 | \$ 6,279 | \$ - | \$ - | \$ 106 | \$ - | \$ 82,946 |
| Salaries and benefits payable | - | - | - | - | - | - | - | - | - | - | - | 43,649 |
| Due to other funds | - | - | - | - | - | - | - | - | - | - | - | 1,649 |
| Deferred revenue | - | 4,014 | - | - | - | - | - | - | - | 7,686 | 110 | 73,606 |
| Total liabilities | - | 6,424 | - | - | - | 136 | 6,279 | - | - | 7,792 | 110 | 201,850 |
| Fund Balances: | | | | | | | | | | | | |
| Reserved for: | | | | | | | | | | | | |
| Inventory | - | - | - | - | - | - | - | - | - | - | - | 19,992 |
| Prepaid items | - | - | - | - | - | - | - | - | - | - | - | 1,003 |
| Encumbrances | - | - | - | - | - | - | 4,513 | - | - | - | - | 84,362 |
| Unreserved | 673,725 | 2,205 | 57,242 | 3,386 | 71,412 | 9,419 | - | 2,300 | 9,948 | 614,391 | 9,071 | 2,622,429 |
| Total fund balances | 673,725 | 2,205 | 57,242 | 3,386 | 71,412 | 9,419 | 4,513 | 2,300 | 9,948 | 614,391 | 9,071 | 2,727,786 |
| Total liabilities and fund balances | \$ 673,725 | \$ 8,629 | \$ 57,242 | \$ 3,386 | \$ 71,412 | \$ 9,555 | \$ 10,792 | \$ 2,300 | \$ 9,948 | \$ 622,183 | \$ 9,181 | \$ 2,929,636 |

(continued)

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

| | State Highway | County Auto License | Stormwater Management | Cemetery | Transportation | C.D.B.G. | C.D.B.G. Revolving Loan | Parking Meter/ Off-Street Parking | Probation Grant | Health Department Building Lease |
|--|------------------|---------------------------|--------------------------|----------------|----------------|----------------|-------------------------------|---|--------------------|---|
| REVENUES: | | | | | | | | | | |
| Intergovernmental revenues | \$ 64,445 | \$ 134,000 | \$ - | \$ - | \$ 171,265 | \$ 608,810 | \$ - | \$ - | \$ 50,822 | \$ - |
| Charges for services | - | - | - | 83,560 | 45,228 | - | - | - | - | - |
| Fines, licenses and permits | - | - | - | - | - | - | - | 30,226 | - | - |
| Investment income | - | - | - | - | - | 11,297 | 30,525 | - | - | - |
| Miscellaneous receipts and reimbursements | - | - | 16 | 16 | 26 | - | 357 | 3 | 6 | 39,440 |
| Total revenues | 64,445 | 134,000 | 16 | 83,576 | 216,519 | 620,107 | 30,882 | 30,229 | 50,828 | 39,440 |
| EXPENDITURES: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | - | - |
| Security of persons & property | - | - | - | - | - | - | - | 31,915 | 59,289 | - |
| Health | - | - | - | 149,687 | - | - | - | - | - | 11,866 |
| Transportation | 68,000 | - | - | - | 261,861 | - | - | - | - | - |
| Community environment | - | - | - | - | - | 63,468 | 3,478 | - | - | - |
| Basic utility services | - | - | 159,406 | - | - | - | - | - | - | - |
| Capital outlay | - | 120,000 | - | 3,740 | 1,277 | 807,987 | - | 2,451 | - | - |
| Debt service: | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | 20,000 |
| Interest | - | - | - | - | - | - | - | - | - | 7,296 |
| Total expenditures | 68,000 | 120,000 | 159,406 | 153,427 | 263,138 | 871,455 | 3,478 | 34,366 | 59,289 | 39,162 |
| Excess (deficiency) of revenues over (under) expenditures | (3,555) | 14,000 | (159,390) | (69,851) | (46,619) | (251,348) | 27,404 | (4,137) | (8,461) | 278 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | | |
| Transfers in | - | - | 172,400 | 85,000 | 70,000 | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | 172,400 | 85,000 | 70,000 | - | - | - | - | - |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | (3,555) | 14,000 | 13,010 | 15,149 | 23,381 | (251,348) | 27,404 | (4,137) | (8,461) | 278 |
| Fund balances, beginning of year | 48,298 | - | 122,864 | 67,921 | 192,694 | 445,562 | 419,751 | 71,594 | 18,965 | 56,804 |
| Fund balances, end of year | 44,743 | 14,000 | 135,874 | 83,070 | 216,075 | 194,214 | 447,155 | 67,457 | 10,504 | 57,082 |

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, 2001

| | Separation Payment | Insurance | Drug Law Enforcement | Law Enforcement | Indigent Driver Alcohol Treatment | Enforcement & Education | OCIS Grant | Imprest Cash | Fire Loss Security | Cemetery Maintenance | Mausoleum Maintenance | Non-major Special Revenue | Funds Totals |
|--|-----------------------|-----------|-------------------------|--------------------|--|----------------------------|---------------|-----------------|-----------------------|-------------------------|--------------------------|---------------------------------|--------------|
| | | | | | | | | | | | | | |
| REVENUES: | | | | | | | | | | | | | |
| Intergovernmental revenues | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 165,328 | \$ - | \$ - | \$ - | \$ - | \$ 1,194,670 | |
| Charges for services | - | - | - | - | - | - | - | - | - | 10,180 | 421 | 139,389 | |
| Fines, licenses and permits | - | - | 22,874 | - | 7,345 | 4,698 | - | - | - | - | - | 65,143 | |
| Investment income | - | - | - | - | - | - | - | - | - | 37,140 | 539 | 79,501 | |
| Miscellaneous receipts and reimbursements | - | 5,646 | - | - | 9,888 | - | - | - | 9,948 | - | - | 65,346 | |
| Total revenues | - | 5,646 | 22,874 | - | 17,233 | 4,698 | 165,328 | - | 9,948 | 47,320 | 960 | 1,544,049 | |
| EXPENDITURES: | | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | | |
| General government | 33,756 | 21,109 | - | - | - | - | - | - | - | - | - | 54,865 | |
| Security of persons & property | 18,798 | - | 1,304 | - | - | 2,607 | 160,815 | - | 9,000 | - | - | 283,728 | |
| Health | - | - | - | - | - | - | - | - | - | 298 | - | 161,851 | |
| Transportation | - | - | - | - | - | - | - | - | - | - | - | 329,861 | |
| Community environment | - | - | - | - | - | - | - | - | - | - | - | 66,946 | |
| Basic utility services | - | - | - | - | - | - | - | - | - | - | - | 159,406 | |
| Capital outlay | - | - | - | - | - | - | - | - | - | - | - | 935,455 | |
| Debt service: | | | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | - | - | - | 20,000 | |
| Interest | - | - | - | - | - | - | - | - | - | - | - | 7,296 | |
| Total expenditures | 52,554 | 21,109 | 1,304 | - | - | 2,607 | 160,815 | - | 9,000 | 298 | - | 2,019,408 | |
| Excess (deficiency) of revenues over (under) expenditures | (52,554) | (15,463) | 21,570 | - | 17,233 | 2,091 | 4,513 | - | 948 | 47,022 | 960 | (475,359) | |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | | | | | |
| Transfers in | - | 7,500 | - | - | - | - | - | - | - | - | - | 334,900 | |
| Transfers out | - | - | - | - | - | - | - | - | - | (10,000) | - | (10,000) | |
| Total other financing sources (uses) | - | 7,500 | - | - | - | - | - | - | - | (10,000) | - | 324,900 | |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | (52,554) | (7,963) | 21,570 | - | 17,233 | 2,091 | 4,513 | - | 948 | 37,022 | 960 | (150,459) | |
| Fund balances, beginning of year | 726,279 | 10,168 | 35,672 | 3,386 | 54,179 | 7,328 | - | 2,300 | 9,000 | 577,369 | 8,111 | 2,878,245 | |
| Fund balances, end of year | \$ 673,725 | \$ 2,205 | \$ 57,242 | \$ 3,386 | \$ 71,412 | \$ 9,419 | \$ 4,513 | \$ 2,300 | \$ 9,948 | \$ 614,391 | \$ 9,071 | \$ 2,727,786 | |

**CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2001**

| | Non-major Special Revenue Funds | Non-major Capital Projects Funds | Total Non-major Governmental Funds |
|--------------------------------------|--|---|--|
| ASSETS | | | |
| Pooled cash and investments | \$ 2,662,582 | \$ 471,972 | \$ 3,134,554 |
| Receivables (net): | | | |
| Interest | 16,590 | 5,662 | 22,252 |
| Loans | 118,784 | - | 118,784 |
| Special assessments | - | 19,349 | 19,349 |
| Other | 67,041 | - | 67,041 |
| Receivables from other governments | 43,644 | - | 43,644 |
| Inventory | 19,992 | - | 19,992 |
| Prepaid items | 1,003 | - | 1,003 |
| | <u>2,929,636</u> | <u>496,983</u> | <u>3,426,619</u> |
| Total assets | <u>\$ 2,929,636</u> | <u>\$ 496,983</u> | <u>\$ 3,426,619</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 82,946 | \$ 8,716 | \$ 91,662 |
| Salaries and benefits payable | 43,649 | - | 43,649 |
| Due to other funds | 1,649 | - | 1,649 |
| Deferred revenue | 73,606 | 22,741 | 96,347 |
| | <u>201,850</u> | <u>31,457</u> | <u>233,307</u> |
| Total liabilities | <u>201,850</u> | <u>31,457</u> | <u>233,307</u> |
| Fund Balances: | | | |
| Reserved for: | | | |
| Inventory | 19,992 | - | 19,992 |
| Prepaid Items | 1,003 | - | 1,003 |
| Encumbrances | 84,362 | 36,724 | 121,086 |
| Unreserved | 2,622,429 | 428,802 | 3,051,231 |
| | <u>2,727,786</u> | <u>465,526</u> | <u>3,193,312</u> |
| Total fund balances | <u>2,727,786</u> | <u>465,526</u> | <u>3,193,312</u> |
| | <u>\$ 2,929,636</u> | <u>\$ 496,983</u> | <u>\$ 3,426,619</u> |
| Total liabilities and fund balances | <u>\$ 2,929,636</u> | <u>\$ 496,983</u> | <u>\$ 3,426,619</u> |

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Capital Investment | Special Assessment Construction | Monumental Building Renovation | Non-major Capital Projects Funds Totals |
|--|-----------------------|---------------------------------------|--------------------------------------|--|
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 100,000 | \$ - | \$ - | \$ 100,000 |
| Special assessments | - | 42,832 | - | 42,832 |
| Investment income | 21,243 | - | - | 21,243 |
| Total revenues | <u>121,243</u> | <u>42,832</u> | <u>-</u> | <u>164,075</u> |
| EXPENDITURES: | | | | |
| Capital outlay | - | 39,971 | 260,901 | 300,872 |
| Total expenditures | <u>-</u> | <u>39,971</u> | <u>260,901</u> | <u>300,872</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>121,243</u> | <u>2,861</u> | <u>(260,901)</u> | <u>(136,797)</u> |
| OTHER FINANCING USES: | | | | |
| Transfers out | (250,000) | - | (177,571) | (427,571) |
| Total other financing uses | <u>(250,000)</u> | <u>-</u> | <u>(177,571)</u> | <u>(427,571)</u> |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | (128,757) | 2,861 | (438,472) | (564,368) |
| Fund balances, beginning of year | 474,586 | 94,799 | 460,509 | 1,029,894 |
| Fund balances, end of year | <u>\$ 345,829</u> | <u>\$ 97,660</u> | <u>\$ 22,037</u> | <u>\$ 465,526</u> |

**CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2001**

| | <u>Airport</u> | <u>Swimming Pool</u> | <u>Non-major Enterprise Funds Totals</u> |
|---|---------------------|--------------------------|--|
| ASSETS | | | |
| Current assets: | | | |
| Pooled cash and investments | \$ 32,506 | \$ 22,049 | \$ 54,555 |
| Receivables (net): | | | |
| Accounts | 12,286 | - | 12,286 |
| Other | 6,493 | - | 6,493 |
| Inventory | 16,408 | - | 16,408 |
| Prepaid items | <u>1,225</u> | <u>110</u> | <u>1,335</u> |
| Total current assets | <u>68,918</u> | <u>22,159</u> | <u>91,077</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Capital assets not subject to depreciation: | | | |
| Land | 309,265 | - | 309,265 |
| Capital assets net of accumulated depreciation | <u>680,030</u> | <u>717,797</u> | <u>1,397,827</u> |
| Total noncurrent assets | <u>989,295</u> | <u>717,797</u> | <u>1,707,092</u> |
| Total assets | <u>\$ 1,058,213</u> | <u>\$ 739,956</u> | <u>\$ 1,798,169</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 16,955 | \$ 162 | \$ 17,117 |
| Salaries and benefits payable | - | 564 | 564 |
| Due to other funds | 42 | - | 42 |
| Deferred revenue | <u>6,493</u> | <u>-</u> | <u>6,493</u> |
| Total current liabilities | <u>23,490</u> | <u>726</u> | <u>24,216</u> |
| Total liabilities | <u>\$ 23,490</u> | <u>\$ 726</u> | <u>\$ 24,216</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | \$ 989,295 | \$ 717,797 | \$ 1,707,092 |
| Unrestricted | <u>45,428</u> | <u>21,433</u> | <u>66,861</u> |
| Total net assets | <u>\$ 1,034,723</u> | <u>\$ 739,230</u> | <u>\$ 1,773,953</u> |
| Total liabilities and net assets | <u>\$ 1,058,213</u> | <u>\$ 739,956</u> | <u>\$ 1,798,169</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, 2001

| | <u>Airport</u> | <u>Swimming Pool</u> | <u>Non-major Enterprise Funds Totals</u> |
|--|---------------------|--------------------------|--|
| OPERATING REVENUE: | | | |
| Charges for services | \$ 149,723 | \$ 56,275 | \$ 205,998 |
| Other revenue | <u>7,129</u> | <u>-</u> | <u>7,129</u> |
| Total operating revenues | <u>156,852</u> | <u>56,275</u> | <u>213,127</u> |
| OPERATING EXPENSES: | | | |
| Personal services | - | 53,012 | 53,012 |
| General operating | 44,592 | 12,691 | 57,283 |
| Contractual services | 31,500 | - | 31,500 |
| Materials and supplies | 83,194 | 15,885 | 99,079 |
| Depreciation | <u>23,244</u> | <u>23,177</u> | <u>46,421</u> |
| Total operating expenses | <u>182,530</u> | <u>104,765</u> | <u>287,295</u> |
| Operating income (loss) | <u>(25,678)</u> | <u>(48,490)</u> | <u>(74,168)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Investment income | - | - | - |
| Intergovernmental | - | - | - |
| Gain (loss) on disposal of assets | - | - | - |
| Interest expense | <u>-</u> | <u>-</u> | <u>-</u> |
| Total nonoperating revenues (expenses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Income (loss) before contributions and transfers | <u>(25,678)</u> | <u>(48,490)</u> | <u>(74,168)</u> |
| Capital contributions | 281,090 | - | 281,090 |
| Transfers in | <u>-</u> | <u>35,000</u> | <u>35,000</u> |
| Change in net assets | 255,412 | (13,490) | 241,922 |
| Net assets, beginning of year | <u>779,311</u> | <u>752,720</u> | <u>1,532,031</u> |
| Net assets, end of year | <u>\$ 1,034,723</u> | <u>\$ 739,230</u> | <u>\$ 1,773,953</u> |

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Airport | Swimming Pool | Non-major Enterprise Funds Totals |
|---|-------------------|--------------------|---|
| Cash flows from operating activities: | | | |
| Receipts from customers and users | \$ 152,949 | \$ 56,275 | \$ 209,224 |
| Payments to suppliers | (160,715) | (27,998) | (188,713) |
| Payments to employees | - | (52,951) | (52,951) |
| Payments for interfund services used | (470) | - | (470) |
| Net cash used by operating activities | <u>(8,236)</u> | <u>(24,674)</u> | <u>(32,910)</u> |
| Cash flows from noncapital financing activities: | | | |
| Transfers in | - | 35,000 | 35,000 |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>35,000</u> | <u>35,000</u> |
| Net increase in pooled cash and investments | (8,236) | 10,326 | 2,090 |
| Pooled cash and investments, beginning of year | <u>40,742</u> | <u>11,723</u> | <u>52,465</u> |
| Pooled cash and investments, end of year | <u>\$ 32,506</u> | <u>\$ 22,049</u> | <u>\$ 54,555</u> |
| Reconciliation of operating loss to net cash used by operating activities: | | | |
| Operating loss | \$ (25,678) | \$ (48,490) | \$ (74,168) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | | |
| Depreciation | 23,244 | 23,177 | 46,421 |
| Change in assets and liabilities: | | | |
| Accounts receivable | (3,903) | - | (3,903) |
| Other receivables | 315 | - | 315 |
| Prepaid items | (13) | 416 | 403 |
| Inventory | (1,282) | - | (1,282) |
| Accounts payable | (572) | 162 | (410) |
| Salaries and benefits payable and compensated absences | - | 61 | 61 |
| Due to other funds | (32) | - | (32) |
| Deferred revenue | (315) | - | (315) |
| Net cash used by operating activities | <u>\$ (8,236)</u> | <u>\$ (24,674)</u> | <u>\$ (32,910)</u> |
| Noncash investing, capital and financing activities: | | | |
| Contributions of capital assets from government | <u>\$ 281,090</u> | <u>\$ -</u> | <u>\$ 281,090</u> |

**CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2001**

| | Service Center | Technology | Self- Insurance | Internal Service Totals |
|--|-------------------|-------------------|--------------------|-------------------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Pooled cash and investments | \$ 273,433 | \$ 70,199 | \$ 398,410 | \$ 742,042 |
| Receivables (net): | | | | |
| Interest | - | - | 6,361 | 6,361 |
| Other | - | - | 14,002 | 14,002 |
| Inventory | 18,226 | 3,320 | - | 21,546 |
| Due from (to) other funds | 8,673 | - | - | 8,673 |
| Prepaid items | 2,921 | 9,402 | 16,699 | 29,022 |
| Total current assets | 303,253 | 82,921 | 435,472 | 821,646 |
| Noncurrent assets: | | | | |
| Capital assets, net of accumulated depreciation | 620,112 | 18,464 | - | 638,576 |
| Total noncurrent assets | 620,112 | 18,464 | - | 638,576 |
| Total assets | \$ 923,365 | \$ 101,385 | \$ 435,472 | \$ 1,460,222 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 7,558 | \$ 3,942 | \$ 265,807 | \$ 277,307 |
| Salaries and benefits payable | 19,355 | 12,466 | - | 31,821 |
| Due to other funds | 11 | 27 | - | 38 |
| Other accrued liabilities | | | | |
| Deferred revenue | - | - | 18,845 | 18,845 |
| Total current liabilities | 26,924 | 16,435 | 284,652 | 328,011 |
| Noncurrent liabilities: | | | | |
| Compensated absences | 53,494 | 8,191 | - | 61,685 |
| Total noncurrent liabilities | 53,494 | 8,191 | - | 61,685 |
| Total liabilities | \$ 80,418 | \$ 24,626 | \$ 284,652 | \$ 389,696 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | \$ 620,112 | \$ 18,464 | \$ - | \$ 638,576 |
| Unrestricted | 222,835 | 58,295 | 150,820 | 431,950 |
| Total net assets | 842,947 | 76,759 | 150,820 | 1,070,526 |
| Total liabilities and net assets | \$ 923,365 | \$ 101,385 | \$ 435,472 | \$ 1,460,222 |

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Service Center | Technology | Self- Insurance | Internal Service Totals |
|--|-------------------|------------------|--------------------|-------------------------------|
| OPERATING REVENUES: | | | | |
| Charges for services | \$ 492,104 | \$ 251,337 | \$ 1,129,048 | \$ 1,872,489 |
| Other revenue | 1,139 | 583 | 12,063 | 13,785 |
| Total operating revenues | <u>493,243</u> | <u>251,920</u> | <u>1,141,111</u> | <u>1,886,274</u> |
| OPERATING EXPENSES: | | | | |
| Personal services | 255,517 | 131,600 | - | 387,117 |
| General operating | 126,236 | 39,238 | 1,290,358 | 1,455,832 |
| Contractual services | - | 868 | 27,561 | 28,429 |
| Materials and supplies | 191,799 | 52,191 | - | 243,990 |
| Depreciation | 37,584 | 5,294 | - | 42,878 |
| Total operating expenses | <u>611,136</u> | <u>229,191</u> | <u>1,317,919</u> | <u>2,158,246</u> |
| Operating income (loss) | <u>(117,893)</u> | <u>22,729</u> | <u>(176,808)</u> | <u>(271,972)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Investment income | - | - | 28,263 | 28,263 |
| Gain (loss) on disposal of assets | - | (3,957) | - | (3,957) |
| Total nonoperating revenues (expenses) | <u>-</u> | <u>(3,957)</u> | <u>28,263</u> | <u>24,306</u> |
| Income (loss) before contributions | <u>(117,893)</u> | <u>18,772</u> | <u>(148,545)</u> | <u>(247,666)</u> |
| Capital contributions | <u>15,910</u> | <u>5,252</u> | <u>-</u> | <u>21,162</u> |
| Change in net assets | (101,983) | 24,024 | (148,545) | (226,504) |
| Net assets, beginning of year | <u>944,930</u> | <u>52,735</u> | <u>299,365</u> | <u>1,297,030</u> |
| Net assets, end of year | <u>\$ 842,947</u> | <u>\$ 76,759</u> | <u>\$ 150,820</u> | <u>\$ 1,070,526</u> |

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

| | Service Center | Technology | Self- Insurance | Internal Service Totals |
|---|--------------------|------------------|--------------------|-------------------------------|
| Cash flows from operating activities: | | | | |
| Receipts from interfund services | \$ 516,204 | \$ 253,164 | \$ 1,172,568 | \$ 1,941,936 |
| Payments to suppliers | (311,438) | (90,831) | (1,242,459) | (1,644,728) |
| Payments to employees | (244,690) | (156,743) | - | (401,433) |
| Payments for interfund services used | (88) | (32) | - | (120) |
| Net cash provided (used) by operating activities | <u>(40,012)</u> | <u>5,558</u> | <u>(69,891)</u> | <u>(104,345)</u> |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition of capital assets | (3,065) | - | - | (3,065) |
| Net cash used in capital and related financing activities | <u>(3,065)</u> | <u>-</u> | <u>-</u> | <u>(3,065)</u> |
| Cash flows from investing activities: | | | | |
| Interest on investments | - | - | 25,011 | 25,011 |
| Net unrealized gain on investments | - | - | 4,100 | 4,100 |
| Net cash provided by investing activities | <u>-</u> | <u>-</u> | <u>29,111</u> | <u>29,111</u> |
| Net increase in pooled cash and investments | (43,077) | 5,558 | (40,780) | (78,299) |
| Pooled cash and investments, beginning of year | 316,510 | 64,641 | 439,190 | 820,341 |
| Pooled cash and investments, end of year | <u>\$ 273,433</u> | <u>\$ 70,199</u> | <u>\$ 398,410</u> | <u>\$ 742,042</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ (117,893) | \$ 22,729 | \$ (176,808) | \$ (271,972) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation | 37,584 | 5,293 | - | 42,878 |
| Change in assets and liabilities: | | | | |
| Other receivables | 2,268 | 1,244 | 18,532 | 22,044 |
| Due from other funds | 20,693 | - | - | 20,693 |
| Prepaid items | (51) | (1,506) | (3,408) | (4,966) |
| Inventory | 8,282 | 562 | - | 8,844 |
| Accounts payable | (1,733) | 2,366 | 78,868 | 79,501 |
| Salaries and benefits payable and compensated absences | 10,827 | (25,143) | - | (14,316) |
| Due to other funds | 11 | 13 | - | 24 |
| Deferred revenue | - | - | 12,925 | 12,925 |
| Net cash provided (used) by operating activities | <u>\$ (40,012)</u> | <u>\$ 5,558</u> | <u>\$ (69,891)</u> | <u>\$ (104,345)</u> |
| Noncash investing, capital and financing activities: | | | | |
| Contributions of capital assets from government | <u>\$ 15,910</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,910</u> |

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2001

| | <u>Municipal Court</u> | <u>Medical Reimbursement</u> | <u>Port Jefferson</u> | <u>Agency Total</u> |
|-----------------------------|----------------------------|----------------------------------|---------------------------|-------------------------|
| ASSETS | | | | |
| Pooled cash and investments | \$ 118,773 | \$ 5,973 | \$ 1,093 | \$ 125,839 |
| Accounts receivable | - | - | 6,498 | 6,498 |
| Due from other funds | - | - | 1,829 | 1,829 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 118,773</u> | <u>\$ 5,973</u> | <u>\$ 9,420</u> | <u>\$ 134,166</u> |
| LIABILITIES | | | | |
| Due to employees | \$ - | \$ 865 | \$ - | \$ 865 |
| Due to other funds | 52,434 | - | - | 52,434 |
| Due to other governments | 35,857 | - | 9,420 | 45,277 |
| Undistributed monies | 30,482 | 5,108 | - | 35,590 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>\$ 118,773</u> | <u>\$ 5,973</u> | <u>\$ 9,420</u> | <u>\$ 134,166</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
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Intergovernmental revenue | \$ 67,703 | \$ 67,703 | \$ 64,741 | \$ (2,962) |
| Total revenues | <u>67,703</u> | <u>67,703</u> | <u>64,741</u> | <u>(2,962)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Contractual, materials and other | <u>68,000</u> | <u>68,000</u> | <u>68,000</u> | <u>-</u> |
| Total expenditures | <u>68,000</u> | <u>68,000</u> | <u>68,000</u> | <u>-</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | (297) | (297) | (3,259) | (2,962) |
| Fund Balances, beginning of year | 40,409 | 40,409 | 40,409 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ 40,112</u> | <u>\$ 40,112</u> | <u>\$ 37,150</u> | <u>\$ (2,962)</u> |

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
COUNTY AUTO LICENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Intergovernmental revenue | \$ 120,000 | \$ 120,000 | \$ 134,000 | \$ 14,000 |
| Total revenues | <u>120,000</u> | <u>120,000</u> | <u>134,000</u> | <u>14,000</u> |
| EXPENDITURES: | | | | |
| Contractual, materials and other | <u>120,000</u> | <u>120,000</u> | <u>120,000</u> | <u>-</u> |
| Total expenditures | <u>120,000</u> | <u>120,000</u> | <u>120,000</u> | <u>-</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | - | - | 14,000 | 14,000 |
| Fund Balances, beginning of year | - | - | - | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,000</u> | <u>\$ 14,000</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
STORMWATER MANAGEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|-------------------|-------------------------------------|----------------------------------|
| REVENUES: | \$ - | \$ - | \$ 1,252 | \$ 1,252 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Basic utility services | | | | |
| Personal services | 136,095 | 140,295 | 138,843 | 1,452 |
| Contractual, materials and other | 44,284 | 43,284 | 32,768 | 10,516 |
| Total expenditures | <u>180,379</u> | <u>183,579</u> | <u>171,611</u> | <u>11,968</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | <u>(180,379)</u> | <u>(183,579)</u> | <u>(170,359)</u> | <u>13,220</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | <u>172,400</u> | <u>172,400</u> | <u>172,400</u> | <u>-</u> |
| Total other financing sources | <u>172,400</u> | <u>172,400</u> | <u>172,400</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | <u>(7,979)</u> | <u>(11,179)</u> | <u>2,041</u> | <u>13,220</u> |
| Fund Balances, beginning of year | 124,475 | 124,475 | 124,475 | - |
| Encumbrances, end of year | - | - | 2,553 | 2,553 |
| Fund Balances, end of year | <u>\$ 116,496</u> | <u>\$ 113,296</u> | <u>\$ 129,069</u> | <u>\$ 15,773</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Charges for services | \$ 83,000 | \$ 83,000 | \$ 78,696 | \$ (4,304) |
| Miscellaneous receipts and reimbursements | 2,000 | 2,000 | 5,475 | 3,475 |
| Total revenues | <u>85,000</u> | <u>85,000</u> | <u>84,171</u> | <u>(829)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Health | | | | |
| Personal services | 124,230 | 126,730 | 126,158 | 572 |
| Contractual, materials and other | 40,689 | 38,189 | 32,137 | 6,052 |
| Total expenditures | <u>164,919</u> | <u>164,919</u> | <u>158,295</u> | <u>6,624</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | <u>(79,919)</u> | <u>(79,919)</u> | <u>(74,124)</u> | <u>5,795</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | 85,000 | 85,000 | 85,000 | - |
| Total other financing sources | <u>85,000</u> | <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 | 5,081 | 5,081 | 10,876 | 5,795 |
| Fund Balances, beginning of year | 77,724 | 77,724 | 77,724 | - |
| Encumbrances, end of year | - | - | 3,363 | 3,363 |
| Fund Balances, end of year | <u>\$ 82,805</u> | <u>\$ 82,805</u> | <u>\$ 91,963</u> | <u>\$ 9,158</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|-------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 158,150 | \$ 158,150 | \$ 171,265 | \$ 13,115 |
| Charges for services | 60,000 | 60,000 | 45,228 | (14,772) |
| Miscellaneous receipts and reimbursements | - | - | 2,025 | 2,025 |
| Total revenues | <u>218,150</u> | <u>218,150</u> | <u>218,518</u> | <u>368</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Transportation | | | | |
| Personal services | 221,495 | 221,495 | 200,364 | 21,131 |
| Contractual, materials and other | 71,654 | 71,654 | 62,396 | 9,258 |
| Total expenditures | <u>293,149</u> | <u>293,149</u> | <u>262,760</u> | <u>30,389</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | <u>(74,999)</u> | <u>(74,999)</u> | <u>(44,242)</u> | <u>30,757</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | <u>70,000</u> | <u>70,000</u> | <u>70,000</u> | <u>-</u> |
| Total other financing sources | <u>70,000</u> | <u>70,000</u> | <u>70,000</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | <u>(4,999)</u> | <u>(4,999)</u> | <u>25,758</u> | <u>30,757</u> |
| Fund Balances, beginning of year | 205,247 | 205,247 | 205,247 | - |
| Encumbrances, end of year | - | - | 2,303 | 2,303 |
| Fund Balances, end of year | <u>\$ 200,248</u> | <u>\$ 200,248</u> | <u>\$ 233,308</u> | <u>\$ 33,060</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
C.D.B.G. FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|---------------------|---------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Intergovernmental revenue | \$ 529,000 | \$ 529,000 | \$ 570,582 | \$ 41,582 |
| Investment income | - | - | 9,439 | 9,439 |
| Miscellaneous receipts and reimbursements | - | - | - | - |
| Total revenues | <u>529,000</u> | <u>529,000</u> | <u>580,021</u> | <u>51,021</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Community environment | | | | |
| Contractual, materials and other | 862,977 | 1,079,513 | 938,378 | 141,135 |
| Total expenditures | <u>862,977</u> | <u>1,079,513</u> | <u>938,378</u> | <u>141,135</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | (333,977) | (550,513) | (358,357) | 192,156 |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | - | - | 303,000 | 303,000 |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>303,000</u> | <u>303,000</u> |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | (333,977) | (550,513) | (55,357) | 495,156 |
| Fund Balances, beginning of year | 142,303 | 142,303 | 142,303 | - |
| Encumbrances, end of year | - | - | 127,242 | 127,242 |
| Fund Balances, end of year | <u>\$ (191,674)</u> | <u>\$ (408,210)</u> | <u>\$ 214,188</u> | <u>\$ 622,398</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
C.D.B.G. REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Investment income | \$ 27,000 | \$ 27,000 | \$ 27,314 | \$ 314 |
| Miscellaneous receipts and reimbursements | 50,000 | 50,000 | 104,777 | 54,777 |
| Total revenues | 77,000 | 77,000 | 132,091 | - 55,091 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Community environment | | | | |
| Contractual, materials and other | 259,544 | 259,544 | 12,747 | 246,797 |
| Total expenditures | 259,544 | 259,544 | 12,747 | 246,797 |
| Excess (deficiency) of revenues over/ (under) expenditures | (182,544) | (182,544) | 119,344 | 301,888 |
| OTHER FINANCING USES: | | | | |
| Transfers out | - | (303,000) | (303,000) | - |
| Total other financing uses | - | (303,000) | (303,000) | - |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | (182,544) | (485,544) | (183,656) | 301,888 |
| Fund Balances, beginning of year | 505,261 | 505,261 | 505,261 | - |
| Encumbrances, end of year | - | - | 776 | 776 |
| Fund Balances, end of year | \$ 322,717 | \$ 19,717 | \$ 322,381 | \$ 302,664 |

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
PARKING METER/OFF-STREET PARKING FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Fines, licenses and permits | \$ 33,375 | \$ 33,375 | \$ 30,225 | \$ (3,150) |
| Miscellaneous receipts and reimbursements | - | - | 237 | 237 |
| Total revenues | 33,375 | 33,375 | 30,462 | (2,913) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Security of persons & property | | | | |
| Personal services | 23,520 | 22,620 | 20,438 | 2,182 |
| Contractual, materials and other | 12,395 | 13,295 | 13,267 | 28 |
| Total expenditures | 35,915 | 35,915 | 33,705 | 2,210 |
| Excess (deficiency) of revenues over/ (under) expenditures | (2,540) | (2,540) | (3,243) | (703) |
| Fund Balances, beginning of year | 74,639 | 74,639 | 74,639 | - |
| Encumbrances, end of year | - | - | 613 | 613 |
| Fund Balances, end of year | \$ 72,099 | \$ 72,099 | \$ 72,009 | \$ (90) |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
PROBATION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|--------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 52,015 | \$ 52,015 | \$ 76,751 | \$ 24,736 |
| Miscellaneous receipts and reimbursements | - | - | 430 | 430 |
| Total revenues | <u>52,015</u> | <u>52,015</u> | <u>77,181</u> | <u>25,166</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Security of persons & property | | | | |
| Personal services | 42,845 | 42,845 | 42,717 | 128 |
| Contractual, materials and other | 10,895 | 17,520 | 15,443 | 2,077 |
| Total expenditures | <u>53,740</u> | <u>60,365</u> | <u>58,160</u> | <u>2,205</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | (1,725) | (8,350) | 19,021 | 27,371 |
| Fund Balances, beginning of year | (4,813) | (4,813) | (4,813) | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ (6,538)</u> | <u>\$ (13,163)</u> | <u>\$ 14,208</u> | <u>\$ 27,371</u> |

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
HEALTH DEPARTMENT BUILDING LEASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Miscellaneous receipts and reimbursements | \$ 44,850 | \$ 44,850 | \$ 39,440 | \$ (5,410) |
| Total revenues | <u>44,850</u> | <u>44,850</u> | <u>39,440</u> | <u>(5,410)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Health | | | | |
| Contractual, materials and other | 37,825 | 38,825 | 38,230 | 595 |
| Total expenditures | <u>37,825</u> | <u>38,825</u> | <u>38,230</u> | <u>595</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | 7,025 | 6,025 | 1,210 | (4,815) |
| Fund Balances, beginning of year | 64,233 | 64,233 | 64,233 | - |
| Encumbrances, end of year | - | - | 255 | 255 |
| Fund Balances, end of year | <u>\$ 71,258</u> | <u>\$ 70,258</u> | <u>\$ 65,698</u> | <u>\$ (4,560)</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
SEPARATION PAYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | | | | |
| Personal services | 59,000 | 59,000 | 52,554 | 6,446 |
| Total expenditures | 59,000 | 59,000 | 52,554 | 6,446 |
| Excess (deficiency) of revenues over/ (under) expenditures | (59,000) | (59,000) | (52,554) | 6,446 |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | - | - | - | - |
| Total Other Financing Sources | - | - | - | - |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | (59,000) | (59,000) | (52,554) | 6,446 |
| Fund Balances, beginning of year | 726,279 | 726,279 | 726,279 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | \$ 667,279 | \$ 667,279 | \$ 673,725 | \$ 6,446 |

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Miscellaneous receipts and reimbursements | \$ 18,000 | \$ 18,000 | \$ 5,706 | \$ (12,294) |
| Total revenues | 18,000 | 18,000 | 5,706 | (12,294) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | | | | |
| Contractual, materials and other | 30,000 | 30,000 | 28,180 | 1,820 |
| Total expenditures | 30,000 | 30,000 | 28,180 | 1,820 |
| Excess (deficiency) of revenues over/ (under) expenditures | (12,000) | (12,000) | (22,474) | (10,474) |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | 7,500 | 7,500 | 7,500 | - |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | (4,500) | (4,500) | (14,974) | (10,474) |
| Fund Balances, beginning of year | 19,590 | 19,590 | 19,590 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | \$ 15,090 | \$ 15,090 | \$ 4,616 | \$ (10,474) |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Fines, licenses and permits | \$ 19,000 | \$ 19,000 | \$ 21,800 | \$ 2,800 |
| Total revenues | <u>19,000</u> | <u>19,000</u> | <u>21,800</u> | <u>2,800</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Security of persons & property | | | | |
| Contractual, materials and other | 30,200 | 30,200 | 1,304 | 28,896 |
| Total expenditures | <u>30,200</u> | <u>30,200</u> | <u>1,304</u> | <u>28,896</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | (11,200) | (11,200) | 20,496 | 31,696 |
| Fund Balances, beginning of year | 35,076 | 35,076 | 35,076 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ 23,876</u> | <u>\$ 23,876</u> | <u>\$ 55,572</u> | <u>\$ 31,696</u> |

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Fines, licenses and permits | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous receipts and reimbursements | 1,000 | 1,000 | - | (1,000) |
| Total Revenues | <u>1,000</u> | <u>1,000</u> | <u>-</u> | <u>(1,000)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Security of persons & property | | | | |
| Contractual, materials and other | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | 1,000 | 1,000 | - | (1,000) |
| Fund Balances, beginning of year | 3,386 | 3,386 | 3,386 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ 4,386</u> | <u>\$ 4,386</u> | <u>\$ 3,386</u> | <u>\$ (1,000)</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
INDIGENT DRIVER ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Fines, licenses and permits | \$ 8,500 | \$ 8,500 | \$ 7,468 | \$ (1,032) |
| Miscellaneous receipts and reimbursements | 4,000 | 4,000 | 9,887 | 5,887 |
| Total revenues | <u>12,500</u> | <u>12,500</u> | <u>17,355</u> | <u>4,855</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Security of persons & property | | | | |
| Contractual, materials and other | 25,000 | 25,000 | - | 25,000 |
| Total expenditures | <u>25,000</u> | <u>25,000</u> | <u>-</u> | <u>25,000</u> |
| Excess (Deficiency) of Revenues Over/ (Under) Expenditures | (12,500) | (12,500) | 17,355 | 29,855 |
| Fund Balances, beginning of year | 53,659 | 53,659 | 53,659 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ 41,159</u> | <u>\$ 41,159</u> | <u>\$ 71,014</u> | <u>\$ 29,855</u> |

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
ENFORCEMENT & EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Fines, licenses and permits | \$ 4,500 | \$ 4,500 | \$ 4,893 | \$ 393 |
| Total revenues | <u>4,500</u> | <u>4,500</u> | <u>4,893</u> | <u>393</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Security of persons & property | | | | |
| Personal services | 8,760 | 8,760 | 3,032 | 5,728 |
| Contractual, materials and other | - | - | - | - |
| Total expenditures | <u>8,760</u> | <u>8,760</u> | <u>3,032</u> | <u>5,728</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | (4,260) | (4,260) | 1,861 | 6,121 |
| Fund Balances, beginning of year | 7,529 | 7,529 | 7,529 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ 3,269</u> | <u>\$ 3,269</u> | <u>\$ 9,390</u> | <u>\$ 6,121</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
OCJS GRANT
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Miscellaneous receipts and reimbursements | \$ - | \$ 165,328 | \$ 165,328 | \$ - |
| Total revenues | <u>-</u> | <u>165,328</u> | <u>165,328</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | | | | |
| Contractual, materials and other | - | 165,328 | 165,328 | - |
| Total expenditures | <u>-</u> | <u>165,328</u> | <u>165,328</u> | <u>-</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | - | - | - | - |
| Fund Balances, beginning of year | - | - | - | - |
| Encumbrances, end of year | - | - | 10,792 | 10,792 |
| Fund Balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,792</u> | <u>\$ 10,792</u> |

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
IMPREST CASH FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

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

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
FIRE LOSS SECURITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES | \$ - | \$ - | \$ 9,948 | \$ 9,948 |
| EXPENDITURES | 13,213 | 5,000 | 9,000 | (4,000) |
| Excess (deficiency) of revenues over/ (under) expenditures | (13,213) | (5,000) | 948 | 5,948 |
| Fund Balances, beginning of year | 9,000 | 9,000 | 9,000 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ (4,213)</u> | <u>\$ 4,000</u> | <u>\$ 9,948</u> | <u>\$ 5,948</u> |

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
CEMETERY MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|-------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Charges for services | \$ 8,300 | \$ 8,300 | \$ 10,180 | \$ 1,880 |
| Investment income | 30,000 | 30,000 | 30,651 | 651 |
| Total revenues | <u>38,300</u> | <u>38,300</u> | <u>40,831</u> | <u>2,531</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Health | | | | |
| Contractual, materials and other | 1,000 | 1,000 | 297 | 703 |
| Total expenditures | <u>1,000</u> | <u>1,000</u> | <u>297</u> | <u>703</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | 37,300 | 37,300 | 40,534 | 3,234 |
| OTHER FINANCING USES: | | | | |
| Transfers out | (10,000) | (10,000) | (10,000) | - |
| Total other financing uses | <u>(10,000)</u> | <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 | 27,300 | 27,300 | 30,534 | 3,234 |
| Fund Balances, beginning of year | 574,909 | 574,909 | 574,909 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ 602,209</u> | <u>\$ 602,209</u> | <u>\$ 605,443</u> | <u>\$ 3,234</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
MAUSOLEUM MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|-----------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Charges for services | \$ 1,500 | \$ 1,500 | \$ 420 | \$ (1,080) |
| Investment income | - | - | 445 | 445 |
| Total revenues | <u>1,500</u> | <u>1,500</u> | <u>865</u> | <u>(635)</u> |
| EXPENDITURES | | | | |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | 1,500 | 1,500 | 865 | (635) |
| Fund Balances, beginning of year | 8,078 | 8,078 | 8,078 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ 9,578</u> | <u>\$ 9,578</u> | <u>\$ 8,943</u> | <u>\$ (635)</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
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|---------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 63,000 | \$ 63,000 | \$ 11,000 | \$ (52,000) |
| Investment income | - | - | - | - |
| Miscellaneous receipts and reimbursements | - | - | - | - |
| Total revenues | <u>63,000</u> | <u>63,000</u> | <u>11,000</u> | <u>(52,000)</u> |
| EXPENDITURES: | | | | |
| Contractual, materials and other | <u>4,848,040</u> | <u>5,723,200</u> | <u>4,570,534</u> | <u>1,152,666</u> |
| Total expenditures | <u>4,848,040</u> | <u>5,723,200</u> | <u>4,570,534</u> | <u>1,152,666</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | <u>(4,785,040)</u> | <u>(5,660,200)</u> | <u>(4,559,534)</u> | <u>1,100,666</u> |
| OTHER FINANCING SOURCES: | | | | |
| Transfers in | <u>2,651,368</u> | <u>2,651,368</u> | <u>2,535,173</u> | <u>(116,195)</u> |
| Total other financing sources | <u>2,651,368</u> | <u>2,651,368</u> | <u>2,535,173</u> | <u>(116,195)</u> |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | <u>(2,133,672)</u> | <u>(3,008,832)</u> | <u>(2,024,361)</u> | <u>984,471</u> |
| Fund Balances, beginning of year | 2,444,157 | 2,444,157 | 2,444,157 | - |
| Encumbrances, end of year | - | - | <u>1,031,527</u> | <u>1,031,527</u> |
| Fund Balances, end of year | <u>\$ 310,485</u> | <u>\$ (564,675)</u> | <u>\$ 1,451,323</u> | <u>\$ 2,015,998</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
CAPITAL INVESTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|--|--------------------|-------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ - |
| Investment income | 30,000 | 30,000 | 17,403 | (12,597) |
| Total revenues | <u>130,000</u> | <u>130,000</u> | <u>117,403</u> | <u>(12,597)</u> |
| EXPENDITURES | | | | |
| Excess (deficiency) of revenues over/ (under) expenditures | <u>130,000</u> | <u>130,000</u> | <u>117,403</u> | <u>(12,597)</u> |
| Other Financing Sources / (Uses): | | | | |
| Transfers out | (250,000) | (250,000) | (250,000) | - |
| Total other financing sources | <u>(250,000)</u> | <u>(250,000)</u> | <u>(250,000)</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses | (120,000) | (120,000) | (132,597) | (12,597) |
| Fund Balances, beginning of year | 472,104 | 472,104 | 472,104 | - |
| Encumbrances, end of year | - | - | - | - |
| Fund Balances, end of year | <u>\$ 352,104</u> | <u>\$ 352,104</u> | <u>\$ 339,507</u> | <u>\$ (12,597)</u> |

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | Original Budget | Final Budget | Actual Including Encumbrances | Variance from Final Budget |
|---|--------------------|------------------|-------------------------------------|----------------------------------|
| REVENUES: | | | | |
| Special assessments | \$ 46,000 | \$ 46,000 | \$ 41,913 | \$ (4,087) |
| Total revenues | <u>46,000</u> | <u>46,000</u> | <u>41,913</u> | <u>(4,087)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Community environment | | | | |
| Contractual, materials and other | 57,200 | 72,573 | 69,409 | 3,164 |
| Total expenditures | <u>57,200</u> | <u>72,573</u> | <u>69,409</u> | <u>3,164</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | (11,200) | (26,573) | (27,496) | (923) |
| Fund Balances, beginning of year | 94,799 | 94,799 | 94,799 | - |
| Encumbrances, end of year | - | - | 38,154 | 38,154 |
| Fund Balances, end of year | <u>\$ 83,599</u> | <u>\$ 68,226</u> | <u>\$ 105,457</u> | <u>\$ 37,231</u> |

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
MONUMENTAL BUILDING RENOVATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Including Encumbrances</u> | <u>Variance from Final Budget</u> |
|---|----------------------------|-------------------------|--|---|
| REVENUES: | | | | |
| Intergovernmental revenues | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous receipts and reimbursements | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Contractual, materials and other | <u>488,536</u> | <u>666,107</u> | <u>637,214</u> | <u>28,893</u> |
| Total expenditures | <u>488,536</u> | <u>666,107</u> | <u>637,214</u> | <u>28,893</u> |
| Excess (deficiency) of revenues over/ (under) expenditures | <u>(488,536)</u> | <u>(666,107)</u> | <u>(637,214)</u> | <u>28,893</u> |
| Fund Balances, beginning of year | 651,964 | 651,964 | 651,964 | - |
| Encumbrances, end of year | - | - | 7,286 | 7,286 |
| Fund Balances, end of year | <u>\$ 163,428</u> | <u>\$ (14,143)</u> | <u>\$ 22,036</u> | <u>\$ 36,179</u> |

CITY OF SIDNEY



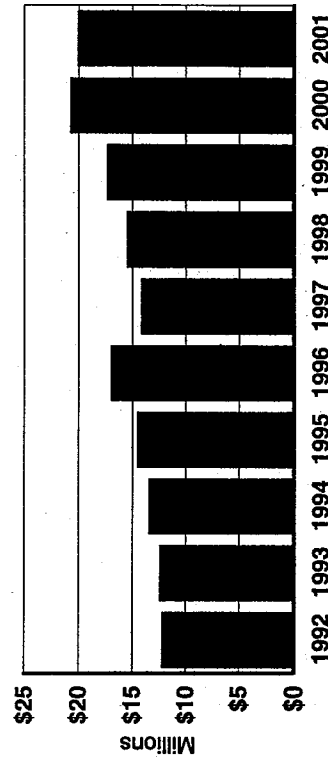
OHIO

Table 1

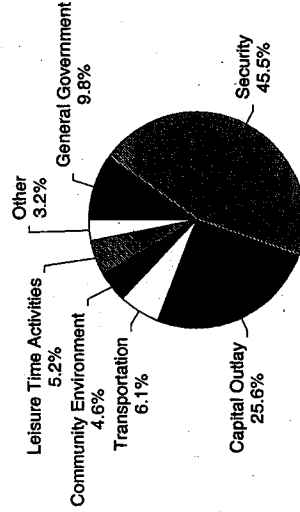
CITY OF SIDNEY, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS

| Year | General Government | Security of Persons & Property | Health | Transportation | Community Environment | Leisure Time Activities | Basic Utility Service | Capital Outlay | Debt Service | Total |
|------|--------------------|--------------------------------|-----------|----------------|-----------------------|-------------------------|-----------------------|----------------|--------------|--------------|
| 1992 | \$2,821,226 | \$4,354,782 | \$146,569 | \$1,025,041 | \$160,878 | \$546,890 | \$89,484 | \$3,070,511 | \$0 | \$12,215,381 |
| 1993 | \$2,743,448 | \$4,933,599 | \$120,653 | \$881,632 | \$174,925 | \$593,204 | \$103,986 | \$2,886,267 | \$7,504 | \$12,445,218 |
| 1994 | \$1,475,209 | \$5,439,315 | \$135,902 | \$905,796 | \$627,954 | \$647,671 | \$155,201 | \$3,945,862 | \$131,543 | \$13,464,453 |
| 1995 | \$2,011,526 | \$5,800,408 | \$128,330 | \$1,155,363 | \$1,158,666 | \$726,389 | \$230,884 | \$3,189,055 | \$127,517 | \$14,528,138 |
| 1996 | \$1,810,824 | \$6,421,169 | \$128,577 | \$1,213,265 | \$873,887 | \$775,692 | \$194,876 | \$5,426,010 | \$123,319 | \$16,967,619 |
| 1997 | \$2,001,523 | \$6,905,528 | \$112,848 | \$1,268,129 | \$777,725 | \$856,820 | \$160,497 | \$2,106,280 | \$18,803 | \$14,208,153 |
| 1998 | \$1,851,953 | \$6,832,335 | \$126,224 | \$1,124,800 | \$803,377 | \$804,764 | \$134,723 | \$3,759,437 | \$23,323 | \$15,460,936 |
| 1999 | \$2,063,421 | \$7,794,337 | \$147,127 | \$1,309,352 | \$749,486 | \$941,694 | \$137,337 | \$3,937,626 | \$249,181 | \$17,329,561 |
| 2000 | \$1,759,529 | \$8,349,842 | \$230,152 | \$1,291,164 | \$991,344 | \$1,080,551 | \$157,069 | \$6,654,781 | \$234,498 | \$20,748,930 |
| 2001 | \$1,965,157 | \$9,120,432 | \$242,231 | \$1,221,388 | \$915,690 | \$1,044,188 | \$159,406 | \$5,128,957 | \$242,219 | \$20,039,668 |

General Governmental Expenditures
Last Ten Years



General Governmental Expenditures
2001 By Function



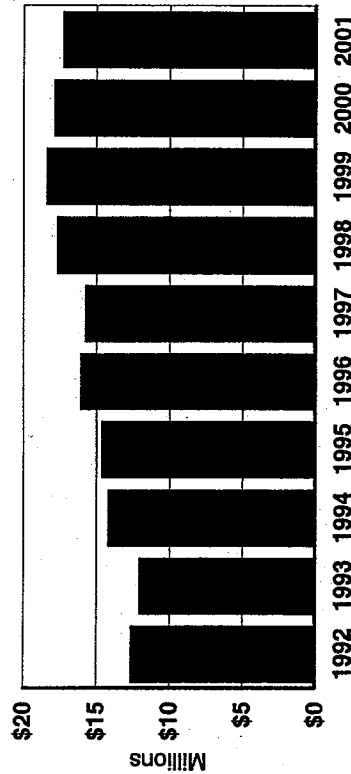
(1) Includes General Fund, Special Revenue Funds and Capital Projects Funds

Table 2

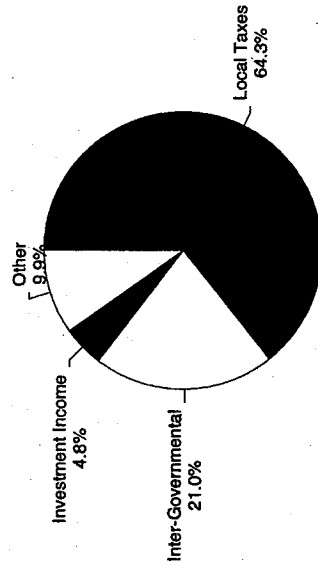
CITY OF SIDNEY, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS

| Year | Local Taxes (2) | Inter-Governmental Revenue (2) | Special Assessments | Charges for Services | Fines, Licenses & Permits | Investment Income | Miscellaneous Receipts and Reimbursements | Total |
|------|-----------------|--------------------------------|---------------------|----------------------|---------------------------|-------------------|---|--------------|
| 1992 | \$8,850,190 | \$1,288,183 | \$96,142 | \$312,265 | \$198,845 | \$0 | \$1,910,380 | \$12,656,005 |
| 1993 | \$9,173,108 | \$932,676 | \$405,762 | \$375,934 | \$206,640 | \$0 | \$959,729 | \$12,053,849 |
| 1994 | \$10,153,241 | \$1,955,048 | \$253,750 | \$76,927 | \$550,366 | \$0 | \$1,201,304 | \$14,190,636 |
| 1995 | \$10,826,941 | \$1,641,340 | \$228,275 | \$160,313 | \$479,921 | \$0 | \$1,288,468 | \$14,625,258 |
| 1996 | \$12,101,226 | \$1,685,832 | \$228,694 | \$180,823 | \$493,128 | \$0 | \$1,367,231 | \$16,056,934 |
| 1997 | \$12,009,109 | \$1,562,047 | \$229,508 | \$306,107 | \$563,389 | \$525,683 | \$549,160 | \$15,745,003 |
| 1998 | \$12,973,054 | \$2,246,126 | \$255,468 | \$344,186 | \$596,304 | \$678,184 | \$601,241 | \$17,694,563 |
| 1999 | \$13,192,036 | \$2,901,054 | \$273,589 | \$469,453 | \$683,212 | \$611,734 | \$263,762 | \$18,394,840 |
| 2000 | \$11,703,628 | \$3,267,850 | \$263,167 | \$716,325 | \$404,054 | \$948,322 | \$568,047 | \$17,871,393 |
| 2001 | \$11,089,189 | \$3,632,296 | \$245,742 | \$709,333 | \$429,437 | \$823,690 | \$326,270 | \$17,255,957 |

General Governmental Revenues Last Ten Years



General Governmental Revenues 2001 By Source



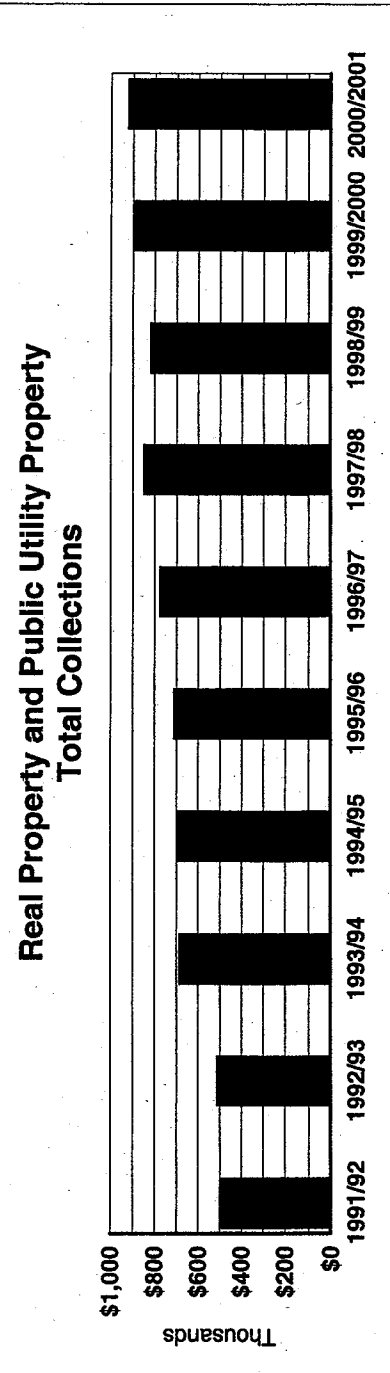
(1) Includes General Fund, Special Revenue Funds and Capital Projects Funds

(2) Prior to 1999, gasoline taxes and auto license taxes were classified as Local Taxes. Effective in 1999, these sources are classified as Intergovernmental revenue. Approximately \$990,000, \$889,000 and \$888,000 was received from these sources in 1999, 2000 and 2001, respectively

Table 3

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

| Tax Year / Collection Year | Total Tax Levy | Current Tax Collections | Delinquent Tax Collections | Total Tax Collection | Percent of Total Tax Collections to Tax Levy | Accumulated Outstanding Delinquent Taxes | Percentage of Accumulated Delinquent Taxes To Total Tax Levy |
|----------------------------------|----------------------|-------------------------------|----------------------------------|----------------------------|---|---|---|
| 1991/1992 | \$498,675 | \$482,405 | \$9,814 | \$492,219 | 98.71% | \$25,541 | 5.12% |
| 1992/1993 | \$512,464 | \$501,646 | \$12,848 | \$514,494 | 100.40% | \$23,512 | 4.59% |
| 1993/1994 | \$690,946 | \$672,761 | \$15,199 | \$687,960 | 99.57% | \$26,498 | 3.84% |
| 1994/1995 | \$700,860 | \$679,968 | \$16,531 | \$696,499 | 99.38% | \$21,506 | 3.07% |
| 1995/1996 | \$723,948 | \$700,938 | \$11,845 | \$712,783 | 98.46% | \$22,705 | 3.14% |
| 1996/1997 | \$781,436 | \$758,816 | \$19,164 | \$777,980 | 99.56% | \$18,419 | 2.36% |
| 1997/1998 | \$830,677 | \$831,440 | \$18,590 | \$850,030 | 102.33% | \$19,845 | 2.39% |
| 1998/1999 | \$831,568 | \$804,388 | \$14,882 | \$819,270 | 98.52% | \$16,255 | 1.95% |
| 1999/2000 | \$895,782 | \$873,803 | \$20,665 | \$894,468 | 99.85% | \$10,448 | 1.17% |
| 2000/2001 | \$911,812 | \$906,308 | \$17,618 | \$923,926 | 101.33% | \$16,910 | 1.85% |

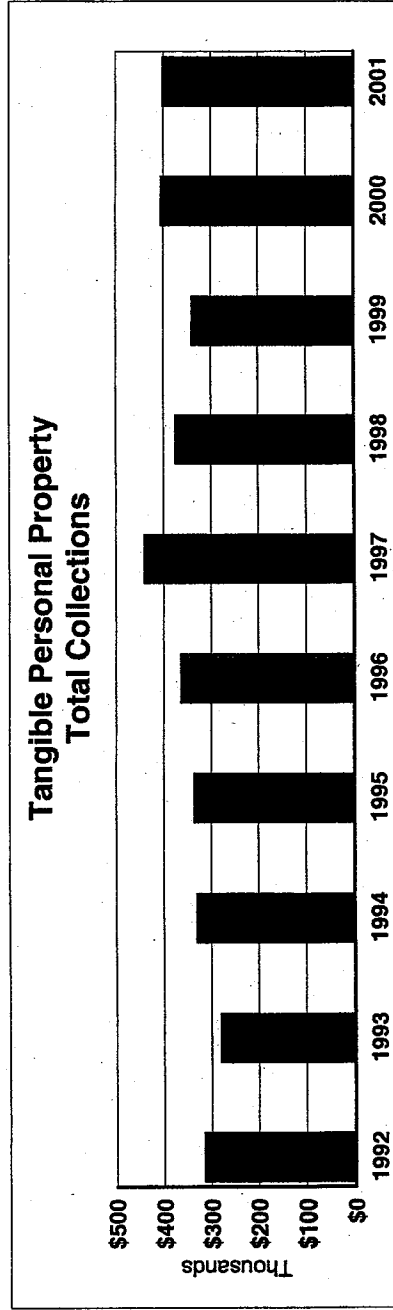


Source: Shelby County Auditor

Table 4

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

| Tax Year / Collection Year | Total Tax Levy | Total Tax Collections | Percentage of Tax Collections To Tax Levy | Accumulated | | Percentage of Accumulated Delinquent Taxes To Total Tax Levy |
|----------------------------------|----------------------|-----------------------------|---|------------------------------------|---------------------|---|
| | | | | Outstanding Delinquent Taxes | Delinquent Taxes | |
| 1992 | \$327,004 | \$316,052 | 96.65% | \$9,622 | | 2.94% |
| 1993 | \$292,421 | \$280,905 | 96.06% | \$21,299 | | 7.28% |
| 1994 | \$337,714 | \$331,142 | 98.05% | \$29,675 | | 8.79% |
| 1995 | \$348,987 | \$337,102 | 96.59% | \$29,194 | | 8.37% |
| 1996 | \$394,812 | \$364,308 | 92.27% | \$22,514 | | 5.70% |
| 1997 | \$459,113 | \$441,239 | 96.11% | \$19,962 | | 4.35% |
| 1998 | \$395,553 | \$376,313 | 95.14% | \$20,466 | | 5.17% |
| 1999 | \$358,141 | \$341,048 | 95.23% | \$8,559 | | 2.39% |
| 2000 | \$411,377 | \$405,765 | 98.64% | \$20,508 | | 4.99% |
| 2001 | \$381,588 | \$402,028 | 105.36% | \$31,138 | | 8.16% |

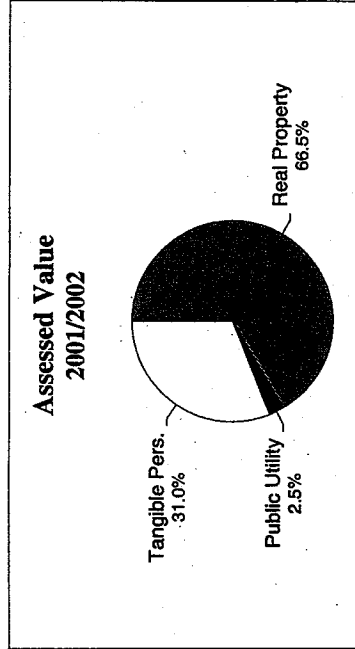
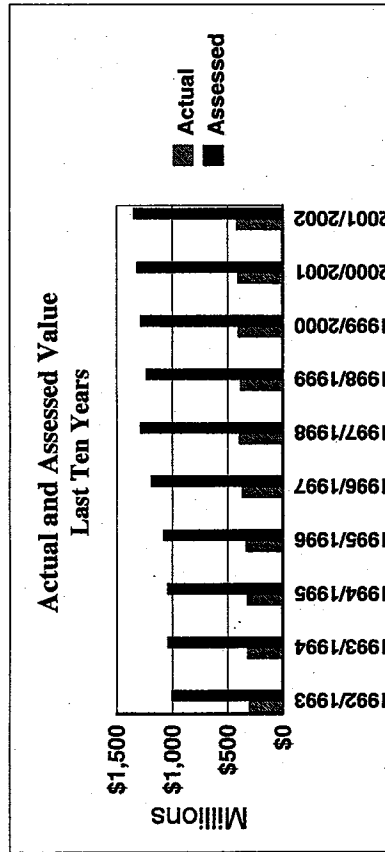


Source: Shelby County Auditor

Table 5

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

| Tax Year / Collection Year | Real Property | | Public Utility Personal | | Tangible Personal Property | | Total | | Assessed Value as a Percent of Actual Value |
|----------------------------------|-------------------|-----------------|----------------------------|-----------------|-------------------------------|-----------------|-------------------|-----------------|---|
| | Assessed Value | Actual Value | Assessed Value | Actual Value | Assessed Value | Actual Value | Assessed Value | Actual Value | |
| 1992/1993 | \$171,430,420 | \$489,801,200 | \$14,920,120 | \$42,628,914 | \$118,910,765 | \$475,643,060 | \$305,261,305 | \$1,008,073,174 | 30.28% |
| 1993/1994 | \$201,111,260 | \$574,603,600 | \$14,809,400 | \$42,312,571 | \$106,334,757 | \$425,339,028 | \$322,255,417 | \$1,042,255,199 | 30.92% |
| 1994/1995 | \$203,578,030 | \$581,651,514 | \$15,441,020 | \$44,117,200 | \$104,598,231 | \$418,392,924 | \$323,617,281 | \$1,044,161,638 | 30.99% |
| 1995/1996 | \$210,955,600 | \$602,730,287 | \$15,278,320 | \$43,652,343 | \$109,058,424 | \$436,233,696 | \$335,292,344 | \$1,082,616,326 | 30.97% |
| 1996/1997 | \$227,946,790 | \$651,276,543 | \$16,251,910 | \$46,434,029 | \$123,378,686 | \$493,514,744 | \$367,577,386 | \$1,191,225,316 | 30.86% |
| 1997/1998 | \$234,452,750 | \$669,865,000 | \$16,160,120 | \$46,171,771 | \$143,472,879 | \$573,891,516 | \$394,085,749 | \$1,289,928,287 | 30.55% |
| 1998/1999 | \$242,887,700 | \$693,964,857 | \$16,977,310 | \$48,506,600 | \$123,610,199 | \$494,440,796 | \$383,475,209 | \$1,236,912,253 | 31.00% |
| 1999/2000 | \$264,460,510 | \$755,601,457 | \$17,250,640 | \$49,287,543 | \$120,188,137 | \$480,752,548 | \$401,899,287 | \$1,285,641,548 | 31.26% |
| 2000/2001 | \$269,611,110 | \$770,317,457 | \$15,127,230 | \$43,220,657 | \$125,415,765 | \$501,663,060 | \$410,154,105 | \$1,315,201,174 | 31.19% |
| 2001/2002 | \$278,222,630 | \$794,921,800 | \$10,441,350 | \$29,832,429 | \$129,893,184 | \$519,572,736 | \$418,557,164 | \$1,344,326,965 | 31.14% |



Source: Shelby County Auditor

Table 6

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

| Tax Year/ Collection Year | City of Sidney | | | | | Total | Shelby County (2) | Special Taxing Districts (3) | Total |
|------------------------------|-----------------|-------------------------|----------------------------------|--|--|-------|----------------------|------------------------------------|-------|
| | General Fund | Debt Service Fund | Sidney School District (1) | | | | | | |
| 1991/1992 | 2.75 | 0.00 | 36.00 | | | 2.75 | 3.25 | 3.90 | 45.90 |
| 1992/1993 | 2.75 | 0.00 | 38.00 | | | 2.75 | 3.25 | 3.90 | 47.90 |
| 1993/1994 | 3.20 | 0.00 | 38.10 | | | 3.20 | 2.70 | 3.90 | 47.90 |
| 1994/1995 | 3.20 | 0.00 | 38.10 | | | 3.20 | 2.70 | 3.90 | 47.90 |
| 1995/1996 | 3.20 | 0.00 | 46.10 | | | 3.20 | 2.70 | 3.90 | 55.90 |
| 1996/1997 | 3.20 | 0.00 | 45.90 | | | 3.20 | 2.70 | 3.90 | 55.70 |
| 1997/1998 | 3.20 | 0.00 | 45.50 | | | 3.20 | 2.70 | 3.90 | 55.30 |
| 1998/1999 | 3.20 | 0.00 | 45.50 | | | 3.20 | 2.70 | 3.90 | 55.30 |
| 1999/2000 | 3.20 | 0.00 | 45.30 | | | 3.20 | 2.70 | 3.90 | 55.10 |
| 2000/2001 | 3.20 | 0.00 | 48.60 | | | 3.20 | 2.70 | 3.90 | 58.40 |

Source: Shelby County Auditor

(1) Includes the Joint Vocational School

(2) Includes health district

(3) Includes Shelby County Mental Retardations and Developmental Disabilities, Clinton Township and Tri-County Health

Table 7

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

| Tax Year / Collection Year | Current Amount Billed | Delinquent Amount Billed | Amount Collected | Percent of Collections to Current Billings |
|-------------------------------|-----------------------------|--------------------------------|---------------------|---|
| 1991 / 1992 | \$218,560 | \$18,420 | \$202,944 | 92.86% |
| 1992 / 1993 | \$213,152 | \$36,928 | \$206,449 | 96.86% |
| 1993 / 1994 | \$221,980 | \$19,480 | \$217,071 | 97.79% |
| 1994 / 1995 | \$224,192 | \$18,710 | \$223,822 | 99.83% |
| 1995 / 1996 | \$229,502 | \$21,985 | \$230,540 | 100.45% |
| 1996 / 1997 | \$222,824 | \$18,025 | \$221,976 | 99.62% |
| 1997 / 1998 | \$228,660 | \$17,272 | \$223,323 | 97.67% |
| 1998 / 1999 | \$227,795 | \$10,485 | \$230,301 | 101.10% |
| 1999 / 2000 | \$234,024 | \$11,911 | \$228,670 | 97.71% |
| 2000 / 2001 | \$221,186 | \$14,572 | \$227,519 | 102.86% |

Source : Shelby County Auditor

Table 8

**CITY OF SIDNEY, OHIO
COMPUTATION OF 5-1/2% LEGAL DEBT MARGIN FOR UNVOTED DEBT (1)
DECEMBER 31, 2001**

| | |
|--|----------------------|
| Assessed Value (2) | <u>\$418,557,164</u> |
| Unvoted Debt Limit : 5-1/2% Assessed Value | \$23,020,644 |
| Total Unvoted Debt Outstanding at December 31, 2001 | \$14,285,000 |
| Less: Exempt Debt | |
| Self-supporting securities issued for water systems or facilities | (1,250,000) |
| Self-supporting securities issued for sanitary sewer systems or facilities | <u>(10,450,000)</u> |
| Subtotal | 2,585,000 |
| Less: Bond Retirement Fund Balance | <u>0</u> |
| Net Subject to 5-1/2% Limitation | <u>2,585,000</u> |
| Legal Debt Margin within 5-1/2% Limitation | <u>\$20,435,644</u> |

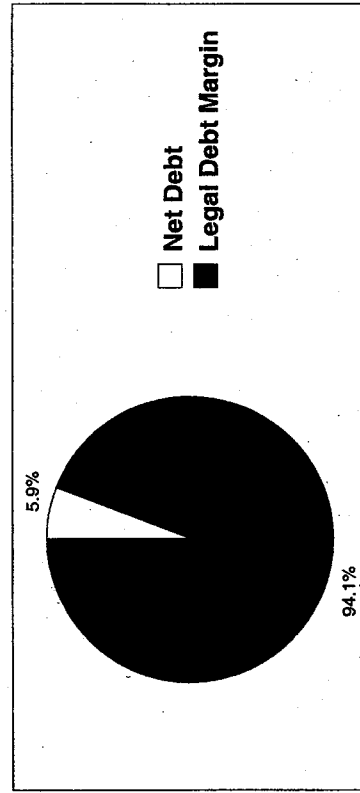
(1) The Ohio Revised Code provides that the aggregate principal amount of unvoted "net indebtedness" may not exceed 5-1/2% of the assessed valuation.

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

Table 9

**CITY OF SIDNEY, OHIO
COMPUTATION OF 10-1/2% LEGAL DEBT MARGIN FOR VOTED AND UNVOTED DEBT (1)
DECEMBER 31, 2001**

| | |
|--|----------------------------|
| Assessed Value (2) | <u>\$418,557,164</u> |
| Unvoted Debt Limit : 10-1/2% Assessed Value | \$43,948,502 |
| Total Voted and Unvoted Debt Outstanding at December 31, 2001 | \$14,285,000 |
| Less: Exempt Debt | |
| Self-supporting securities issued for water systems or facilities | (1,250,000) |
| Self-supporting securities issued for sanitary sewer systems or facilities | <u>(10,450,000)</u> |
| Subtotal | 2,585,000 |
| Less: Bond Retirement Fund Balance | <u>0</u> |
| Net Subject to 10-1/2% Limitation | <u>2,585,000</u> |
| Legal Debt Margin within 10-1/2% Limitation | <u><u>\$41,363,502</u></u> |



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

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

Table 10

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

| Year | Population (1) | Assessed Value (2) | Gross Bonded Debt | Less: Payable from Enterprise Revenues (3) | Less: Debt Service Funds | Net Bonded Debt | Ratio of | |
|------|----------------|--------------------|-------------------|--|--------------------------|-----------------|---------------------------------------|----------------------------|
| | | | | | | | Net Bonded Debt to Assessed Valuation | Net Bonded Debt Per Capita |
| 1992 | 18,953 (a) | \$305,261,305 | \$11,205,000 | \$11,205,000 | \$0 | \$0 | 0.00% | \$0 |
| 1993 | 19,069 (a) | \$322,255,417 | \$10,910,000 | \$10,375,000 | \$0 | \$535,000 | 0.17% | \$28 |
| 1994 | 19,118 (a) | \$323,617,281 | \$10,150,000 | \$9,725,000 | \$0 | \$425,000 | 0.13% | \$22 |
| 1995 | 19,170 (a) | \$335,292,344 | \$9,380,000 | \$9,065,000 | \$0 | \$315,000 | 0.09% | \$16 |
| 1996 | 19,145 (a) | \$367,577,386 | \$8,595,000 | \$8,390,000 | \$0 | \$205,000 | 0.06% | \$11 |
| 1997 | 19,238 (a) | \$394,085,749 | \$7,900,000 | \$7,705,000 | \$0 | \$195,000 | 0.05% | \$10 |
| 1998 | 19,197 (a) | \$383,475,209 | \$9,950,000 | \$7,005,000 | \$0 | \$2,945,000 | 0.77% | \$153 |
| 1999 | 19,350 (a) | \$401,899,287 | \$9,115,000 | \$6,290,000 | \$0 | \$2,825,000 | 0.70% | \$146 |
| 2000 | 20,211 (b) | \$410,154,105 | \$8,260,000 | \$5,555,000 | \$0 | \$2,705,000 | 0.66% | \$134 |
| 2001 | 20,211 (b) | \$418,557,164 | \$14,285,000 | \$11,700,000 | \$0 | \$2,585,000 | 0.62% | \$128 |

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

(2) Source: Shelby County Auditor

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

Table 11

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

| Year | Debt | | Total Bonded Debt Service | (2) General Governmental Expenditures | Ratio of Debt Service to General Governmental Expenditures |
|------|-----------|-----------|------------------------------|--|---|
| | Principal | Interest | | | |
| 1992 | \$0 | \$0 | \$0 | \$12,215,381 | 0.00% |
| 1993 | \$5,000 | \$2,504 | \$7,504 | \$12,445,218 | 0.06% |
| 1994 | \$110,000 | \$21,543 | \$131,543 | \$13,464,453 | 0.98% |
| 1995 | \$110,000 | \$17,517 | \$127,517 | \$14,528,138 | 0.88% |
| 1996 | \$110,000 | \$13,319 | \$123,319 | \$16,967,619 | 0.73% |
| 1997 | \$10,000 | \$8,803 | \$18,803 | \$14,208,153 | 0.13% |
| 1998 | \$15,000 | \$8,323 | \$23,323 | \$15,460,936 | 0.15% |
| 1999 | \$120,000 | \$129,181 | \$249,181 | \$17,329,561 | 1.44% |
| 2000 | \$120,000 | \$114,498 | \$234,498 | \$20,748,930 | 1.13% |
| 2001 | \$120,000 | \$122,219 | \$242,219 | \$20,039,668 | 1.21% |

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

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

Table 12

**CITY OF SIDNEY, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT
DECEMBER 31, 2001**

| | Net Debt Outstanding | Percentage Applicable to City of Sidney | Amount Applicable to City of Sidney |
|---------------------------------|-------------------------|---|---|
| City of Sidney | \$2,585,000 (1) | 100% | \$2,585,000 |
| Sidney City School District (2) | \$0 | N/A | \$0 |
| Shelby County (2) | \$1,000,000 | N/A | \$0 |

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

(2) Source: Shelby County Auditor

Table 13

**CITY OF SIDNEY, OHIO
REVENUE BOND COVERAGE
SEWER REVENUE FUND (1)
LAST TEN YEARS
(amounts expressed in thousands)**

| Year | Gross Revenues | (2) Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | Coverage |
|----------|----------------|------------------------|--|---------------------------|----------|------------|
| | | | | Principal | Interest | |
| 1992 | \$1,919 | \$1,021 | \$898 | \$285 | \$581 | \$866 1.04 |
| 1993 | \$2,106 | \$827 | \$1,279 | \$150 | \$284 | \$434 2.95 |
| 1994 (3) | -- | -- | -- | \$0 | \$0 | \$0 -- |
| 1995 (3) | -- | -- | -- | \$0 | \$0 | \$0 -- |
| 1996 (3) | -- | -- | -- | \$0 | \$0 | \$0 -- |
| 1997 (3) | -- | -- | -- | \$0 | \$0 | \$0 -- |
| 1998 (3) | -- | -- | -- | \$0 | \$0 | \$0 -- |
| 1999 (3) | -- | -- | -- | \$0 | \$0 | \$0 -- |
| 2000 (3) | -- | -- | -- | \$0 | \$0 | \$0 -- |
| 2001 (3) | -- | -- | -- | \$0 | \$0 | \$0 -- |

(1) Bond data reported on this schedule is for 1987 Sewer System first mortgage revenue bonds.

(2) Total operating expenses excluding depreciation

(3) On September 15, 1993, the City advance refunded the 1987 Sewer System mortgage revenue bond issue with new General Obligation bonds. Therefore, data subsequent to 1993 for this schedule is not applicable.

Table 14

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

| Year | Population (1) | School Enrollment (2) | Unemployment Rate Shelby County (3) |
|------|----------------|-----------------------|--|
| 1992 | 18,953 (1)(a) | 4,211 | 8.3% |
| 1993 | 19,069 (1)(a) | 4,080 | 7.3% |
| 1994 | 19,118 (1)(a) | 4,116 | 5.1% |
| 1995 | 19,170 (1)(a) | 4,028 | 4.4% |
| 1996 | 19,145 (1)(a) | 3,998 | 4.3% |
| 1997 | 19,238 (1)(a) | 4,056 | 4.3% |
| 1998 | 19,197 (1)(a) | 3,928 | 3.7% |
| 1999 | 19,350 (1)(a) | 3,953 | 4.1% |
| 2000 | 20,211 (1)(b) | 3,887 | 4.2% |
| 2001 | 20,211 (1)(b) | 3,896 | 4.0% |

(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: Ohio Bureau of Employment Services

Table 15

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

| Year | Real Property - | New Construction (2) | |
|------|-------------------------------|----------------------|----------------------|
| | Estimated Actual Value (1) | Building Permits | Construction Cost |
| 1992 | \$489,801,200 | 359 | \$12,004,680 |
| 1993 | \$574,603,600 | 386 | \$13,842,870 |
| 1994 | \$581,651,514 | 383 | \$12,607,522 |
| 1995 | \$602,730,287 | 377 | \$14,978,471 |
| 1996 | \$651,276,543 | 348 | \$27,472,884 |
| 1997 | \$669,865,000 | 301 | \$16,279,985 |
| 1998 | \$693,964,857 | 312 | \$23,626,525 |
| 1999 | \$755,601,457 | 307 | \$20,618,269 |
| 2000 | \$770,317,457 | 352 | \$26,992,862 |
| 2001 | \$794,921,800 | 294 | \$19,707,534 |

(1) Source: Shelby County Auditor

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

Table 16

CITY OF SIDNEY, OHIO
PRINCIPAL TAXPAYERS (PROPERTY TAX)
DECEMBER 31, 2001

| Taxpayer | Assessed Valuation (1) (Tax Duplicate) | Percentage of Total Assessed Valuation |
|--|---|--|
| 1. Copeland Corporation | \$24,944,290 | 5.96% |
| 2. NK Parts (2) | \$12,830,890 | 3.07% |
| 3. Alcoa Bldg. Products/Stolle Corporation | \$11,613,790 | 2.77% |
| 4. Bensar | \$9,993,030 | 2.39% |
| 5. Cargill, Inc. | \$9,666,740 | 2.31% |
| 6. American Trim | \$8,931,330 | 2.13% |
| 7. Color & Composite | \$7,145,480 | 1.71% |
| 8. Ross Aluminum | \$5,220,350 | 1.25% |
| 9. Playtex | \$5,120,350 | 1.22% |
| 10. LeRoi International | \$4,822,460 | 1.15% |
| Subtotal | \$100,288,710 | 23.96% |
| All Others | \$318,268,454 | 76.04% |
| Total assessed valuation of city | \$418,557,164 | 100.00% |

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

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

Source: Shelby County Auditor

Table 17

**CITY OF SIDNEY, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2001**

| | | | |
|--|---------------------|-----------------------------|--------------------|
| Year of incorporation | 1820 | Municipal water department: | 8,316 |
| Form of government | Council / Manager | Number of consumers | 3,349 Mil. Gal/day |
| Area | 11,118 square miles | Average daily consumption | 112,513 |
| Miles of streets | 95,322 | Miles of water mains | |
| Number of street lights | 1,382 | | |
| | | Sewers: | |
| | | Miles of storm sewers | 69,014 |
| | | Miles of sanitary sewers | 112,147 |
| Fire protection and emergency rescue: | | | |
| Number of Stations | 2 | Parks and recreations: | |
| Number of firefighters & EMS personnel | 35 | Number of: | |
| | | Parks | 19 |
| | | Park shelters | 33 |
| | | Tennis courts | 14 |
| | | Baseball diamonds | 14 |
| | | Basketball courts | 17 |
| | | Modular play structures | 18 |
| Police protection: | | Swimming pool | 1 facility |
| Number of stations | 1 | Soccer fields | 12 |
| Number of Uniformed Officers | 38 | Acres of park land | 380 |
| Police non-sworn personnel | 17 | Acres of public land | 250 |
| | | Miles of bikeway | 3.5 |
| Employees: | | | |
| Full-Time Equivalents (average) | 213 | | |

CITY OF SIDNEY



OHIO



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF SIDNEY

SHELBY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2002**