

**CITY OF SIDNEY
SHELBY COUNTY, OHIO**

SUPPLEMENTAL REPORTS

FOR THE YEAR ENDED
DECEMBER 31, 2005



**Auditor of State
Betty Montgomery**

Board of Trustees
City of Sidney
201 W. Poplar
Sidney, Ohio 45365

We have reviewed the *Independent Auditors' Report* of the City of Sidney, Shelby County, prepared by Julian & Grube, Inc. for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

BETTY MONTGOMERY
Auditor of State

August 25, 2006

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**CITY OF SIDNEY
SHELBY COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

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

Independent Auditors' Report On Supplementary Schedule of Receipts and Expenditures of Federal Awards

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney, as of and for the year ended December 31, 2005, and have issued our report thereon date June 23, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Sidney's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 23, 2006

**CITY OF SIDNEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION:			
Summer Food Service Program for Children	10.559	N/A	\$ 9,794
Total U.S. Department of Agriculture			<u>9,794</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH THE OHIO DEPARTMENT OF DEVELOPMENT OFFICE OF HOUSING AND COMMUNITY PARTNERSHIP			
Community Development Block Grant	14.228	A-F-05-177-1	170
Community Development Block Grant	14.228	A-C-05-177-1	6,965
Community Development Block Grant	14.228	A-C-03-177-1	96,143
Community Development Block Grant	14.228	A-F-03-177-1	90,301
Total U.S. Department of Housing and Urban Development			<u>193,579</u>
U.S. DEPARTMENT OF JUSTICE PASSED THROUGH THE OHIO OFFICE OF CRIMINAL JUSTICE SERVICE			
Byrne Formula Grant Program	16.579	2003-DG-A01-7125	4,127
Total U.S. Department of Justice			<u>4,127</u>
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION			
Airport Improvement Program	20.106	N/A	108,225
Total U.S. Department of Transportation			<u>108,225</u>
Rural Transit Grant Program Operating Project	20.509	RPT-4075-024-051	130,959
Rural Transit Grant Program Capital Project	20.509	RPT-0075-024-052	16,800
Total Rural Transit Grant Program Projects			<u>147,759</u>
Total U.S. Department of Transportation			<u>255,984</u>
U.S. DEPARTMENT OF FEDERAL HIGHWAY ADMINISTRATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION			
Highway Improvement Program	20.205	SHE TR 47 3.21	1,000,000
Total U.S. Department of Federal Highway Administration			<u>1,000,000</u>
U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH THE OHIO DEPARTMENT OF PUBLIC SAFETY			
(B) Public Assistance Grant	97.036	149-72424-00	171,974
Assistance to Firefighters Grant (2003)	97.044	N/A	45,570
Total U.S. Department of Homeland Security			<u>217,544</u>
Total Federal Financial Assistance			<u>\$ 1,681,028</u>

(A) This schedule was prepared on a cash basis.
(B) Passed through the Ohio Emergency Management Agency



Julian & Grube, Inc.
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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney as of and for the year ended December 31, 2005, which collectively comprise the City of Sidney's basic financial statements and have issued our report thereon dated June 23, 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

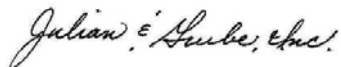
In planning and performing our audit, we considered the City of Sidney's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial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

To the Mayor and City Council
City of Sidney

Compliance and Other Matters

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

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



Julian & Grube, Inc.
June 23, 2006



Julian & Grube, Inc.

Serving Ohio Local Governments

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

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

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

Compliance

We have audited the compliance of the City of Sidney with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2005. The City of Sidney's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Sidney's management. Our responsibility is to express an opinion on the City of Sidney's compliance based on our audit.

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

In our opinion, the City of Sidney complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005.

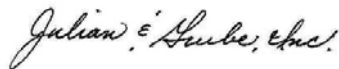
To the Mayor and City Council
City of Sidney

Internal Control Over Compliance

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

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

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



Julian & Grube, Inc.
June 23, 2006

CITY OF SIDNEY, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2005

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were 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)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were 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 Program:	Highway Planning and Construction, CFDA #20.205
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

CITY OF SIDNEY, OHIO
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2005

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

City of Sidney Ohio



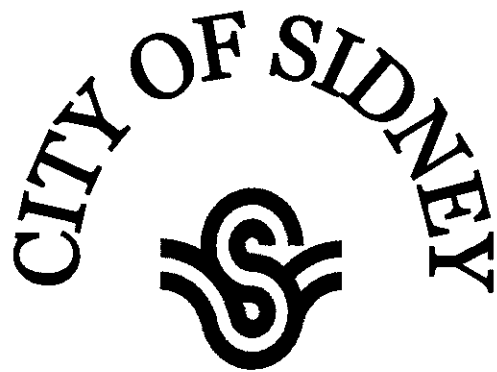
Comprehensive Annual Financial Report

For the Year Ended
December 31, 2005

City of Sidney, Ohio
Comprehensive Annual Financial Report
Year Ended December 31, 2005



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



OHIO

City of Sidney
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**CITY OF SIDNEY, OHIO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2005**

CITY COUNCIL MEMBERS

Frank Mariano, Mayor

Rick Sims, Vice-Mayor

Patrick Echemann

Steve Hamby

Martha Milligan

Thomas Miller

Terry Pellman

CITY MANAGER

Steve Stilwell

SENIOR DIRECTORS

Thomas L. Judy	Finance Officer
R. Stanley Crosley	Fire Chief
Steven Wearly	Police Chief
William Gosciewski	Public Works Director
Chris Clark	Utilities Director
Michael Smith	Law Director
Jerry Alexander	Transportation / Contract Administration Director
Robert New	Parks & Recreation Director
Barbara Dulworth	Planning Director
Jocele Fahnestock	City Clerk

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City of Sidney

Letter of Transmittal for 2005 Comprehensive Annual Financial Report

June 23, 2006

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

The Comprehensive Annual Financial Report (CAFR) of the City of Sidney, Ohio for the year ended December 31, 2005, is hereby submitted for your review.

Ohio law requires that cities file their annual financial reports with the Ohio Auditor of State's office. Additionally, the Ohio Administrative Code requires that those reports be prepared pursuant to generally accepted accounting principles. The preparation of this CAFR represents the commitment of the City of Sidney to adhere to nationally recognized standards of excellence in financial reporting and serves as a key component of the City's compliance with continuing disclosure requirements mandated by federal securities law.

City of Sidney staff prepared all statements, schedules, and other presentations in this report. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that is established for this purpose. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

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

THE CITY OF SIDNEY

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

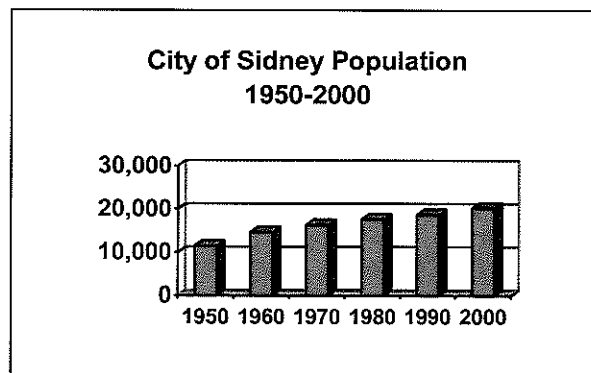
The City of Sidney, named after Sir Philip Sidney, a well-known poet and member of British Parliament, was originally a 70-acre parcel of land located along the west side of the Great Miami River. This land was donated by Charles Starrett to be used as the site of a new town that was to become the county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

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

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

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

The City's population growth trend averaged 12.2% per decade from 1950 to 2000. The 2000 Census reported a total population of 20,211, an increase of 8.0% over the 1990 census. During more recent years, the City's population has remained relatively constant. The 2005 population estimate, as determined by the U.S. Census Bureau, was 20,188.



Municipal Services and Facilities

The City is a total service community providing a broad range of services for the citizens of Sidney, including: police and fire protection; emergency medical / ambulance services; water treatment and distribution; sanitary sewer and waste water treatment services; storm water management; street construction and maintenance; refuse / garbage collection and disposal; parks and recreation facilities and programs; operation and maintenance of a municipal cemetery; and operation and maintenance of a municipal airport.

Governmental Organization

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

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

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

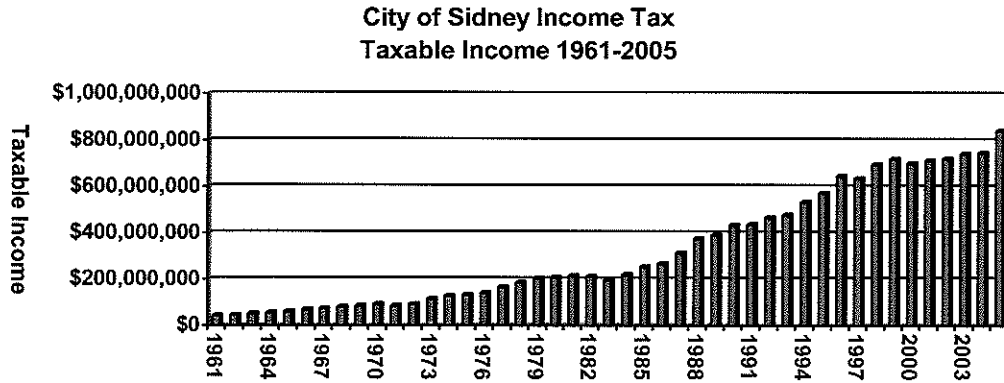
The Finance Officer, who is appointed by the City Manager, is the chief fiscal officer of the City. The Finance Officer exercises the powers otherwise granted to the City Auditor and City Treasurer positions under the laws of the State of Ohio. As such, the Finance Officer is charged with the responsibility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

ECONOMIC CONDITIONS AND OUTLOOK

Economic Environment – Historically

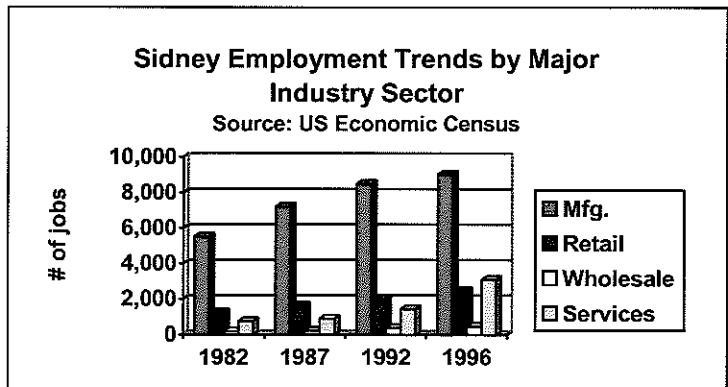
Sidney’s history as a strong industrial center is rooted in its strategic location. The construction of the Miami-Erie Canal between 1825 and 1837 connected Sidney with the major trade centers in Ohio to the north and south. The need for labor to construct the canals provided an influx of settlers to the area. The opening of the canal in 1837 brought an increase in regional trade and the first significant period of economic growth in Sidney. As the influence of the canal declined, railroads emerged. East-west rail began to be laid in Sidney in 1851, followed by north-south rail in 1856. The rail system offered a more rapid and economical means of transport for goods and passengers, further enhancing growth in Sidney. Approximately 1,200 workers relocated to the area for the construction of the railroad. Sidney is still served by these railroad lines today. The construction of I-75 through Sidney in 1962 was another major event in the City’s development. Creating a transportation link between Michigan and Florida, the interstate sparked an inflow of automobile-related factories, as well as warehouse and distribution facilities. Today, Sidney has four interchanges on Interstate 75, providing quick and convenient access for both commercial and industrial users.

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



After 1999, the City began to experience an economic slowdown. Average annual growth in the income tax base slowed to a mere 0.8% from 1999 through 2004. During 2005, signs of a recovery were felt with income tax collections increasing 12.7% from the prior year. While this was a considerable jump for a one year period, the average annual growth since 1999 remains at only 2.7%, far below historical averages. The 2005 increase in income tax collections was primarily due to collections of taxes on businesses net profits. By the nature of this net profits tax, it can be subject to more volatile swings. On the other hand, collections of amounts withheld by employers from employees' wages have shown moderate growth since 1999, indicating an apparently stable employment base.

U.S. Census Bureau data shows that manufacturing jobs in Sidney increased by 64% from 1982 to 1996. During that period, retail jobs increased by 98%, wholesale by 154%, and services employment by 318%. In addition to the job growth within the City, there has been significant growth in surrounding areas, due in large part to the major auto engine plant operated by Honda of America, Inc. just a few miles outside the City. In more recent news, the Ohio Manufacturer's 2004 Election Guide indicated that the 78th House District, which includes the City of Sidney, has the second largest percentage of workers employed in the manufacturing sector (37.8%) within the State of Ohio.



Economic Environment – Today

The City of Sidney is an attractive location for industrial development. *Site Selection Magazine* (March 2006) ranked Sidney 20th among all U.S. small towns for attracting new or expanded business development.

The City of Sidney has a strong industrial base that is diversified and not totally dependent upon one sector of the economy. The ten largest employers operating within the City in 2005 were:

<u>Employer</u>	<u>Primary Business</u>	<u>Ave. no. of employees</u>
Copeland Corporation	Air compressor manufacturing	2,100
NK Parts Industries	Test, assemble, and ship auto parts	1,000
American Trim	Auto and appliance stampings	800
Wilson Memorial Hospital	Acute care facility	775
Wal-Mart Super Center	Discount retail	600
Norcold	Refrigerators for the RV, marine & truck industries	500
Sidney Board of Education	Public education	500
Con Agra	Producer of pizzas, sandwiches and lasagna	484
Alcoa Home Exteriors	Vinyl and aluminum siding	450
Ross Aluminum Foundries	Aluminum castings, wood & metal patterns	425

Source: West Ohio Development Council

In addition, a Honda of America Mfg., Inc. auto engine plant with approximately 2,800 employees is located just eight miles outside of the City. It significantly benefits the City's industrial, commercial, residential and income tax bases.

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

2005 Economic Activity and Outlook for the Future

The City of Sidney's economy is fundamentally strong. The Sidney-Shelby County area has a very strong job market. According to Labor Department statistics, Shelby County realizes a net gain of 5,587 workers on a daily basis. While Sidney and Shelby County import a significant portion of their workers, surrounding counties export workers. Miami County sustains a net loss of 5,421 workers per day, Darke County loses 5,432 workers, and Auglaize County loses a net 2,123 workers each day. Shelby County continues to have one of the lowest unemployment rates in the State of Ohio with a 4.8% rate in December, 2005, fifth lowest of Ohio's 88 Counties. According to the West Ohio Development Council, nearly 665 new jobs were created in the Sidney and Shelby County area during 2005.

One factor that contributes to the growth and stability in Sidney is a spirit of cooperation between the public and private sectors. The West Ohio Development Council (WODC) is a non-profit corporation organized to create more employment opportunities and retain the existing employment base in the Sidney and Shelby County area. Even though 2005 was a challenging

year for several industries, most in the Sidney area fared very well. The WODC reports that there was significant new development activity in Sidney in 2005, including:

- Copeland Corporation created 63 new jobs and invested \$25 million worth of machinery and equipment when they consolidated and relocated their Shelby, North Carolina plant to Sidney.
- Lear Corporation invested \$6 million in machinery and equipment and created 15 new jobs in their expansion.
- Two industries new to the United States started operations in Sidney during 2005:
 - Hexa Americas, Inc., a plastics plant, began construction of a new 100,000 SF facility on South Vandemark Road. The project plans to create 28 new jobs and invest \$12.1 million.
 - ProtecPac, another plastics plant, began operations in an existing 25,000 SF facility. It plans to create 100 new jobs with a \$3.9 million investment in machinery and equipment.

The City works to promote and encourage economic development. To this end, in early 2006, the City approved a Municipal Job Creation Income Tax Credit program. This program will allow negotiation of income tax credits in order for the city to meet local support requirements of the State of Ohio's Job Creation Tax Credit Program.

Certainly the issues that have negatively impacted the Ohio economy during the first part of the decade were felt in Sidney as well. However, the underlying strength of the local economy minimized the effects and there was little impact upon the City's ability to provide quality services. As we entered the second half of the decade in 2005, the Sidney economy seems to have begun to rebound nicely.

MAJOR INITIATIVES

For the Year

Several projects were undertaken in 2005 to meet the growing infrastructure needs of the community:

- A portion of Russell Road was widened to improve the east-west flow of traffic in the City. The road was expanded from two lanes to four lanes from the railroad to a point just west of Sixth Avenue.
- The new 40,000 square foot police facility was completed. The \$7.6 million project was funded by the issuance of 20-year obligation bonds during 2004. The bonds will be repaid from municipal income tax collections allocated to the Capital Improvement Fund.
- A sanitary sewer interceptor was constructed to serve recently-annexed areas to the north of the City. The extension of utilities will open up this area for significant private development of residential housing.
- Airport improvements, funded primarily with grants received from the Federal Aviation Administration, included rebuilding a taxiway and repairing the terminal apron.

Future Plans

The City of Sidney's five-year capital improvement plan for 2006 – 2010 identified and scheduled several projects that will have a positive impact on the quality of life in the community and/or facilitate future growth.

- Continued widening of Russell Road from west of Vandemark Avenue to Sixth Avenue, including the bridge over Interstate 75 is currently scheduled to occur in 2009. This will significantly improve the east-west flow of traffic in the City. Projected costs total \$2.8 million with grant funding of \$2.2 million expected from the State of Ohio.
- Plans are underway to make significant improvements to the water treatment plant and to the water distribution system within the City. These improvements are being planned in coordination with a larger project to acquire a new water source. A new water source will meet a long term need for increased water quantity and improved water quality permitting the City continued growth. Existing general obligation bonds in the water fund will be repaid in 2006. Issuance of new debt will occur to finance these projects.
- To increase the air traffic flow to and from Sidney, the extension of a runway and other improvements at the Sidney Municipal Airport are planned. These improvements are contingent on federal funding.

In April of 2006, the City entered into its first tax incremental financing (TIF) arrangement to open up approximately 43 acres on the west end of the City for commercial development. The TIF arrangement is an economic development tool which, in this case, will finance the elimination of the sewer pump station at the corner of Vandemark Road and Fair Road and the construction of a 24" extension of the Southwest Sanitary Sewer Interceptor.

FINANCIAL INFORMATION

Budgetary Controls. City Council approves an annual budget for all funds and approves subsequent amendments to that budget as needed. The "legal level of control" is the level of detail as approved by Council in its appropriation ordinances. Total expenditures and encumbrances cannot exceed the amount approved by Council at the legal level of control. Legal level of control for the City of Sidney is based on object of expenditure for each department as follows: 1) Personal Services and 2) Contractual, Materials and Other.

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

Focuses on Long-Term Planning and Financial Policies

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

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, 2004. In order to be awarded a

Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The City of Sidney has received the Certificate of Achievement for seven consecutive years. We believe that this comprehensive annual financial report for the year ended December 31, 2005 continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to determine its eligibility for another certificate.


Distinguished Budget Presentation Award. The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for 2006, the seventh consecutive year that the City has received this award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGEMENTS

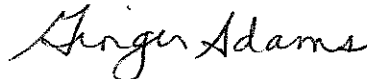
The preparation of this report was made possible by the efforts of the Finance Department staff. Our sincere appreciation is extended to all members of the City of Sidney staff, whose efforts have made this report possible.

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

Respectfully submitted,

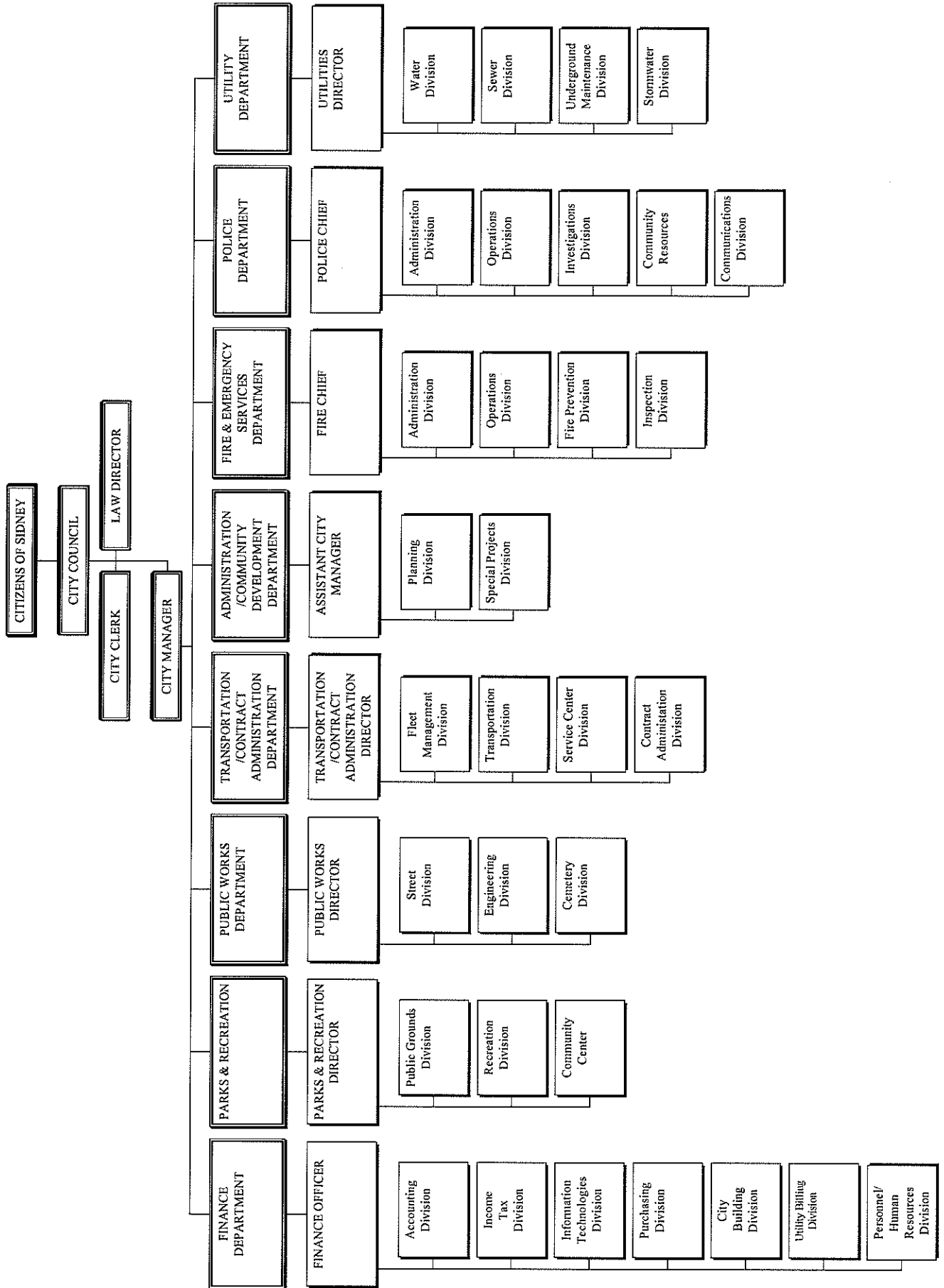


Thomas L. Judy, CPA
Finance Officer



Ginger S. Adams, CPA
Assistant 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, 2004

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.



Carla E. Perry

President

Jeffrey R. Emmer

Executive Director



FINANCIAL SECTION



Julian & Grube, Inc.

Serving Ohio Local Governments

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney, Ohio, as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

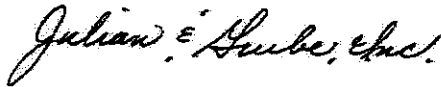
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sidney, as of December 31, 2005, 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 23, 2006, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditors' Report
City of Sidney, Ohio

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Julian & Grube, Inc.
June 23, 2006

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
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, 2005. Readers should also review the basic financial statements on pages 14 – 24 to further enhance their understanding of the City's financial performance.

Using this Annual Financial Report

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

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

Reporting on the City of Sidney as a Whole

Statement of Net Assets and Statement of Activities

These government-wide statements answer the question, "How did the City as a whole do financially during 2005?" They are prepared on the accrual basis of accounting, much the same way as for a private enterprise. This basis of accounting includes all assets and liabilities and takes into account all of the reporting year's revenues and expenses regardless of when the cash was received or paid.

- *The Statement of Net Assets.* This statement (page 14) reports all assets and liabilities of the City as of December 31, 2005. The difference between total assets and total liabilities is reported as "net assets". Increases in net assets generally indicate an improvement in financial position while decreases may indicate a deterioration of financial position.
- *The Statement of Activities.* This statement (page 15) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the City for the year ended December 31, 2005. Changes in net assets are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expense of the City's various programs net of related revenues, as well as a separate presentation of revenues available for general purposes.

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

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Reporting on the City of Sidney's Most Significant Funds

Fund financial statements

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

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

The City of Sidney maintains 33 separate governmental funds. The governmental fund financial statements on pages 16 through 19 separately display the governmental funds considered to be major funds. All other governmental funds - the "non-major" funds - are combined into a single column. Detailed financial data for each of the non-major governmental funds is provided in combining statements in the supplementary information section of this report.

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

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

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

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

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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

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

Other Information

Notes to the basic financial statements.

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

Required supplementary information.

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

The City of Sidney as a Whole

The following table presents condensed information on net assets as of December 31, 2005 and 2004.

Net Assets
December 31, 2005 and 2004

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<u>Assets:</u>						
Current and other assets	\$ 18,628,501	\$ 23,122,316	\$ 4,687,142	\$ 5,355,298	\$ 23,315,643	\$ 28,477,614
Capital assets	<u>55,576,755</u>	<u>48,961,222</u>	<u>31,821,686</u>	<u>30,552,102</u>	<u>87,398,441</u>	<u>79,513,324</u>
Total assets	<u>74,205,256</u>	<u>72,083,538</u>	<u>36,508,828</u>	<u>35,907,400</u>	<u>110,714,084</u>	<u>107,990,938</u>
<u>Liabilities:</u>						
Long-term liabilities	10,402,357	10,813,409	7,745,904	8,736,443	18,148,261	19,549,852
Other liabilities	<u>3,492,998</u>	<u>4,284,519</u>	<u>1,702,928</u>	<u>1,566,120</u>	<u>5,195,926</u>	<u>5,850,639</u>
Total liabilities	<u>13,895,355</u>	<u>15,097,928</u>	<u>9,448,832</u>	<u>10,302,563</u>	<u>23,344,187</u>	<u>25,400,491</u>
<u>Net Assets:</u>						
Invested in capital assets, net of debt	46,330,165	44,263,989	23,416,686	21,277,102	69,746,851	65,541,091
Restricted	1,342,722	1,261,111	-	-	1,342,722	1,261,111
Unrestricted	<u>12,637,014</u>	<u>11,460,510</u>	<u>3,643,310</u>	<u>4,327,735</u>	<u>16,280,324</u>	<u>15,788,245</u>
Total net assets	<u>\$ 60,309,901</u>	<u>\$ 56,985,610</u>	<u>\$ 27,059,996</u>	<u>\$ 25,604,837</u>	<u>\$ 87,369,897</u>	<u>\$ 82,590,447</u>

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

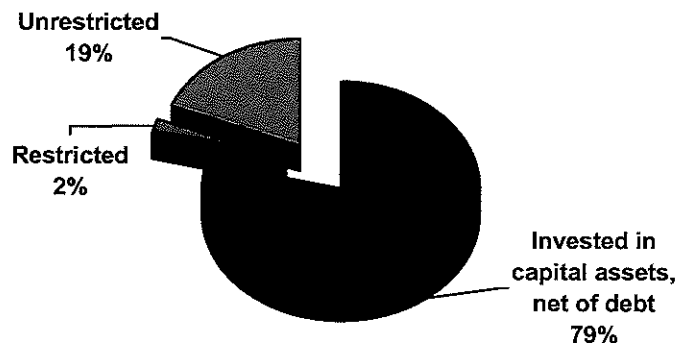
In total, net assets increased \$4.8 million from \$82.6 million to \$87.4 million in 2005. Of this increase, \$4.2 million is from the component, "invested in capital assets, net of related debt" which increased from \$65.5 million at December 31, 2004 to \$69.7 million at December 31, 2005. Increases in this category of net assets generally means that the sum of capital asset additions and bond principal repayments were greater than the sum of depreciation expense and additional debt now associated with capital assets. Capital asset additions totaled \$11.4 million and bond principal repayments were approximately \$1.3 million. Depreciation expense was approximately \$3.5 million. Five million of the bond proceeds for the new police facility which was unspent at December 31, 2004 is now included in the calculation of this component.

Restricted net assets are subject to external restrictions as to their use. This category increased only \$82,000 from \$1,261,000 at December 31, 2004 to \$1,343,000 at December 31, 2005.

Unrestricted net assets are available for future use as directed by City Council. Overall, this category increased \$492,000 from \$15,788,000 at December 31, 2004 to \$16,280,000 at December 31, 2005. Unrestricted net assets of the City's governmental activities increased \$1,176,000, while unrestricted net assets of the business-type activities decreased \$684,000. Generally, decreases in net assets indicate a deterioration of financial position. However, the unrestricted net assets of business-type activities decreased, not because of a deteriorating financial condition, but because purchases of capital assets, namely infrastructure for the City's water and sewer systems and debt repayments were being made with unrestricted cash versus incurring new debt.

While the balances of the various components of net assets have changed from year-to-year, the proportion of the components has not changed. The majority of the City's net assets reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that is still outstanding.

Components of Net Assets
December 31, 2005 and 2004



CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The following table presents condensed information on the changes in net assets for the years ended December 31, 2005 and 2004.

	Changes in Net Assets					
	For the Years Ended December 31, 2005 and 2004					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program revenues:						
Charges for services	2,095,597	2,136,006	8,450,379	7,835,509	10,545,976	9,971,515
Operating grants and contributions	2,117,622	1,787,660	-	-	2,117,622	1,787,660
Capital grants and contributions	2,608,004	3,641,757	417,514	415,160	3,025,518	4,056,917
General revenues:						
Income taxes	12,707,698	11,313,150	-	-	12,707,698	11,313,150
Property taxes	1,336,737	1,321,566	-	-	1,336,737	1,321,566
Other taxes	688,045	585,600	-	-	688,045	585,600
Grants and other contributions not restricted to specific programs	1,174,034	1,287,479	-	-	1,174,034	1,287,479
Investment income	340,469	243,088	64,736	39,519	405,205	282,607
Gain on sale of capital assets	10,430	12,983	1,500	2,400	11,930	15,383
Miscellaneous	76,941	42,357	-	-	76,941	42,357
Total revenues	23,155,577	22,371,646	8,934,129	8,292,588	32,089,706	30,664,234
Expenses:						
General government	1,614,428	1,489,376	-	-	1,614,428	1,489,376
Police	5,539,643	5,184,474	-	-	5,539,643	5,184,474
Fire	3,855,945	3,913,548	-	-	3,855,945	3,913,548
Judicial	1,496,683	1,401,639	-	-	1,496,683	1,401,639
Health	202,737	218,608	-	-	202,737	218,608
Public transportation	608,704	471,970	-	-	608,704	471,970
Street repair & maintenance	2,466,174	2,300,975	-	-	2,466,174	2,300,975
Community development	448,168	514,914	-	-	448,168	514,914
Community environment	920,618	915,697	-	-	920,618	915,697
Parks and recreation	1,469,323	1,427,369	-	-	1,469,323	1,427,369
Basic utility services	487,141	460,118	-	-	487,141	460,118
Interest on long-term debt	425,995	266,501	-	-	425,995	266,501
Water	-	-	2,959,127	2,930,771	2,959,127	2,930,771
Sewer	-	-	3,466,500	3,125,699	3,466,500	3,125,699
Solid waste	-	-	1,048,669	1,038,399	1,048,669	1,038,399
Airport	-	-	142,597	328,149	142,597	328,149
Swimming pool	-	-	157,804	120,760	157,804	120,760
Total expenses	19,535,559	18,565,189	7,774,697	7,543,778	27,310,256	26,108,967
Excess before transfers	3,620,018	3,806,457	1,159,432	748,810	4,779,450	4,555,267
Transfers	(295,727)	(286,635)	295,727	286,635	-	-
Change in net assets	3,324,291	3,519,822	1,455,159	1,035,445	4,779,450	4,555,267
Net assets, beginning of year	56,985,610	53,465,788	25,604,837	24,569,392	82,590,447	78,035,180
Net assets, end of year	\$ 60,309,901	\$ 56,985,610	\$ 27,059,996	\$ 25,604,837	\$ 87,369,897	\$ 82,590,447

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Unaudited

The City's net assets increased \$4.8 million for the year ended December 31, 2005 as compared to \$4.6 million for the prior year. The City's increase in revenues was greater than its increase in expenses.

Total revenues increased approximately \$1,425,000, or 4.7%. The greatest fluctuation was the line item "income taxes" which increased nearly \$1.4 million from 2004 to 2005. This represented a 12.3% increase in income taxes during 2005 compared to a 1.2% increase for the year ended December 31, 2004. The City's income tax collection experienced a recovery during 2005 after the rather stagnant collections since the year 2000.

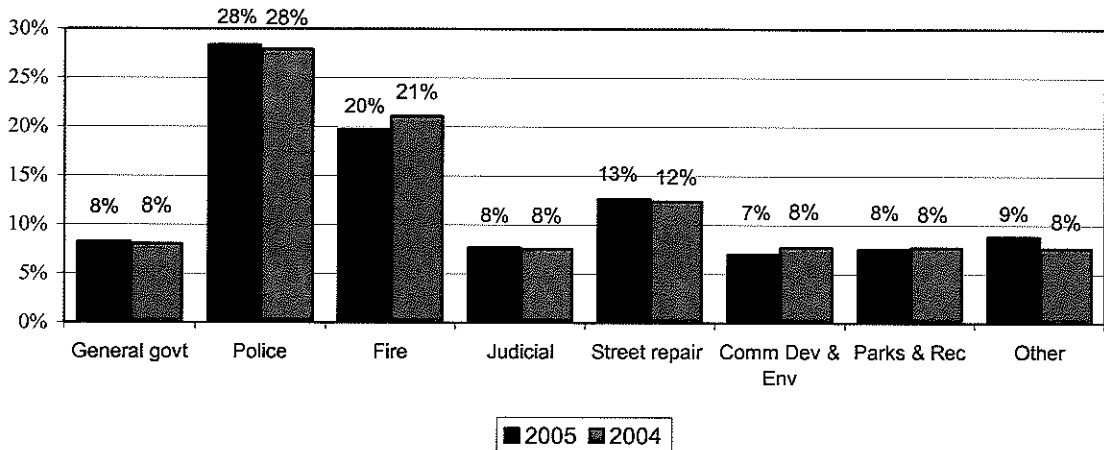
Charges for services increased nearly \$575,000 from 2004 to 2005 because of increased water and sewer revenues. FEMA grants to reimburse the City for catastrophic ice storm expenses incurred during January of 2005 helped to increase the line item "operating grants and contributions" from \$1.8 million for 2004 to \$2.1 million for 2005. These increases were offset by a \$1 million decrease in capital grants and contributions. When private developers donate streets to the City, the value of the streets is reported as capital grants revenue in the Street Repair & Maintenance governmental activities. These donations were \$2.6 million during 2004, compared to only \$773,000 in 2005. This decrease was offset by a \$1 million capital grant received from the State of Ohio for the Russell Road widening project.

Total expenses increased approximately \$1.2 million, or 4.6%. The two functions/programs that increased the most were Police and Sewer. Police expenses increased from \$5.2 million during 2004 to \$5.5 million during 2005. The majority of this increase was due to the portion of the bond proceeds spent on items that were not ultimately capitalized as part of the new police facility. Sewer expenses increased from \$3.1 million in 2004 to \$3.5 million in 2005, primarily because of increased inflow and infiltration expenses for the collection system and increased personnel expenses due to the addition of one plant operator, as approved of in the 2005 budget.

Governmental activities

Governmental net assets increased \$3.3 million, or 5.8%, from \$57.0 million to \$60.3 million. Net assets invested in capital assets, net of related debt, increased about \$2.1 million, or 4.7%. Restricted net assets increased only \$82,000 during the year. Unrestricted net assets increased about \$1.2 million, or 10.3%. Increases in unrestricted net assets generally indicate an improved financial position. The components of governmental activities' expenses are as follows:

Governmental Expenses by Program



The composition of expenses by program remained stable from 2004 to 2005. The two largest components of governmental expenses are public safety -- police and fire. Police makes up

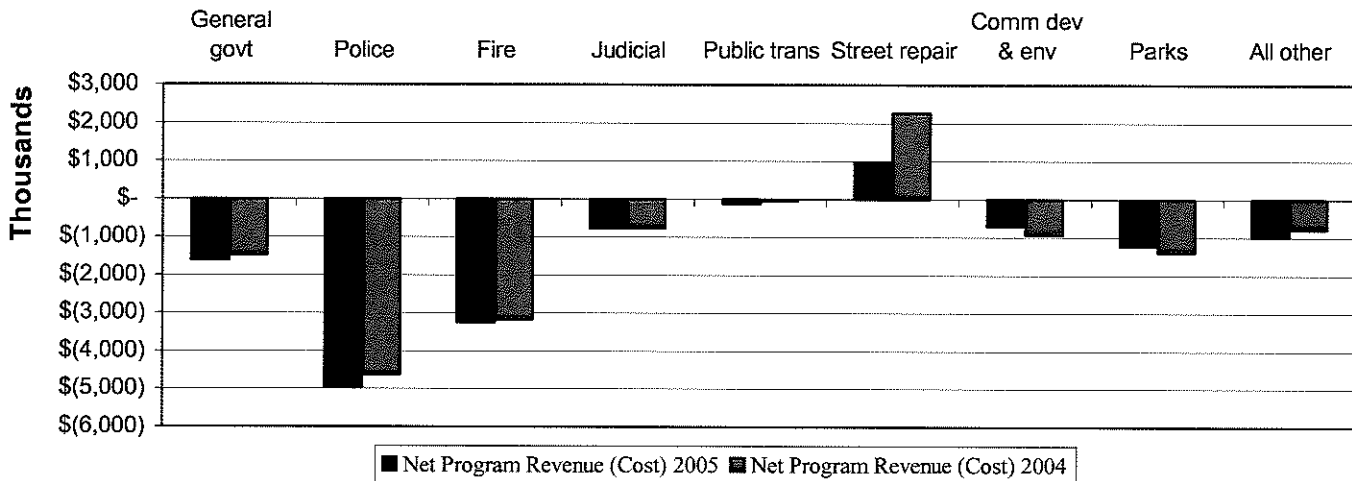
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28% of the total, while fire contributes another 20% to 21%. Judicial - consisting mainly of municipal court activities - comprises about 8% of governmental activities' expenses. Street repair and maintenance (which includes winter street clean-up) accounts for about 12% to 13% of expenses. The community development and environment program, which includes such activities as community planning, engineering, building inspection and code enforcement, makes up about 7% to 8% of expenses. The parks and recreation program is responsible for 8% of governmental expenses.

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

Expenses and Program Revenues - Governmental Activities						
	Year Ended December 31, 2005			Year Ended December 31, 2004		
			Net Program			Net
	Program	Revenue	Revenue	Program	Revenue	Program
	Expense	Revenue	(Cost)	Expense	Revenue	Cost
General government	\$ 1,614,428	\$ -	\$ (1,614,428)	\$ 1,489,376	\$ -	\$ (1,489,376)
Police	5,539,643	570,464	(4,969,179)	5,184,474	539,633	(4,644,841)
Fire	3,855,945	607,655	(3,248,290)	3,913,548	736,431	(3,177,117)
Judicial	1,496,683	715,396	(781,287)	1,401,639	625,725	(775,914)
Public transportation	608,704	487,542	(121,162)	471,970	421,071	(50,899)
Street repair & maintenance	2,466,174	3,429,467	963,293	2,300,975	4,564,128	2,263,153
Community development	448,168	450,043	1,875	514,914	269,124	(245,790)
Community environment	920,618	209,990	(710,628)	915,697	228,672	(687,025)
Parks & recreation	1,469,323	235,638	(1,233,685)	1,427,369	29,718	(1,397,651)
All others	1,115,873	115,028	(1,000,845)	945,227	150,921	(794,306)
Total governmental activities	\$ 19,535,559	\$ 6,821,223	\$ (12,714,336)	\$ 18,565,189	\$ 7,565,423	\$ (10,999,766)

Net Program Revenue (Cost) - Governmental Activities



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Overall, the net program cost of governmental activities increased by \$1.7 million or 15.6%. By far, the largest change in net program cost was in the Street Repair & Maintenance area, going from net program revenue of \$2.3 million to net program revenue of \$963,000. Key factors for this include:

- ✓ Private developers' donated streets valued at \$773,000 compared to \$2.6 million during 2004.
- ✓ The State of Ohio made a capital grant of \$428,000 during 2004 for the multi-year payment overlay program. Another \$162,000 was received during 2005 for this program.
- ✓ Offsetting these decreases was a capital grant of \$1 million from the State of Ohio for the Russell Road widening project.

General government's expenses increased approximately \$125,000. Considering the health insurance portion of general government's expenses increased \$168,000, there was considerable effort made to reduce other general government expenses.

The Police program's net cost increased from \$4.6 million in 2004 to \$5.0 million in 2005. While the Police program revenue remained stable, Police expenses increased as a result of bond proceeds spent on the new facility for items that were not capitalizable.

Business-type activities

Business-type activities' net assets increased \$1.5 million from \$25.6 million to \$27.1 million. While the category, "invested in capital assets, net of debt" increased \$2.1 million, the unrestricted category declined \$0.6 million. Generally, this shows the effects of capital asset additions and bond repayments being financed with operating sources.

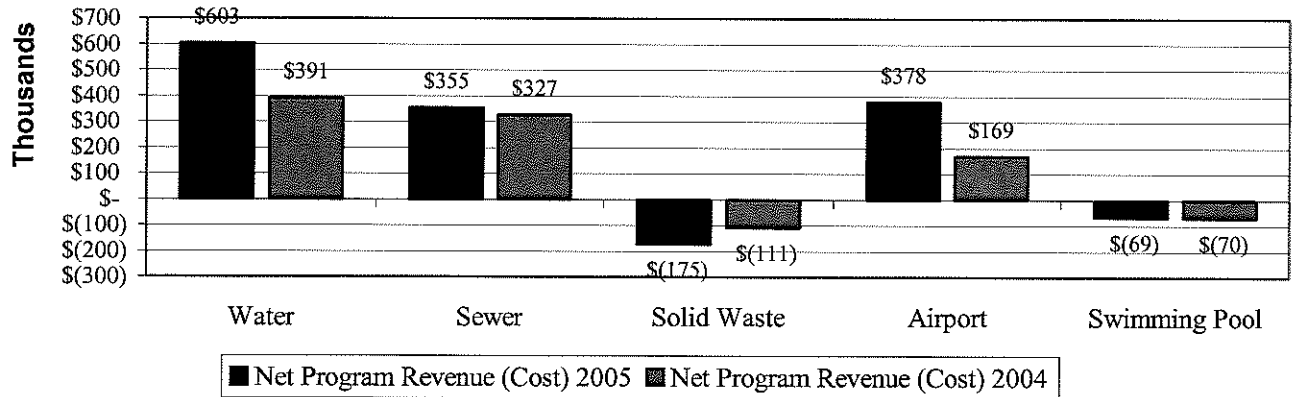
It is the City's policy that revenues of some of the City's business-type activities (water, sewer and residential waste pickup in the Solid Waste Fund) are expected to cover all program costs. The revenues of other business-type activities cover specified portions of program costs. The following table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

Expenses and Program Revenues - Business-Type Activities

	<u>Year Ended December 31, 2005</u>			<u>Year Ended December 31, 2004</u>		
	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Program Revenue (Cost)</u>	<u>Expense</u>	<u>Program Revenue</u>	<u>Net Program Revenue (Cost)</u>
Water	\$ 2,959,127	\$ 3,562,350	\$ 603,223	\$ 2,930,771	\$ 3,321,811	\$ 391,040
Sewer	3,466,500	3,821,448	354,948	3,125,699	3,453,028	327,329
Solid Waste	1,048,669	874,119	(174,550)	1,038,399	927,527	(110,872)
Airport	142,597	520,915	378,318	328,149	497,157	169,008
Swimming Pool	157,804	89,061	(68,743)	120,760	51,146	(69,614)
Total business-type activities	<u>\$ 7,774,697</u>	<u>\$ 8,867,893</u>	<u>\$ 1,093,196</u>	<u>\$ 7,543,778</u>	<u>\$ 8,250,669</u>	<u>\$ 706,891</u>

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Net Program Revenue (Cost) - Business-Type Activities



Program revenue for business-type activities increased \$617,000, or 7%, while program expenses increased \$231,000, or 3%. Key components of the changes in net program cost for each program are as follows:

- ✓ Water program's net program revenue increased \$212,000. Generally, increases in revenue as a result of rate and consumption increases were outweighed by increases in chemical expenses and utility costs.
- ✓ The Sewer activities' net program revenue remained relatively stable, increasing only \$28,000. Increases in revenue as a result of rate and consumption increases were nearly offset by increases in expenses, such as inflow and infiltration expenses and personnel costs due to the addition of another plant operator.
- ✓ The operating deficit in the Solid Waste Fund was primarily created because there is no user fee for yard waste pickup. A cash subsidy of \$63,784, from the General Fund covered the cost of the yard waste program for 2005.

Individual funds summary and analysis

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

The combined fund balance of the City's governmental funds at December 31, 2005 was \$11.5 million. Approximately 91% of this total amount constitutes unreserved fund balances available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending. Approximately \$749,000 of this reserved fund balance has already been committed to liquidate purchase orders of the prior period.

Total fund balances of the City's governmental funds decreased \$4.3 million from \$15.8 at December 31, 2004 to \$11.5 million at December 31, 2005. This decrease was primarily due to the capital outlay expenses associated with the completion of the new police station building. (See the governmental funds' balance sheets on pages 16 – 17.)

The General Fund is the primary operating fund of the City of Sidney, accounting for such activities as police and fire protection, emergency medical services, and parks and recreation. The General Fund balance increased \$766,000 for the year ended December 31, 2005. Generally, revenues remained stable. Increases in the transfer from the Municipal Income Tax Fund and

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
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decreases in transfers to other funds more than offset the 4% increase in General Fund expenditures. 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. Increased tax revenues during 2005 led to transfers to the General Fund totaling \$9.7 million compared to \$8.7 million during 2004.

The Street Repair & Maintenance Fund, used to account for the state-levied gasoline tax and motor vehicle registration fees, is restricted by law for street maintenance and repair activities. Revenues increased approximately 11.4% from \$1.1 million to \$1.3 million which is in line with recent State legislation that increased the gasoline tax and increased distributions to municipalities. Expenditures increased about \$61,000 or 5.3%. As a result, the fund balance increased by \$57,000.

The collection of the City's income tax is recorded in the Municipal Income Tax Fund. Income tax revenues, on the fund's financial statement, increased 8.5% from \$11.8 million to \$12.8 million. In the discussion of income tax revenues on the government-wide basis, found on page 8, municipal income tax revenue increased by 12.3%. This variance is because the governmental fund statements measure only current financial resources, while the government-wide financial statements measure total economic resources. Therefore, timing differences under the two measurement focuses may create slightly different results from year to year.

The Police Station Construction Fund was created during 2004 to account for the issuance of the general obligation bonds for the construction of the new police facility. During 2004, this fund received \$7.6 million bond proceeds and expended approximately \$2.5 million toward building construction. During 2005, another \$4.8 million was spent to complete the building. The remaining fund balance will be used during 2006 to pay any final expenses and then be transferred to the capital improvement fund for debt repayment.

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

Capital asset and debt administration

Capital asset activity

Significant capital activity for the year included:

- ✓ The new police facility was substantially completed during 2005. A total cost of \$7.2 million was capitalized.
- ✓ Developers donated streets to the City with a total estimated cost of \$773,000.
- ✓ A portion of Russell Road was widened. The Ohio Department of Transportation contributed \$1 million towards the almost \$1.5 million total project cost.
- ✓ The second phase of a multiple year State of Ohio project to overlay asphalt on the state routes within the City limits was continued during 2005. The State is directly funding 80% of these costs.
- ✓ Nearly \$850,000 was spent on the Northeast sanitary sewer interceptor. This was completed to accommodate the new Plum Ridge Phase VII Development. Developers contributed \$100,000 towards the cost of the improvement.
- ✓ The \$250,000 project to add two water slides and additional water features to the swimming pool slide was started in 2004. Approximately half of the cost was incurred in 2004 with the remaining project completed during early 2005.
- ✓ Airport improvements totaling \$465,000 were funded during 2005. These were funded primarily with grants received by the Federal Aviation Administration.

Additional detail on the capital asset activity for the year ended December 31, 2005 is presented in the Notes to the Basic Financial Statements in note 5 on pages 36 – 38.

CITY OF SIDNEY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Additional detail on the capital asset activity for the year ended December 31, 2005 is presented in the Notes to the Basic Financial Statements in note 5 on pages 36 – 38.

Debt

Ohio law restricts the amount of debt that a City may issue. The aggregate principal amount of unvoted "net indebtedness" may not exceed 5.5% of the assessed valuation for property tax purposes of all real and personal property located within the City. At December 31, 2005, that debt ceiling was \$25.0 million. Certain debt with a repayment source other than general tax revenues, is excluded from the definition of net indebtedness. Under that definition, the City has approximately \$9.4 million of net indebtedness as of December 31, 2005, leaving a legal debt margin for unvoted debt of approximately \$15.6 million.

An additional statutory limitation restricts total indebtedness – both voted and unvoted – to 10.5% of the real and personal property assessed valuation. That limitation would restrict total City net indebtedness to \$47.7 million, leaving a total debt margin of approximately \$38.3 million.

A summary of debt outstanding at December 31, 2005 and 2004 is as follows:

	<u>General Obligation Bonds</u>	
	<u>December 31, 2005</u>	<u>December 31, 2004</u>
Governmental activities	\$ 9,385,000	\$ 9,810,000
Business-type activities	<u>8,405,000</u>	<u>9,275,000</u>
Total	<u>\$ 17,790,000</u>	<u>\$ 19,085,000</u>

Additional detailed data for all debt of the City of Sidney is presented in the Notes to the Basic Financial Statements in note 8 on pages 41 - 43 and in Schedules 7 and 8 in the Statistical Section of this report.

Contacting the City's management

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

CITY OF SIDNEY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Pooled cash and investments	\$ 11,057,028	\$ 2,605,754	\$ 13,662,782
Restricted cash and investments	275,559	-	275,559
Cash held by outside agent	8,473	-	8,473
Receivables (net):			
Income taxes	3,483,111	-	3,483,111
Property taxes	1,505,949	-	1,505,949
Other taxes	286,367	-	286,367
Accounts	-	1,644,852	1,644,852
Interest	143,791	27,104	170,895
Loans	69,112	-	69,112
Special assessments	125,375	-	125,375
Other	347,814	64,972	412,786
Internal balances	(16,940)	16,940	-
Receivables from other governments	1,070,769	-	1,070,769
Inventory	140,025	216,986	357,011
Prepaid items	132,068	110,534	242,602
Capital assets:			
Capital assets not subject to depreciation:			
Land	7,045,412	526,604	7,572,016
Construction in progress	507,787	-	507,787
Capital assets net of accumulated depreciation	<u>48,023,556</u>	<u>31,295,082</u>	<u>79,318,638</u>
 Total assets	 <u>\$ 74,205,256</u>	 <u>\$ 36,508,828</u>	 <u>\$ 110,714,084</u>
LIABILITIES			
Accounts payable	\$ 604,173	\$ 316,005	\$ 920,178
Salaries and benefits payable	919,567	288,481	1,208,048
Unearned revenue	1,425,237	160,426	1,585,663
Accrued interest payable	32,721	38,016	70,737
Noncurrent liabilities:			
Due within one year	511,300	900,000	1,411,300
Due in more than one year	<u>10,402,357</u>	<u>7,745,904</u>	<u>18,148,261</u>
 Total liabilities	 <u>13,895,355</u>	 <u>9,448,832</u>	 <u>23,344,187</u>
NET ASSETS			
Invested in capital assets, net of related debt	46,330,165	23,416,686	69,746,851
Restricted for:			
Capital projects	20,000	-	20,000
Other purposes - externally imposed restrictions	1,322,722	-	1,322,722
Unrestricted	<u>12,637,014</u>	<u>3,643,310</u>	<u>16,280,324</u>
 Total net assets	 <u>60,309,901</u>	 <u>27,059,996</u>	 <u>87,369,897</u>
 Total liabilities and net assets	 <u>\$ 74,205,256</u>	 <u>\$ 36,508,828</u>	 <u>\$ 110,714,084</u>

CITY OF SIDNEY, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 1,614,428	\$ -	\$ -	\$ -	\$ (1,614,428)		\$ (1,614,428)
Police	5,539,643	337,841	220,377	12,246	(4,969,179)		(4,969,179)
Fire	3,855,945	551,980	10,105	45,570	(3,248,290)		(3,248,290)
Judicial	1,496,683	664,989	50,407	-	(781,287)		(781,287)
Health	202,737	97,804	-	-	(104,933)		(104,933)
Public transportation	608,704	169,097	275,157	43,288	(121,162)		(121,162)
Street repair and maintenance	2,466,174	24,432	1,418,701	1,986,334	963,293		963,293
Community development	448,168	18,909	-	431,134	1,875		1,875
Community environment	920,618	209,834	156	-	(710,628)		(710,628)
Parks and recreation	1,469,323	20,711	125,495	89,432	(1,233,685)		(1,233,685)
Basic utility services	487,141	-	17,224	-	(469,917)		(469,917)
Interest on long-term debt	425,995	-	-	-	(425,995)		(425,995)
Total governmental activities	<u>19,535,559</u>	<u>2,095,597</u>	<u>2,117,622</u>	<u>2,608,004</u>	<u>(12,714,336)</u>		<u>(12,714,336)</u>
Business-type activities:							
Water	2,959,127	3,562,350	-	-		\$ 603,223	603,223
Sewer	3,466,500	3,646,951	-	174,497		354,948	354,948
Solid Waste	1,048,669	874,119	-	-		(174,550)	(174,550)
Airport	142,597	277,898	-	243,017		378,318	378,318
Swimming Pool	157,804	89,061	-	-		(68,743)	(68,743)
Total business-type activities	<u>7,774,697</u>	<u>8,450,379</u>	<u>-</u>	<u>417,514</u>		<u>1,093,196</u>	<u>1,093,196</u>
Total	<u>\$ 27,310,256</u>	<u>\$ 10,545,976</u>	<u>\$ 2,117,622</u>	<u>\$ 3,025,518</u>	<u>(12,714,336)</u>	<u>1,093,196</u>	<u>(11,621,140)</u>
General revenues:							
Taxes:							
Income taxes					12,707,698	-	12,707,698
Property taxes					1,336,737	-	1,336,737
Other taxes					688,045	-	688,045
Grants and contributions not restricted to specific programs					1,174,034	-	1,174,034
Investment earnings					340,469	64,736	405,205
Gain on sale of capital assets					10,430	1,500	11,930
Miscellaneous					76,941	-	76,941
Transfers					(295,727)	295,727	-
Total general revenues and transfers					<u>16,038,627</u>	<u>361,963</u>	<u>16,400,590</u>
Change in net assets					3,324,291	1,455,159	4,779,450
Net assets - beginning					<u>56,985,610</u>	<u>25,604,837</u>	<u>82,590,447</u>
Net assets - ending					<u>\$ 60,309,901</u>	<u>\$ 27,059,996</u>	<u>\$ 87,369,897</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund	Capital Improvement Fund	Police Station Construction Fund
ASSETS					
Pooled cash and investments	\$ 4,153,827	\$ 425,742	\$ 1,044,876	\$ 1,633,196	\$ -
Restricted cash and investments	-	-	-	-	275,559
Cash held by outside agent	-	-	-	-	-
Receivables (net):					
Income taxes	-	-	3,483,111	-	-
Property taxes	1,505,949	-	-	-	-
Other taxes	281,656	-	-	-	-
Interest	108,028	5,308	-	-	-
Loans	-	-	-	-	-
Special assessments	123,286	-	-	-	-
Other	296,018	3,942	-	-	-
Due from other funds	315,901	-	-	118,419	55,889
Receivables from other governments	170,388	773,027	-	64,432	-
Inventory	35,817	59,072	-	-	-
Prepaid items	31,608	675	408	89,406	-
	<u>31,608</u>	<u>675</u>	<u>408</u>	<u>89,406</u>	<u>-</u>
Total assets	<u>\$ 7,022,478</u>	<u>\$ 1,267,766</u>	<u>\$ 4,528,395</u>	<u>\$ 1,905,453</u>	<u>\$ 331,448</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 125,216	\$ 24,718	\$ 234,108	\$ 32,480	\$ 11,833
Salaries and benefits payable	758,153	43,577	10,281	-	-
Due to other funds	-	39,444	394,876	55,889	-
Deferred revenue	2,297,804	710,016	1,660,961	-	-
	<u>2,297,804</u>	<u>710,016</u>	<u>1,660,961</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,181,173</u>	<u>817,755</u>	<u>2,300,226</u>	<u>88,369</u>	<u>11,833</u>
Fund Balances:					
Reserved for:					
Inventory	35,817	59,072	-	-	-
Prepaid items	31,608	675	408	89,406	-
Long-term loans receivable	-	-	-	-	-
Encumbrances	20,441	-	-	646,277	34,496
Unreserved, reported in:					
General fund	3,753,439	-	-	-	-
Special revenue funds	-	390,264	2,227,761	-	-
Capital projects funds	-	-	-	1,081,401	285,119
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,081,401</u>	<u>285,119</u>
Total fund balances	<u>3,841,305</u>	<u>450,011</u>	<u>2,228,169</u>	<u>1,817,084</u>	<u>319,615</u>
Total liabilities and fund balances	<u>\$ 7,022,478</u>	<u>\$ 1,267,766</u>	<u>\$ 4,528,395</u>	<u>\$ 1,905,453</u>	<u>\$ 331,448</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, 2005**

Non-major Governmental Funds	Total Governmental Funds		
		Total governmental fund balances	\$ 11,531,851
\$ 2,914,627	\$ 10,172,268	<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
-	275,559		
8,473	8,473		
-	3,483,111	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	54,881,959
-	1,505,949		
4,711	286,367		
20,025	133,361		
69,112	69,112		
2,089	125,375	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
46,837	346,797	Income taxes receivable	1,660,961
5,308	495,517	Other taxes and intergovernmental receivables	1,037,162
62,922	1,070,769	Other receivables	673,325
17,201	112,090		
759	122,856		
\$ 3,152,064	\$ 18,207,604	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.	1,440,899
\$ 79,030	\$ 507,385		
64,155	876,166		
5,308	495,517		
127,904	4,796,685	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds:	
276,397	6,675,753	Bonds payable	(9,385,000)
		Compensated absences	(1,136,370)
		Unfunded police and fire pension liability	(362,165)
		Accrued interest on long-term debt	(32,721)
17,201	112,090		
759	122,856		
69,112	69,112		
47,470	748,684		
-	3,753,439	Net assets of governmental activities	\$ 60,309,901
2,714,542	5,332,567		
26,583	1,393,103		
2,875,667	11,531,851		
\$ 3,152,064	\$ 18,207,604		

CITY OF SIDNEY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund	Capital Improvement Fund	Police Station Construction Fund
REVENUES:					
Local taxes	\$ 1,544,539	\$ -	\$ 12,751,377	\$ -	\$ -
Intergovernmental revenues	1,474,721	1,087,024	-	1,119,965	-
Special assessments	226,895	-	-	-	-
Charges for services	1,375,060	-	-	-	-
Fines, licenses and permits	155,679	-	-	-	-
Investment income	204,418	5,472	-	-	82,585
Miscellaneous receipts and reimbursements	87,612	164,063	45	5,000	-
Total revenues	<u>5,068,924</u>	<u>1,256,559</u>	<u>12,751,422</u>	<u>1,124,965</u>	<u>82,585</u>
EXPENDITURES:					
Current:					
General government	1,350,862	-	205,195	-	973
Police	4,963,083	-	-	-	-
Fire	3,696,633	-	-	-	-
Judicial	1,291,734	-	-	-	-
Health	-	-	-	-	-
Public transportation	-	-	-	-	-
Street repair and maintenance	-	1,189,421	-	-	-
Community development	107,624	-	-	-	-
Community environment	888,738	-	-	-	-
Parks and recreation	1,216,935	-	-	-	-
Basic utility services	-	-	-	-	-
Capital outlay	32,863	9,582	4,845	3,294,873	4,852,019
Debt service:					
Principal	-	-	-	405,000	-
Interest and other charges	-	-	-	426,581	-
Total expenditures	<u>13,548,472</u>	<u>1,199,003</u>	<u>210,040</u>	<u>4,126,454</u>	<u>4,852,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,479,548)</u>	<u>57,556</u>	<u>12,541,382</u>	<u>(3,001,489)</u>	<u>(4,770,407)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	9,703,950	-	-	2,530,395	-
Sale of capital assets	-	1,750	-	8,680	-
Transfers out	<u>(458,284)</u>	<u>(2,500)</u>	<u>(12,129,938)</u>	<u>(71,660)</u>	<u>(89,368)</u>
Total other financing sources (uses)	<u>9,245,666</u>	<u>(750)</u>	<u>(12,129,938)</u>	<u>2,467,415</u>	<u>(89,368)</u>
Net change in fund balances	766,118	56,806	411,444	(534,074)	(4,859,775)
Fund balances, beginning of year	<u>3,075,187</u>	<u>393,205</u>	<u>1,816,725</u>	<u>2,351,158</u>	<u>5,179,390</u>
Fund balances, end of year	<u>\$ 3,841,305</u>	<u>\$ 450,011</u>	<u>\$ 2,228,169</u>	<u>\$ 1,817,084</u>	<u>\$ 319,615</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005**

Net change in fund balances - total governmental funds \$ (4,284,854)

Non-major Governmental Funds	Total Governmental Funds
\$ 69,865	\$ 14,365,781
1,386,001	5,067,711
9,209	236,104
247,702	1,622,762
103,087	258,766
42,422	334,897
64,577	321,297
<u>1,922,863</u>	<u>22,207,318</u>
48,495	1,605,525
226,921	5,190,004
60,402	3,757,035
72,491	1,364,225
185,517	185,517
532,245	532,245
200,975	1,390,396
219,143	326,767
7,089	895,827
135,637	1,352,572
283,767	283,767
373,920	8,568,102
20,000	425,000
<u>2,695</u>	<u>429,276</u>
<u>2,369,297</u>	<u>26,306,258</u>
<u>(446,434)</u>	<u>(4,098,940)</u>
371,100	12,605,445
-	10,430
<u>(50,039)</u>	<u>(12,801,789)</u>
<u>321,061</u>	<u>(185,914)</u>
(125,373)	(4,284,854)
<u>3,001,040</u>	<u>15,816,705</u>
<u>\$ 2,875,667</u>	<u>\$ 11,531,851</u>

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

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

Capital asset additions	8,028,417
Current year depreciation	(2,206,666)

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

Net book value of transfers:

From governmental funds to proprietary funds	(124,383)
--	-----------

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

Income taxes	(32,411)
Investment income	22,383
Other revenue	37,099
Contribution of capital assets	977,125

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

425,000

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	(56,701)
Interest payable	3,281
Unfunded pension liability	6,085

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.

529,916

Change in net assets of governmental activities

\$ 3,324,291

**CITY OF SIDNEY, OHIO
BALANCE SHEET
PROPRIETARY FUNDS
DECEMBER 31, 2005**

	Business-type Activities					Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds	Totals	
ASSETS						
Current assets:						
Pooled cash and investments	\$ 1,323,476	\$ 843,798	\$ 344,753	\$ 93,727	\$ 2,605,754	\$ 884,760
Receivables (net):						
Accounts	654,969	738,089	231,611	20,183	1,644,852	-
Interest	16,499	10,605	-	-	27,104	10,430
Other	8,481	56,491	-	-	64,972	1,017
Inventory	154,042	45,794	-	17,150	216,986	27,935
Prepaid items	13,528	94,559	-	2,447	110,534	9,212
Total current assets	<u>2,170,995</u>	<u>1,789,336</u>	<u>576,364</u>	<u>133,507</u>	<u>4,670,202</u>	<u>933,354</u>
Noncurrent assets:						
Capital assets:						
Capital assets not subject to depreciation:						
Land	143,179	62,820	11,340	309,265	526,604	-
Capital assets net of accumulated depreciation	<u>7,672,940</u>	<u>20,991,579</u>	<u>55,248</u>	<u>2,575,315</u>	<u>31,295,082</u>	<u>694,796</u>
Total noncurrent assets	<u>7,816,119</u>	<u>21,054,399</u>	<u>66,588</u>	<u>2,884,580</u>	<u>31,821,686</u>	<u>694,796</u>
Total assets	<u>\$ 9,987,114</u>	<u>\$ 22,843,735</u>	<u>\$ 642,952</u>	<u>\$ 3,018,087</u>	<u>\$ 36,491,888</u>	<u>\$ 1,628,150</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 190,891	\$ 41,401	\$ 81,295	\$ 2,418	\$ 316,005	\$ 96,788
Salaries and benefits payable	178,424	102,470	1,833	5,754	288,481	43,401
Current portion of long term debt	250,000	650,000	-	-	900,000	-
Deferred revenue	-	-	155,805	4,621	160,426	-
Accrued interest payable	1,693	36,323	-	-	38,016	-
	<u>621,008</u>	<u>830,194</u>	<u>238,933</u>	<u>12,793</u>	<u>1,702,928</u>	<u>140,189</u>
Noncurrent liabilities:						
Noncurrent portion of long term debt	-	7,505,000	-	-	7,505,000	-
Compensated absences	160,409	69,331	3,190	7,974	240,904	30,122
Total noncurrent liabilities	<u>160,409</u>	<u>7,574,331</u>	<u>3,190</u>	<u>7,974</u>	<u>7,745,904</u>	<u>30,122</u>
Total liabilities	<u>781,417</u>	<u>8,404,525</u>	<u>242,123</u>	<u>20,767</u>	<u>9,448,832</u>	<u>170,311</u>
NET ASSETS						
Invested in capital assets, net of related debt	7,566,119	12,899,399	66,588	2,884,580	23,416,686	694,796
Unrestricted	1,639,578	1,539,811	334,241	112,740	3,626,370	763,043
Total net assets	<u>9,205,697</u>	<u>14,439,210</u>	<u>400,829</u>	<u>2,997,320</u>	<u>27,043,056</u>	<u>1,457,839</u>
Total liabilities and net assets	<u>\$ 9,987,114</u>	<u>\$ 22,843,735</u>	<u>\$ 642,952</u>	<u>\$ 3,018,087</u>	<u>\$ 36,491,888</u>	<u>\$ 1,628,150</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					16,940	
Total net assets from above					<u>27,043,056</u>	
Net assets of business-type activities					<u>\$ 27,059,996</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, 2005

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds		
OPERATING REVENUES:						
Charges for services	\$ 3,356,109	\$ 3,645,726	\$ 874,119	\$ 349,821	\$ 8,225,775	\$ 3,329,392
Other revenue	206,241	1,225	-	17,138	224,604	6,399
Total operating revenues	<u>3,562,350</u>	<u>3,646,951</u>	<u>874,119</u>	<u>366,959</u>	<u>8,450,379</u>	<u>3,335,791</u>
OPERATING EXPENSES:						
Personal services	1,462,099	1,061,415	10,608	112,966	2,647,088	371,318
Operations and maintenance	1,215,283	1,239,540	1,025,940	103,874	3,584,637	2,274,197
Depreciation	318,936	829,755	8,500	84,701	1,241,892	66,756
Total operating expenses	<u>2,996,318</u>	<u>3,130,710</u>	<u>1,045,048</u>	<u>301,541</u>	<u>7,473,617</u>	<u>2,712,271</u>
Operating income (loss)	<u>566,032</u>	<u>516,241</u>	<u>(170,929)</u>	<u>65,418</u>	<u>976,762</u>	<u>623,520</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income	32,119	32,617	-	-	64,736	9,532
Intergovernmental	-	74,497	-	243,017	317,514	-
Gain (loss) on disposal of assets	1,500	-	-	-	1,500	-
Interest expense	(38,933)	(390,283)	-	-	(429,216)	-
Total nonoperating revenues (expenses)	<u>(5,314)</u>	<u>(283,169)</u>	<u>-</u>	<u>243,017</u>	<u>(45,466)</u>	<u>9,532</u>
Income (loss) before contributions and transfers	560,718	233,072	(170,929)	308,435	931,296	633,052
Capital contributions	-	100,000	-	124,383	224,383	196,918
Transfers out	-	(7,100)	-	-	(7,100)	-
Transfers in	-	-	63,784	114,660	178,444	25,000
Change in net assets	560,718	325,972	(107,145)	547,478	1,327,023	854,970
Total net assets - beginning of year	<u>8,644,979</u>	<u>14,113,238</u>	<u>507,974</u>	<u>2,449,842</u>		<u>602,869</u>
Total net assets - end of year	<u>\$ 9,205,697</u>	<u>\$ 14,439,210</u>	<u>\$ 400,829</u>	<u>\$ 2,997,320</u>		<u>\$ 1,457,839</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					128,136	
Change in net assets of business-type activities					<u>\$ 1,455,159</u>	

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds		
Cash flows from operating activities:						
Receipts from customers and users	\$ 3,306,211	\$ 3,447,878	\$ 891,048	\$ 361,263	\$ 8,006,400	\$ 12,356
Receipts from interfund services	189,612	-	-	-	189,612	3,358,279
Payments to suppliers	(753,116)	(770,440)	(887,819)	(308,219)	(2,719,594)	(2,424,937)
Payments to employees	(1,442,671)	(1,018,855)	(10,015)	(110,893)	(2,582,434)	(374,864)
Payments for interfund services used	(398,878)	(483,914)	(126,634)	(1,391)	(1,010,817)	(35,778)
Net cash provided (used) by operating activities	<u>901,158</u>	<u>1,174,669</u>	<u>(133,420)</u>	<u>(59,240)</u>	<u>1,883,167</u>	<u>535,056</u>
Cash flows from noncapital financing activities:						
Transfers in	-	-	63,784	114,660	178,444	25,000
Transfers out	-	(7,100)	-	-	(7,100)	-
Intergovernmental	-	74,497	-	243,017	317,514	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>67,397</u>	<u>63,784</u>	<u>357,677</u>	<u>488,858</u>	<u>25,000</u>
Cash flows from capital and related financing activities:						
Acquisition of capital assets	(588,850)	(1,152,006)	-	(464,564)	(2,205,420)	(7,795)
Proceeds from sale of capital assets	1,500	-	-	-	1,500	-
Principal paid on capital debt	(250,000)	(620,000)	-	-	(870,000)	-
Interest paid on capital debt	(40,625)	(395,280)	-	-	(435,905)	-
Net cash used by capital and related financing activities	<u>(877,975)</u>	<u>(2,167,286)</u>	<u>-</u>	<u>(464,564)</u>	<u>(3,509,825)</u>	<u>(7,795)</u>
Cash flows from investing activities:						
Interest on investments	36,637	41,501	-	-	78,138	8,124
Net unrealized gain on investments	(10,403)	(6,140)	-	-	(16,543)	(6,998)
Net cash provided by investing activities	<u>26,234</u>	<u>35,361</u>	<u>-</u>	<u>-</u>	<u>61,595</u>	<u>1,126</u>
Net increase (decrease) in cash and cash equivalents	49,417	(889,859)	(69,636)	(166,127)	(1,076,205)	553,387
Cash and cash equivalents, beginning of year	<u>1,274,059</u>	<u>1,733,657</u>	<u>414,389</u>	<u>259,854</u>	<u>3,681,959</u>	<u>331,373</u>
Cash and cash equivalents, end of year	<u>\$ 1,323,476</u>	<u>\$ 843,798</u>	<u>\$ 344,753</u>	<u>\$ 93,727</u>	<u>\$ 2,605,754</u>	<u>\$ 884,760</u>

See Notes to the Basic Financial Statements.

CITY OF SIDNEY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

(continued)

	Business-type Activities				Totals	Governmental Activities - Internal Service Funds
	Water	Sewer	Solid Waste	Non-major Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 566,032	\$ 516,241	\$ (170,929)	\$ 65,418	\$ 976,762	\$ 623,520
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	318,936	829,755	8,500	84,701	1,241,892	66,756
Change in assets and liabilities:						
Accounts receivable	(60,261)	(142,920)	(18,105)	(17,929)	(239,215)	-
Other receivables	(6,267)	(56,153)	-	10,595	(51,825)	10,460
Due from other funds	-	-	-	-	-	24,385
Prepaid items	4,229	23,347	-	(2)	27,574	22,143
Inventory	(7,919)	(2,313)	-	75	(10,157)	24,473
Accounts payable	68,477	(34,456)	11,719	(205,780)	(160,040)	(233,134)
Salaries and benefits payable and compensated absences	19,428	42,560	593	2,073	64,654	(3,547)
Due to other funds	(1,497)	(1,392)	(232)	(29)	(3,150)	-
Deferred revenue	-	-	35,034	1,638	36,672	-
Net cash provided (used) by operating activities	<u>\$ 901,158</u>	<u>\$ 1,174,669</u>	<u>\$ (133,420)</u>	<u>\$ (59,240)</u>	<u>\$ 1,883,167</u>	<u>\$ 535,056</u>
Noncash investing, capital and financing activities:						
Contributions of capital assets from governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,913</u>	<u>\$ 122,913</u>	<u>\$ 196,918</u>

See Notes to the Basic Financial Statements.

**CITY OF SIDNEY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2005**

	<u>Agency Funds</u>
ASSETS	
Pooled cash and investments	\$ 19,991
Municipal Court checking account	117,167
Accounts receivable	<u>6,824</u>
 Total assets	 <u>\$ 143,982</u>
LIABILITIES	
Due to employees	\$ 6,660
Due to other governments	107,409
Undistributed monies	<u>29,913</u>
 Total liabilities	 <u>\$ 143,982</u>

See Notes to the Basic Financial Statements

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2005

1. Summary of Significant Accounting Policies:

A. Reporting Entity

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

The City was incorporated in 1820, and has a Council-Manager form of government. The City provides the following services: public safety (police and fire), highways and streets, water, sewer, sanitation, recreation, public improvements, planning and zoning and general administrative services.

For financial reporting purposes, the City includes in this report all funds, agencies, boards, commissions, and departments in accordance with criteria established in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39. Under the provisions of GASB Statement No. 14 (as amended), the City of Sidney is the primary government, since it is a special purpose government that has a separate elected governing body; functions as a separate legal entity; and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the City may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue debt. As required by accounting principles generally accepted in the United States of America, these basic financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data is combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There are no blended or discretely presented component units at December 31, 2005.

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

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

B. Basis of Presentation

Government-wide financial statements

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

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

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

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

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

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

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported in separate columns in the fund financial statements. All other funds are aggregated and reported as non-major governmental or non-major proprietary funds.

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

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

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Governmental Funds

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

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

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

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

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

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

Proprietary (Business-type) Funds

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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C. Basis of Accounting

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

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

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

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

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

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

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

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

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

D. Budgets and Budgetary Accounting

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

- (1) The County Budget Commission has suspended the requirement to prepare a tax budget. In lieu of the tax budget, about January 1 of each year, the City will submit to the Budget Commission a report of estimated revenue and actual unencumbered cash balances by fund. Thereafter, the County Budget Commission will issue an Official Certificate of Estimated Resources (OCER).
- (2) Unencumbered appropriations lapse at year-end. No contract, agreement or other obligation involving the expenditure of money shall be entered into unless the Finance Officer first certifies that the money required for such contract, agreement, obligation or expenditure is in the treasury, or is anticipated to come into the treasury, before the maturity of such contract.
- (3) All funds of the City have annual budgets legally adopted by the City Council. The exception is that when the City receives federal or state grant funds to aid in paying the cost of any program, activity, or function of the City, the amount received is deemed appropriated for such purpose.

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

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

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

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

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

E. Cash and Cash Equivalents

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

- Municipal Court, an agency fund, maintains its deposits in a separate checking account.
- Bond proceeds from the 2004 issuance of general obligation bonds are being held separately. These proceeds are being used to pay for the construction of the new police facility.
- An outside agency, Shelby County, is holding cash deposits for the County Auto License Fund.

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

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

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

F. Inventory and Prepaid Items

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

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Payments made to vendors for services that will benefit periods beyond December 31, 2005 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

G. Health Insurance and Risk

The City of Sidney covers most of its risks of loss through a combination of self-funding and commercial insurance. Effective January 1, 1990, the City began a partially self-funded health plan. The City funds the maximum liability, which is equal to the City's aggregate stop loss plus the insurance companies' premium and administrative costs. During 2005, the City incurred claims of \$1,211,210. The City plans to use any excess funds to contain health coverage costs.

H. Capital Assets

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

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

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

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

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

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

I. Bond Issuance Costs

Bond issuance costs are deferred and amortized over the terms of the bonds using methods that approximate the effective interest method. Issuance costs at December 31, 2005 amounted to \$157,192 net of accumulated amortization of \$192,168. These costs are included in prepaid items in the accompanying financial statements.

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J. Compensated Absences

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

Vested vacation and sick leave is recorded as an expense in the government-wide statements for the period in which such leave was earned. For governmental fund type employees, an expenditure is recorded in the governmental funds' statements for only the portion of vested vacation and sick leave that is expected to be liquidated with expendable available resources in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board – Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. These amounts are recorded in the account “compensated absences” in the fund from which the employee is paid.

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

K. Pensions

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

L. Reserves and Designations

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

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

M. Grants and Other Intergovernmental Revenues

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

N. Interfund Activity

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

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

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O. Financial Disclosure

Private-sector standards of accounting and reporting issued on or before November 30, 1989, are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and proprietary funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

P. Estimates

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

2. Cash and Cash Equivalents:

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

- Municipal Court, an agency fund, maintains its deposits in a separate checking account.
- Bond proceeds from the 2004 issuance of general obligation bonds are being held separately. These proceeds are being used to pay for the construction of the new police facility.
- An outside agency, Shelby County, is holding cash deposits for the County Auto License Fund.

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

At December 31, 2005, the carrying amount of the City's deposits was \$4,366,398 and the bank balance was \$4,784,060. Of the bank balance:

1. \$677,531 was covered by federal depository insurance;
2. \$400,000 was covered by collateral held by a financial institution as permitted by Section 135.18(B) of the Ohio Revised Code (ORC);
3. \$3,706,529 was covered by single financial institution collateralized pools held in the financial institution's name as specified by Section 135.181 of the ORC.

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

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The ORC, the City's charter, and the City's investment policy authorize the City to invest in the State Treasury Asset Reserve of Ohio (STAROhio), certificates of deposit, repurchase agreements, United States treasury bills and notes, notes issued by United States agencies and government-sponsored corporations, bankers' acceptances and commercial paper of the highest rating. The above legislative investment policy applies to all funds, fund types and component units. All deposits are made to authorized public depositories and contracts with such institutions are in accordance with the ORC and the City's charter. All investments are reported at fair value which is based on quoted market prices.

The City's Pooled cash and investments consisted of the following at December 31, 2005:

	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>	<u>% of Total Pool</u>
Cash and cash equivalents	\$ 2,198,136	N/A	16.0%
U.S. agencies and government-sponsored corporations	9,584,637	1.88	70.1%
Certificates of deposit	<u>1,900,000</u>	0.24	<u>13.9%</u>
Total pooled cash and investments	<u>\$ 13,682,773</u>		<u>100.0%</u>

Portfolio weighted average maturity 1.59

The City's restricted cash and investments arising from the 2004 issuance of general obligation bonds is being held in a bank savings account at December 31, 2005.

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

Credit Risk. As of December 31, 2005, the City's investments in U.S. agencies (not explicitly guaranteed by the U.S. government) and government-sponsored corporations were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

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

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Investments in any one issuer that represent 5% or more of the total investments (excluding cash and cash equivalents) at December 31, 2005 include:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percent</u>
U.S. Government-Sponsored Corporations:		
Federal Farm Credit	\$ 1,070,190	9.3%
Federal Home Loan Bank	\$ 5,780,798	50.3%
Federal Home Loan Mortgage Corporation	\$ 1,072,461	9.3%
Federal National Mortgage Corporation	\$ 1,661,188	14.5%
Certificates of Deposit:		
Fifth Third Bank	\$ 1,200,000	10.5%

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 2005 were levied on December 31, 2004 on assessed values listed as of January 1, 2004, the lien date. One-half of these taxes were due on February 14, 2005, with the remaining balance due on July 20, 2005.

Tangible personal property taxes collected during 2005 had a levy date of December 31, 2004. One-half of these taxes were due between February 14, 2005, and April 30, 2005, with the remaining balance due on October 20, 2005.

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.

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Public utility property taxes are assessed on tangible personal property as well as land and improvements at true value (50% of cost). Tangible personal property assessments are 25% of true value. The assessed value for 2004 upon which the 2005 levy was based was approximately \$453,740,892. The assessed value for 2005 upon which the 2006 levy will be based is approximately \$454,122,536.

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

5. Capital Assets:

Capital asset activity for the year ended December 31, 2005 was as follows:

Governmental activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
<i>Capital assets not being depreciated:</i>					
Land	\$ 6,825,871	\$ 219,541	\$ -	\$ -	\$ 7,045,412
Construction in progress	<u>3,373,433</u>	<u>11,851</u>	<u>-</u>	<u>(2,877,497)</u>	<u>507,787</u>
Subtotal	<u>10,199,304</u>	<u>231,392</u>	<u>-</u>	<u>(2,877,497)</u>	<u>7,553,199</u>
<i>Capital assets being depreciated:</i>					
Buildings and improvements	9,554,880	4,593,291	-	2,487,233	16,635,404
Machinery and equipment	7,830,404	985,288	(113,965)	-	8,701,727
General infrastructure	<u>38,195,938</u>	<u>3,078,983</u>	<u>-</u>	<u>390,264</u>	<u>41,665,185</u>
Subtotal	<u>55,581,222</u>	<u>8,657,562</u>	<u>(113,965)</u>	<u>2,877,497</u>	<u>67,002,316</u>
Totals at historical cost	<u>65,780,526</u>	<u>8,888,954</u>	<u>(113,965)</u>	<u>-</u>	<u>74,555,515</u>
<i>Less accumulated depreciation for:</i>					
Buildings and improvements	2,445,448	341,935	-	-	2,787,383
Machinery and equipment	4,988,710	730,845	(113,965)	-	5,605,590
General infrastructure	<u>9,385,146</u>	<u>1,200,641</u>	<u>-</u>	<u>-</u>	<u>10,585,787</u>
Total accumulated depreciation	<u>16,819,304</u>	<u>2,273,421</u>	<u>(113,965)</u>	<u>-</u>	<u>18,978,760</u>
Net capital assets	<u>\$ 48,961,222</u>	<u>\$ 6,615,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,576,755</u>

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Depreciation was charged to governmental activities as follows:

General government	\$ 95,650
Police	246,165
Fire	145,342
Judicial	236,832
Health	21,226
Public transportation	64,500
Street repairs and maintenance	1,120,378
Community development	286
Community environment	44,332
Parks and recreation	136,594
Basic utility services	<u>149,986</u>
 Total governmental activities depreciation expense	 <u>\$ 2,261,291</u>
 Portion of internal service funds' depreciation included above allocable to business-type activities	 <u>12,130</u>
 Total additions to accumulated depreciation of governmental activities	 <u>\$ 2,273,421</u>

Business-type activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Net Transfers</u>	<u>Ending Balance</u>
<i>Capital assets not being depreciated:</i>					
Land	\$ 526,604	\$ -	\$ -	\$ -	\$ 526,604
Construction in progress	<u>223,113</u>	-	-	<u>(223,113)</u>	-
Subtotal	<u>749,717</u>	-	-	<u>(223,113)</u>	<u>526,604</u>
<i>Capital assets being depreciated:</i>					
Buildings, improvements and infrastructure	40,646,801	2,340,013	-	126,913	43,113,727
Machinery and equipment	<u>8,046,155</u>	<u>171,463</u>	<u>(15,579)</u>	<u>96,200</u>	<u>8,298,239</u>
Subtotal	<u>48,692,956</u>	<u>2,511,476</u>	<u>(15,579)</u>	<u>223,113</u>	<u>51,411,966</u>
Totals at historical cost	<u>49,442,673</u>	<u>2,511,476</u>	<u>(15,579)</u>	-	<u>51,938,570</u>
<i>Less accumulated depreciation for:</i>					
Buildings, improvements and infrastructure	13,553,926	902,799	-	-	14,456,725
Machinery and equipment	<u>5,336,645</u>	<u>339,093</u>	<u>(15,579)</u>	-	<u>5,660,159</u>
Total accumulated depreciation	<u>18,890,571</u>	<u>1,241,892</u>	<u>(15,579)</u>	-	<u>20,116,884</u>
Net capital assets	<u>\$30,552,102</u>	<u>\$ 1,269,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$31,821,686</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2005

Depreciation was charged to business-type activities as follows:

Water	\$ 318,936
Sewer	829,755
Solid waste	8,500
Airport	50,782
Swimming Pool	<u>33,919</u>
Total additions to accumulated depreciation of business-type activities	<u>\$ 1,241,892</u>
Portion of internal service funds' depreciation allocable to business-type activities	<u>54,626</u>
Total business-type activities depreciation expense	<u>\$ 1,296,518</u>

6. Pension Plans:

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

Ohio Public Employees Retirement System

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

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, the member and employer contribution rates were consistent across all three plans. The 2005 member contribution rates were 8.5%.

The 2005 employer contribution rate was 13.55% of covered payroll. The City's contributions, representing 100% of employer's contributions for the years ended December 31, 2005, 2004, and 2003 were \$902,595, 883,894, and \$864,304, respectively.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2005

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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. 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, 2005, 2004 and 2003 were \$1,032,231, \$941,509, and \$896,310, 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, 2005, the unfunded liability is payable, including principal and interest, in annual installments of \$21,672 through the year 2035. The principal balance of \$362,165 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 OPERS was established.

7. Post Employment Benefits:

A. Ohio Public Employees Retirement System

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

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

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

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For 2005, the rate was 13.55% of covered payroll, and 4% was used to fund health care for the year

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2005

Actuarial Review: The assumptions and calculations below were based on OPERS' latest Actuarial Review performed as of December 31, 2004.

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 2004 was 8%.

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

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

The OPEB's are advance-funded on an actuarially determined basis. The Traditional Pension and Combined Plans had 376,109 active contributing participants at December 31, 2005. The number of active contributing participants for both plans used in the December 31, 2004 actuarial valuation was 355,287. The portion of the City's contributions for 2005 that were used to fund post employment benefits was \$266,446. \$10.8 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2004. The Actuarial Valuation as of December 31, 2004 reported the actuarially accrued liability and the unfunded actuarial accrued liability for OPEB, based on the actuarial cost method used, at \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides access to postretirement health care coverage to any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen whether or not the child is attending school or under the age of twenty-two, if attending full-time or on a 2/3 basis. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care cost paid from the funds of OP&F shall be included in the employer's contribution rate. The total police employer contribution is 19.5% of covered payroll and the total

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2005

firefighter employer contribution rate is 24% of covered payroll. The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer health coverage to all eligible individuals.

Health care funding and accounting is on a pay-as-you go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses. The Board defined allocation was 7.75% of covered payroll in 2004 and in 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The number of participants eligible to receive health care benefits as of December 31, 2004, the date of the last actuarial valuation available, was 13,812 for police and 10,528 for firefighters. The City's annual contribution for 2005 that were used to fund post-employment benefits was \$193,649 for police and \$175,858 for firefighters. OP&F's total health care expense for the year ended December 31, 2004 was \$102,173,796, which was net of members' contributions of \$55,665,341.

8. Noncurrent Liabilities:

The following is a summary of changes for noncurrent liabilities of the City for the year ended December 31, 2005:

	Balance January 1, 2005	Additions	Reductions	Balance December 31, 2005	Due Within One Year
Governmental activities:					
Capital improvement fund:					
<i>G.O. bonds, 1998-2018, 3.25% to 5.0%, Monumental Bldg renovation</i>					
	\$ 2,150,000	\$ -	\$ 115,000	\$ 2,035,000	\$ 120,000
<i>G.O. bonds, 2005-2024, 4.0% to 4.7%, Police Facility Construction</i>					
	7,600,000	-	290,000	7,310,000	295,000
Health department building lease fund:					
<i>G.O. bonds, 1993-2007, 2.5% to 4.9%</i>					
	60,000	-	20,000	40,000	20,000
Accrued vacation and sick leave					
	1,136,459	953,098	923,065	1,166,492	70,500
Unfunded police/fire pension obligation					
	<u>368,250</u>	<u>-</u>	<u>6,085</u>	<u>362,165</u>	<u>5,800</u>
Total Governmental Activities Noncurrent Liabilities	<u>\$11,314,709</u>	<u>\$ 953,098</u>	<u>\$ 1,354,150</u>	<u>\$ 10,913,657</u>	<u>\$ 511,300</u>

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2005

	Balance January 1, 2005	Additions	Reductions	Balance December 31, 2005	Due Within One Year
Business-type activities:					
Water fund:					
<i>G.O. bonds, 1986-2006, 8.125%</i>	\$ 500,000	\$ -	\$ 250,000	\$ 250,000	\$ 250,000
Sewer fund:					
<i>G.O. bonds, advanced refunding, 1993-2007, 2.5% to 4.9%</i>	1,905,000	-	605,000	1,300,000	635,000
<i>G.O. bonds, 2001-2022, 4.0% to 4.625%</i>	6,870,000	-	15,000	6,855,000	15,000
Accrued vacation and sick leave	<u>331,443</u>	<u>67,161</u>	<u>157,700</u>	<u>240,904</u>	<u>-</u>
Total	<u>\$ 9,606,443</u>	<u>\$ 67,161</u>	<u>\$ 1,027,700</u>	<u>\$ 8,645,904</u>	<u>\$ 900,000</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At December 31, 2005, \$30,122 of internal service funds' accrued vacation and sick leave is included in the above amounts. Compensated absences are liquidated by the Separation Payment Fund.

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

The 2004 issuance of general obligation bonds is being used to pay for the construction of a new police facility. The construction was completed during late 2005. At December 31, 2005, unspent proceeds totaling \$275,559 remained from the \$7.6 million issuance.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2005

Annual requirements to pay principal and interest on long-term debt at December 31, 2005 are:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 435,000	\$ 407,300	900,000	384,981
2007	445,000	388,520	680,000	332,586
2008	435,000	369,535	340,000	307,486
2009	445,000	350,835	350,000	292,611
2010	460,000	332,360	365,000	277,299
2010-2014	2,540,000	1,361,713	2,040,000	1,134,405
2015-2019	2,640,000	788,717	2,535,000	635,263
2020-2024	1,985,000	236,390	1,195,000	83,481
Total	<u>\$ 9,385,000</u>	<u>\$ 4,235,370</u>	<u>\$ 8,405,000</u>	<u>\$ 3,448,112</u>

Advance Refunding

On September 15, 1993, the City of Sidney advance refunded the 1987 Sewer System Improvement Mortgage Reserve bond issue with new General Obligation Bonds. The City issued \$7.302 million of general obligation refunding bonds to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds were considered to be defeased and the liability was removed from the enterprise fund. This advance refunding was undertaken to reduce total debt service payments over the remaining 14 years by \$1,958,469 and to obtain an economic gain (difference between present value of the debt service payments of the refunded and refunding bonds) of \$315,392. At December 31, 2005, the bonds have no outstanding balance.

9. Contingent Liabilities:

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

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

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2005

10. Interfund Receivables and Payables:

Interfund balances in the basic financial statements at December 31, 2005 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 315,901	\$ -
Street repair & maintenance	-	39,444
Municipal income tax	-	394,876
Capital improvement	118,419	55,889
Police station construction	55,889	-
Non-major governmental funds	<u>5,308</u>	<u>5,308</u>
	<u>\$ 495,517</u>	<u>\$ 495,517</u>

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

11. Interfund Transfers:

Interfund transfers in the basic financial statements for the year ended December 31, 2005 were:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 9,703,950	\$ 458,284
Street repair and maintenance	-	2,500
Municipal income tax	-	12,129,938
Capital improvement	2,530,395	71,660
Police station construction	-	89,368
Non-major governmental funds	371,100	50,039
Internal service fund	25,000	-
Sewer	-	7,100
Solid waste	63,784	-
Non-major enterprise funds	<u>114,660</u>	<u>-</u>
	<u>\$ 12,808,889</u>	<u>\$ 12,808,889</u>

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

12. Self-Insurance:

The City has chosen to establish a risk financing fund for risks associated with the employees' health insurance plan. The risk financing fund is accounted for as an internal service fund where assets are set aside for claim settlements. A premium is charged to each fund that accounts for part-time or full-time employees. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

CITY OF SIDNEY, OHIO
Notes to the Basic Financial Statements
December 31, 2005

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>2005</u>	<u>2004</u>
Unpaid claims, beginning of year	\$ 279,645	\$ 243,994
Incurred claims (including IBNRs)	1,211,210	1,630,671
Claim payments	<u>(1,415,015)</u>	<u>(1,595,020)</u>
Unpaid claims, end of year	\$ <u>75,840</u>	\$ <u>279,645</u>

13. Risk Management:

The City is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has joined the Miami Valley Risk Management Association, Inc. (MVRMA), a joint insurance pool. The pool consists of twenty municipalities who pool risk for property, crime, liability, boiler and machinery and public official liability.

The City pays an annual premium to MVRMA for this coverage. The agreement provides that the MVRMA will be self-sustaining through member premiums and the purchase of excess and stop-loss insurance. The deductible per occurrence for all types of claims is \$2,500. During 2005, the Association's per-occurrence retention limit for property was \$200,000, with the exception of boiler and machinery for which there was a \$5,000 per occurrence retention limit. Liability had a per-occurrence retention limit of \$1,000,000. After the retention limits are reached, excess insurance will cover up to the limits stated below.

General Liability (including law enforcement)	\$7,000,000 per occurrence
Automobile Liability	\$7,000,000 per occurrence
Public Officials Liability	\$7,000,000 per occurrence
Boiler and Machinery	BLANKET COVERAGE
Property	BLANKET COVERAGE
Flood and Earthquake	\$25,000,000 per occurrence

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

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 1,543,503	\$ 1,543,503	\$ 1,545,565	\$ 2,062
Intergovernmental revenues	1,374,600	1,374,600	1,423,053	48,453
Special assessments	204,500	204,500	227,144	22,644
Charges for services	1,294,703	1,294,703	1,408,393	113,690
Fines, licenses and permits	177,100	177,100	156,420	(20,680)
Investment income	280,500	280,500	286,801	6,301
Miscellaneous receipts and reimbursements	-	-	-	-
	<u>848,850</u>	<u>848,850</u>	<u>845,714</u>	<u>(3,136)</u>
Total revenues	<u>5,723,756</u>	<u>5,723,756</u>	<u>5,893,090</u>	<u>169,334</u>
EXPENDITURES:				
Current:				
General government	2,092,488	2,184,288	2,136,349	47,939
Police	5,199,231	5,212,131	4,957,451	254,680
Fire	3,775,920	3,781,720	3,712,090	69,630
Judicial	1,302,863	1,323,963	1,300,681	23,282
Community development	111,272	111,272	107,944	3,328
Community environment	931,487	925,347	888,650	36,697
Parks and recreation	1,320,397	1,288,037	1,234,345	53,692
Capital outlay	39,647	39,647	32,863	6,784
Total expenditures	<u>14,773,305</u>	<u>14,866,405</u>	<u>14,370,373</u>	<u>496,032</u>
Deficiency of revenues under expenditures	<u>(9,049,549)</u>	<u>(9,142,649)</u>	<u>(8,477,283)</u>	<u>665,366</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	9,303,972	9,303,972	9,603,972	300,000
Sales of capital assets	15,000	15,000	-	(15,000)
Transfers out	(534,500)	(458,284)	(458,284)	-
Total other financing sources (uses)	<u>8,784,472</u>	<u>8,860,688</u>	<u>9,145,688</u>	<u>285,000</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	<u>(265,077)</u>	<u>(281,961)</u>	<u>668,405</u>	<u>950,366</u>
Fund Balances, beginning of year	3,291,475	3,291,475	3,291,475	-
Prior Year Encumbrances	<u>186,459</u>	<u>186,459</u>	<u>186,459</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 3,212,857</u>	<u>\$ 3,195,973</u>	<u>\$ 4,146,339</u>	<u>\$ 950,366</u>

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
STREET REPAIR AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Intergovernmental revenues	\$ 1,048,025	\$ 1,048,025	\$ 1,070,179	\$ 22,154
Miscellaneous receipts and reimbursements	117,075	117,075	172,115	55,040
Total revenues	<u>1,165,100</u>	<u>1,165,100</u>	<u>1,242,294</u>	<u>77,194</u>
EXPENDITURES:				
Current:				
Transportation	1,327,739	1,353,439	1,245,308	108,131
Total expenditures	<u>1,327,739</u>	<u>1,353,439</u>	<u>1,245,308</u>	<u>108,131</u>
Deficiency of revenues under expenditures	<u>(162,639)</u>	<u>(188,339)</u>	<u>(3,014)</u>	<u>185,325</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,500)	(2,500)	(2,500)	-
Sales of capital assets	200	200	1,750	1,550
Total other financing sources (uses)	<u>(2,300)</u>	<u>(2,300)</u>	<u>(750)</u>	<u>1,550</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(164,939)	(190,639)	(3,764)	186,875
Fund Balances, beginning of year	371,117	371,117	371,117	-
Prior Year Encumbrances	44,661	44,661	44,661	-
Fund Balances, end of year	<u>\$ 250,839</u>	<u>\$ 225,139</u>	<u>\$ 412,014</u>	<u>\$ 186,875</u>

CITY OF SIDNEY, OHIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
MUNICIPAL INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original Budget	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:				
Local taxes	\$ 11,549,800	\$ 11,549,800	\$ 12,339,269	\$ 789,469
Miscellaneous receipts and reimbursements	75	75	45	(30)
Total revenues	11,549,875	11,549,875	12,339,314	789,439
EXPENDITURES:				
Current:				
General government	222,562	222,562	216,593	5,969
Total expenditures	222,562	222,562	216,593	5,969
Excess of revenues over expenditures	11,327,313	11,327,313	12,122,721	795,408
OTHER FINANCING USES:				
Transfers out	(11,629,965)	(12,004,965)	(12,004,965)	-
Total other financing uses	(11,629,965)	(12,004,965)	(12,004,965)	-
Deficiency of revenues and other financing sources under expenditures and other financing uses	(302,652)	(677,652)	117,756	795,408
Fund Balances, beginning of year	919,903	919,903	919,903	-
Prior Year Encumbrances	2,652	2,652	2,652	-
Fund Balances, end of year	\$ 619,903	\$ 244,903	\$ 1,040,311	\$ 795,408

CITY OF SIDNEY, OHIO
Notes to the Required Supplementary Information
For the Year Ended December 31, 2005

Basis of Budgeting

Basis of budgeting refers to when revenues and expenditures or expenses are recognized in the accounts. The City of Sidney's budget for all funds is prepared on a cash-encumbrance basis by which transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against an applicable appropriation. All annual appropriations lapse at year-end to the extent they have not been expended or lawfully encumbered. Fund balances shown are unencumbered cash balances. This basis is utilized for all interim financial statements issued during the year.

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

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

Budget Process

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

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

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

CITY OF SIDNEY, OHIO

Notes to the Required Supplementary Information
For the Year Ended December 31, 2005

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

Reconciliation of Budget Basis to GAAP Basis

The adjustments necessary to convert the results of operations for the year ended December 31, 2005, from the GAAP basis to the budget basis are as follows:

	General Fund	Street Repair & Maintenance Fund	Municipal Income Tax Fund
Net change in fund balance - <i>GAAP Basis</i>	\$ 766,118	\$ 56,806	\$ 411,444
Increase / (decrease):			
Due to revenues	824,166	(14,265)	(412,108)
Due to expenditures	(821,901)	(46,305)	(6,553)
Due to other financing sources and uses	<u>(99,978)</u>	<u>-</u>	<u>124,973</u>
Excess/(deficiency) of revenues and other sources over/(under) expenditures and other uses - Budget Basis	<u>\$ 668,405</u>	<u>\$ (3,764)</u>	<u>\$ 117,756</u>

SUPPLEMENTAL SECTION

CITY OF SIDNEY, OHIO
Fund Descriptions

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Major special revenue funds:

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

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

Non-major special revenue funds:

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

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

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

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

Transportation Fund. To account for the operation and maintenance of the Shelby Public Transit (formerly Dial-A-Ride) service.

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

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

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

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

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

CITY OF SIDNEY, OHIO
Fund Descriptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF SIDNEY, OHIO
Fund Descriptions

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

CAPITAL PROJECTS FUNDS

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

Major capital projects funds:

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

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

Non-major capital projects fund:

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

Walkway Grant Fund. To account for the financial resources used for the construction of the Canal Path Walkway.

ENTERPRISE FUNDS

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

Major enterprise funds:

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

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

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

CITY OF SIDNEY, OHIO
Fund Descriptions

Non-major enterprise funds:

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

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

INTERNAL SERVICE FUNDS

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

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

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

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

AGENCY FUNDS

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

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

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

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

River Clean Up Fund. To account for funds collected and disbursed on behalf of the Upper Great Miami River Watershed Protection Project.

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2005**

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Pooled cash and investments	\$ 2,878,288	\$ 36,339	\$ 2,914,627
Cash held by outside agent	8,473	-	8,473
Receivables (net):			
Other taxes	4,711	-	4,711
Interest	20,025	-	20,025
Loans	69,112	-	69,112
Special assessments	-	2,089	2,089
Other	46,837	-	46,837
Due from other funds	5,308	-	5,308
Receivables from other governments	62,922	-	62,922
Inventory	17,201	-	17,201
Prepaid items	759	-	759
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,113,636</u>	<u>\$ 38,428</u>	<u>\$ 3,152,064</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 79,030	\$ -	\$ 79,030
Salaries and benefits payable	64,155	-	64,155
Due to other funds	5,308	-	5,308
Deferred revenue	125,815	2,089	127,904
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>274,308</u>	<u>2,089</u>	<u>276,397</u>
Fund Balances:			
Reserved for:			
Inventory	17,201	-	17,201
Prepaid items	759	-	759
Long-term loans receivable	69,112	-	69,112
Encumbrances	37,714	9,756	47,470
Unreserved	2,714,542	26,583	2,741,125
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,839,328</u>	<u>36,339</u>	<u>2,875,667</u>
	<u>\$ 3,113,636</u>	<u>\$ 38,428</u>	<u>\$ 3,152,064</u>
Total liabilities and fund balances	<u>\$ 3,113,636</u>	<u>\$ 38,428</u>	<u>\$ 3,152,064</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
REVENUES:			
Local taxes	\$ 69,865	\$ -	\$ 69,865
Intergovernmental revenues	1,386,001	-	1,386,001
Special assessments	-	9,209	9,209
Charges for services	247,702	-	247,702
Fines, licenses and permits	103,087	-	103,087
Investment income	42,422	-	42,422
Miscellaneous receipts and reimbursements	44,577	20,000	64,577
	<u>1,893,654</u>	<u>29,209</u>	<u>1,922,863</u>
EXPENDITURES:			
Current:			
General government	48,495	-	48,495
Police	226,921	-	226,921
Fire	60,402	-	60,402
Judicial	72,491	-	72,491
Health	185,517	-	185,517
Public transportation	532,245	-	532,245
Street repairs and maintenance	200,975	-	200,975
Community development	219,143	-	219,143
Community environment	156	6,933	7,089
Parks and recreation	135,637	-	135,637
Basic utility services	283,767	-	283,767
Capital outlay	371,720	2,200	373,920
Debt service:			
Principal	20,000	-	20,000
Interest	2,695	-	2,695
	<u>2,360,164</u>	<u>9,133</u>	<u>2,369,297</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(466,510)</u>	<u>20,076</u>	<u>(446,434)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	371,100	-	371,100
Transfers out	(50,039)	-	(50,039)
	<u>321,061</u>	<u>-</u>	<u>321,061</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(145,449)	20,076	(125,373)
Fund balances, beginning of year	<u>2,984,777</u>	<u>16,263</u>	<u>3,001,040</u>
Fund balances, end of year	<u>\$ 2,839,328</u>	<u>\$ 36,339</u>	<u>\$ 2,875,667</u>

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2005

(continued)

	State Highway	County Auto License	Stormwater Management	Cemetery	Transportation	C.D.B.G.	C.D.B.G. Revolving Loan	C.D.B.G. Program Income	H.O.M.E. Program Income
ASSETS									
Pooled cash and investments	\$ 13,054	\$ 30,374	\$ 36,854	\$ 50,110	\$ 108,433	\$ 170,364	\$ 288,052	\$ 1,657	\$ 33,923
Cash held by outside agent	-	8,473	-	-	-	-	-	-	-
Receivables (net):									
Other taxes	-	-	-	-	-	-	-	-	-
Interest	164	-	-	-	-	2,116	3,878	21	422
Loans	-	-	-	-	-	-	69,112	-	-
Other	-	-	33	11,085	-	20,135	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Receivables from other governments	62,922	-	-	-	-	-	-	-	-
Inventory	-	-	17,201	-	-	-	-	-	-
Prepaid items	-	-	-	384	-	-	-	-	-
Total assets	\$ 76,140	\$ 38,847	\$ 54,088	\$ 61,579	\$ 108,433	\$ 192,615	\$ 361,042	\$ 1,678	\$ 34,345
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 1,165	\$ 263	\$ 36,388	\$ 6,746	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	10,839	9,480	21,751	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	57,263	8,473	-	10,931	-	22,176	3,462	20	407
Total liabilities	\$ 57,263	\$ 8,473	\$ 12,004	\$ 20,674	\$ 58,139	\$ 28,922	\$ 3,462	\$ 20	\$ 407
Fund Balances:									
Reserved for:									
Inventory	-	-	17,201	-	-	-	-	-	-
Prepaid items	-	-	-	384	-	-	-	-	-
Long-term loans receivable	-	-	-	-	-	-	69,112	-	-
Encumbrances	-	-	2,452	2,147	3,559	11,752	12,377	545	2,818
Unreserved	18,877	30,374	22,431	38,374	46,735	151,941	276,091	1,113	31,120
Total fund balances	\$ 18,877	\$ 30,374	\$ 42,084	\$ 40,905	\$ 50,294	\$ 163,693	\$ 357,580	\$ 1,658	\$ 33,938
Total liabilities and fund balances	\$ 76,140	\$ 38,847	\$ 54,088	\$ 61,579	\$ 108,433	\$ 192,615	\$ 361,042	\$ 1,678	\$ 34,345

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2005

(continued)

	Parking Meter/ Off-Street Parking	Probation Grant	Convention and Visitors Bureau	Health Department Building Lease	FBMA Grant	Separation Payment	Insurance	Drug Law Enforcement	Law Enforcement
ASSETS									
Pooled cash and investments	\$ 99,211	\$ 9,841	\$ 12,781	\$ 123,988	\$ -	\$ 591,094	\$ 1,693	\$ 69,248	\$ 10,775
Cash held by outside agent	-	-	-	-	-	-	-	-	-
Receivables (net):									
Other taxes	-	-	4,711	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	2,995	-	-	-	100	-
Due from other funds	-	-	-	-	-	-	-	-	-
Receivables from other governments	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Prepaid items	375	-	-	-	-	-	-	-	-
	\$ 99,586	\$ 9,841	\$ 17,492	\$ 126,983	\$ -	\$ 591,094	\$ 1,693	\$ 69,348	\$ 10,775
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 12,781	\$ 143	\$ -	\$ -	\$ 1,853	\$ 87	\$ 75
Salaries and benefits payable	1,592	2,385	-	-	-	17,537	-	-	-
Due to other funds	-	-	-	-	-	-	-	5,308	-
Deferred revenue	-	-	-	-	-	-	-	-	-
	1,592	2,385	12,781	143	-	17,537	1,853	5,395	75
Fund Balances:									
Reserved for:									
Inventory	-	-	-	-	-	-	-	-	-
Prepaid items	375	-	-	-	-	-	-	-	-
Long-term loans receivable	-	-	-	-	-	-	-	-	-
Encumbrances	-	-	4,711	602	-	-	-	-	1,462
Unreserved	97,619	7,456	4,711	126,238	-	573,557	(160)	63,953	9,238
	97,994	7,456	4,711	126,840	-	573,557	(160)	63,953	10,700
Total liabilities and fund balances	\$ 99,586	\$ 9,841	\$ 17,492	\$ 126,983	\$ -	\$ 591,094	\$ 1,693	\$ 69,348	\$ 10,775

CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2005

	Indigent Driver Alcohol Treatment	Enforcement & Education	OCIS Grant	Imprest Cash	Fire Loss Security	Capital Investment	Cemetery Maintenance	Mausoleum Maintenance	Non-major Special Revenue Funds Totals
ASSETS									
Pooled cash and investments	\$ 107,120	\$ 23,334	\$ 4,127	\$ 2,300	\$ 13,289	\$ 380,241	\$ 677,379	\$ 19,046	\$ 2,878,288
Cash held by outside agent	-	-	-	-	-	-	-	-	8,473
Receivables (net):									
Other taxes	-	-	-	-	-	-	-	-	4,711
Interest	-	-	-	-	-	4,741	8,446	237	20,025
Loans	-	-	-	-	-	-	-	-	69,112
Other	6,361	1,378	-	-	-	-	2,375	2,375	46,837
Due from other funds	5,308	-	-	-	-	-	-	-	5,308
Receivables from other governments	-	-	-	-	-	-	-	-	62,922
Inventory	-	-	-	-	-	-	-	-	17,201
Prepaid items	-	-	-	-	-	-	-	-	759
Total assets	\$ 118,789	\$ 24,712	\$ 4,127	\$ 2,300	\$ 13,289	\$ 384,982	\$ 688,200	\$ 21,658	\$ 3,113,636
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 8,000	-	\$ 4,127	\$ -	\$ 7,289	\$ -	\$ 113	\$ -	\$ 79,030
Salaries and benefits payable	-	571	-	-	-	-	-	-	64,155
Due to other funds	-	-	-	-	-	-	-	-	5,308
Deferred revenue	5,453	-	-	-	-	4,572	10,487	2,571	125,815
Total liabilities	13,453	571	4,127	-	7,289	4,572	10,600	2,571	274,308
Fund Balances:									
Reserved for:									
Inventory	-	-	-	-	-	-	-	-	17,201
Prepaid items	-	-	-	-	-	-	-	-	759
Long-term loans receivable	-	-	-	-	-	-	-	-	69,112
Encumbrances	-	-	-	-	-	-	-	-	37,714
Unreserved	105,336	24,141	-	2,300	6,000	380,410	677,600	19,087	2,714,542
Total fund balances	105,336	24,141	-	2,300	6,000	380,410	677,600	19,087	2,839,328
Total liabilities and fund balances	\$ 118,789	\$ 24,712	\$ 4,127	\$ 2,300	\$ 13,289	\$ 384,982	\$ 688,200	\$ 21,658	\$ 3,113,636

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, 2005

(continued)

REVENUES:	State Highway	County Auto License	Stormwater Management	Cemetery	Transportation	C.D.B.G.	C.D.B.G. Revolving Loan	C.D.B.G. Program Income	H.O.M.E. Program Income
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	88,136	140,373	-	-	274,970	431,134	-	-	-
Charges for services	-	-	-	63,921	169,097	-	-	-	-
Fines, licenses and permits	-	-	-	-	-	-	-	-	-
Investment income	1,103	-	-	-	-	1,679	8,282	62	13,451
Miscellaneous receipts and reimbursements	-	-	33	-	-	-	-	-	-
Total revenues	<u>89,239</u>	<u>140,373</u>	<u>33</u>	<u>63,921</u>	<u>444,067</u>	<u>432,813</u>	<u>8,282</u>	<u>62</u>	<u>13,451</u>
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Health	-	-	-	178,140	-	-	-	-	-
Public transportation	-	-	-	-	532,058	-	-	-	-
Street repairs and maintenance	95,575	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	140,399	364	1,398	-
Community environment	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Basic utility services	-	-	236,710	-	-	-	-	-	-
Capital outlay	-	110,000	-	-	30	188,680	531	869	8,152
Debt service:	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total expenditures	<u>95,575</u>	<u>110,000</u>	<u>236,710</u>	<u>178,140</u>	<u>532,088</u>	<u>329,079</u>	<u>895</u>	<u>2,267</u>	<u>8,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,336)</u>	<u>30,373</u>	<u>(236,677)</u>	<u>(114,219)</u>	<u>(88,021)</u>	<u>103,734</u>	<u>7,387</u>	<u>(2,205)</u>	<u>5,299</u>
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	225,000	107,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	<u>225,000</u>	<u>107,000</u>	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>(6,336)</u>	<u>30,373</u>	<u>(11,677)</u>	<u>(7,219)</u>	<u>(88,021)</u>	<u>103,734</u>	<u>7,387</u>	<u>(2,205)</u>	<u>5,299</u>
Fund balances, beginning of year	<u>25,213</u>	<u>1</u>	<u>53,761</u>	<u>48,124</u>	<u>138,315</u>	<u>99,959</u>	<u>350,193</u>	<u>3,863</u>	<u>28,639</u>
Fund balances, end of year	<u>\$ 18,877</u>	<u>\$ 30,374</u>	<u>\$ 42,084</u>	<u>\$ 40,905</u>	<u>\$ 50,294</u>	<u>\$ 163,693</u>	<u>\$ 357,580</u>	<u>\$ 1,658</u>	<u>\$ 33,938</u>

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, 2005

(continued)

REVENUES:	Parking Meter/ Off-Street Parking	Probation Grant	Convention and Visitors Bureau	Health Department Building Lease	FEMA Grant	Separation Payment	Insurance	Drug Law Enforcement	Law Enforcement
Local taxes	\$ -	\$ -	\$ 69,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	50,407	-	-	252,186	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines, licenses and permits	42,242	-	-	-	-	-	-	13,730	19,767
Investment income	-	-	-	-	-	-	-	-	-
Miscellaneous receipts and reimbursements	-	-	-	39,532	-	-	5,012	-	-
Total revenues	42,242	50,407	69,865	39,532	252,186	-	5,012	13,730	19,767
EXPENDITURES:									
Current:									
General government	-	-	-	-	6,432	12,647	29,416	-	-
Police	34,677	-	-	-	3,278	3,022	-	18,619	9,453
Fire	-	-	-	-	9,939	43,174	-	-	-
Judicial	-	45,595	-	-	-	4,891	-	-	-
Health	-	-	-	7,070	-	-	-	-	-
Public transportation	-	-	-	-	187	-	-	-	-
Street repairs and maintenance	-	-	-	-	51,664	53,736	-	-	-
Community development	-	-	76,982	-	-	-	-	-	-
Community environment	-	-	-	-	156	-	-	-	-
Parks and recreation	-	-	-	-	117,735	17,902	-	-	-
Basic utility services	-	-	-	-	17,224	29,833	-	-	-
Capital outlay	-	-	-	-	63,458	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-
Principal	-	-	-	20,000	-	-	-	-	-
Interest	-	-	-	2,695	-	-	-	-	-
Total expenditures	34,677	45,595	76,982	29,765	270,073	165,205	29,416	18,619	9,453
Excess (deficiency) of revenues over (under) expenditures	7,565	4,812	(7,117)	9,767	(17,887)	(165,205)	(24,404)	(4,889)	10,314
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	19,100	20,000	-	-
Transfers out	-	-	-	-	(15,039)	(25,000)	-	-	-
Total other financing sources (uses)	-	-	-	-	(15,039)	(5,900)	20,000	-	-
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	7,565	4,812	(7,117)	9,767	(32,926)	(171,105)	(4,404)	(4,889)	10,314
Fund balances, beginning of year	90,429	2,644	11,828	117,073	32,926	744,662	4,244	68,842	386
Fund balances, end of year	97,994	7,456	4,711	126,840	-	573,557	(160)	63,953	10,700

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, 2005

	Indigent Driver Alcohol Treatment	Enforcement & Education	OCJS Grant	Imprest Cash	Fire Loss Security	Capital Investment	Cemetery Maintenance	Mausoleum Maintenance	Non-major Special Revenue Funds Totals
REVENUES:									
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,865
Intergovernmental revenues	-	-	148,795	-	-	-	-	-	1,386,001
Charges for services	-	-	-	-	6,000	-	7,923	761	247,702
Fines, licenses and permits	18,850	8,498	-	-	-	-	-	-	103,087
Investment income	-	-	-	-	-	6,333	11,212	300	42,422
Miscellaneous receipts and reimbursements	-	-	-	-	-	-	-	-	44,577
Total revenues	18,850	8,498	148,795	-	6,000	6,333	19,135	1,061	1,893,654
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	-	-	48,495
Police	-	6,429	151,443	-	-	-	-	-	226,921
Fire	-	-	-	-	7,289	-	-	-	60,402
Judicial	22,005	-	-	-	-	-	-	-	72,491
Health	-	-	-	-	-	-	307	-	185,517
Public transportation	-	-	-	-	-	-	-	-	532,245
Street repairs and maintenance	-	-	-	-	-	-	-	-	200,975
Community development	-	-	-	-	-	-	-	-	219,143
Community environment	-	-	-	-	-	-	-	-	156
Leisure time activities	-	-	-	-	-	-	-	-	135,637
Basic utility services	-	-	-	-	-	-	-	-	283,767
Capital outlay	-	-	-	-	-	-	-	-	371,720
Debt service:									
Principal	-	-	-	-	-	-	-	-	20,000
Interest	-	-	-	-	-	-	-	-	2,695
Total expenditures	22,005	6,429	151,443	-	7,289	-	307	-	2,560,164
Excess (deficiency) of revenues over (under) expenditures	(3,155)	2,069	(2,648)	-	(1,289)	6,333	18,828	1,061	(466,510)
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	-	-	-	371,100
Transfers out	-	-	-	-	-	-	(10,000)	-	(50,039)
Total other financing sources (uses)	-	-	-	-	-	-	(10,000)	-	321,061
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(3,155)	2,069	(2,648)	-	(1,289)	6,333	8,828	1,061	(145,449)
Fund balances, beginning of year	108,491	22,072	2,648	2,300	7,289	374,077	668,772	18,026	2,984,777
Fund balances, end of year	\$ 105,336	\$ 24,141	\$ -	\$ 2,300	\$ 6,000	\$ 380,410	\$ 677,600	\$ 19,087	\$ 2,839,328

**CITY OF SIDNEY, OHIO
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2005**

	Special Assessment Construction	Walkway Grant	Non-major Capital Projects Funds Totals
ASSETS			
Pooled cash and investments	\$ 16,339	\$ 20,000	\$ 36,339
Receivables (net):			
Special assessments	<u>2,089</u>	<u>-</u>	<u>2,089</u>
 Total assets	 <u>\$ 18,428</u>	 <u>\$ 20,000</u>	 <u>\$ 38,428</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Deferred revenue	<u>2,089</u>	<u>-</u>	<u>2,089</u>
 Total liabilities	 <u>2,089</u>	 <u>-</u>	 <u>2,089</u>
Fund Balances:			
Reserved for:			
Encumbrances	9,756	-	9,756
Unreserved	<u>6,583</u>	<u>20,000</u>	<u>26,583</u>
 Total fund balances	 <u>16,339</u>	 <u>20,000</u>	 <u>36,339</u>
 Total liabilities and fund balances	 <u>\$ 18,428</u>	 <u>\$ 20,000</u>	 <u>\$ 38,428</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, 2005

	Special Assessment Construction	Walkway Grant	Non-major Capital Projects Funds Totals
REVENUES:			
Special assessments	\$ 9,209	\$ -	\$ 9,209
Miscellaneous receipts and reimbursements	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total revenues	<u>9,209</u>	<u>20,000</u>	<u>29,209</u>
EXPENDITURES:			
Current:			
Community environment	6,933	-	6,933
Capital outlay	<u>2,200</u>	<u>-</u>	<u>2,200</u>
Total expenditures	<u>9,133</u>	<u>-</u>	<u>9,133</u>
Excess of revenues over expenditures	76	20,000	20,076
Excess of revenues and other financing sources over/(under) expenditures and other financing uses	76	20,000	20,076
Fund balances, beginning of year	<u>16,263</u>	<u>-</u>	<u>16,263</u>
Fund balances, end of year	<u>\$ 16,339</u>	<u>\$ 20,000</u>	<u>\$ 36,339</u>

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
NON-MAJOR ENTERPRISE FUNDS
DECEMBER 31, 2005**

	<u>Airport</u>	<u>Swimming Pool</u>	<u>Non-major Enterprise Funds Totals</u>
ASSETS			
Current assets:			
Pooled cash and investments	\$ 64,885	\$ 28,842	\$ 93,727
Receivables (net):			
Accounts	20,183	-	20,183
Inventory	17,150	-	17,150
Prepaid items	<u>2,447</u>	<u>-</u>	<u>2,447</u>
Total current assets	<u>104,665</u>	<u>28,842</u>	<u>133,507</u>
Noncurrent assets:			
Capital assets:			
Capital assets not subject to depreciation:			
Land	309,265	-	309,265
Capital assets net of accumulated depreciation	<u>1,394,826</u>	<u>1,180,489</u>	<u>2,575,315</u>
Total noncurrent assets	<u>1,704,091</u>	<u>1,180,489</u>	<u>2,884,580</u>
Total assets	<u>\$ 1,808,756</u>	<u>\$ 1,209,331</u>	<u>\$ 3,018,087</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,379	\$ 39	\$ 2,418
Salaries and benefits payable	4,583	1,171	5,754
Deferred revenue	<u>4,621</u>	<u>-</u>	<u>4,621</u>
Total current liabilities	<u>11,583</u>	<u>1,210</u>	<u>12,793</u>
Noncurrent liabilities:			
Compensated absences	<u>7,974</u>	<u>-</u>	<u>7,974</u>
Total noncurrent liabilities	<u>7,974</u>	<u>-</u>	<u>7,974</u>
Total liabilities	<u>19,557</u>	<u>1,210</u>	<u>20,767</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,704,091	1,180,489	2,884,580
Unrestricted	<u>85,108</u>	<u>27,632</u>	<u>112,740</u>
Total net assets	<u>1,789,199</u>	<u>1,208,121</u>	<u>2,997,320</u>
Total liabilities and net assets	<u>\$ 1,808,756</u>	<u>\$ 1,209,331</u>	<u>\$ 3,018,087</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, 2005

	<u>Airport</u>	<u>Swimming Pool</u>	<u>Non-major Enterprise Funds Totals</u>
OPERATING REVENUES:			
Charges for services	\$ 261,493	\$ 88,328	\$ 349,821
Other revenue	<u>16,405</u>	<u>733</u>	<u>17,138</u>
Total operating revenues	<u>277,898</u>	<u>89,061</u>	<u>366,959</u>
OPERATING EXPENSES:			
Personal services	26,520	86,446	112,966
Operations and maintenance	66,435	37,439	103,874
Depreciation	<u>50,782</u>	<u>33,919</u>	<u>84,701</u>
Total operating expenses	<u>143,737</u>	<u>157,804</u>	<u>301,541</u>
Operating income (loss)	<u>134,161</u>	<u>(68,743)</u>	<u>65,418</u>
NONOPERATING REVENUE:			
Intergovernmental	<u>243,017</u>	<u>-</u>	<u>243,017</u>
Total nonoperating revenue	<u>243,017</u>	<u>-</u>	<u>243,017</u>
Income (loss) before contributions and transfers	<u>377,178</u>	<u>(68,743)</u>	<u>308,435</u>
Capital contributions	-	124,383	124,383
Transfers in	<u>71,660</u>	<u>43,000</u>	<u>114,660</u>
Change in net assets	448,838	98,640	547,478
Net assets, beginning of year	<u>1,340,361</u>	<u>1,109,481</u>	<u>2,449,842</u>
Net assets, end of year	<u>\$ 1,789,199</u>	<u>\$ 1,208,121</u>	<u>\$ 2,997,320</u>

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Airport	Swimming Pool	Non-major Enterprise Funds Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 272,202	\$ 89,061	\$ 361,263
Payments to suppliers	(270,064)	(38,155)	(308,219)
Payments to employees	(25,039)	(85,854)	(110,893)
Payments for interfund services used	(1,391)	-	(1,391)
Net cash used by operating activities	<u>(24,292)</u>	<u>(34,948)</u>	<u>(59,240)</u>
Cash flows from noncapital financing activities:			
Transfers in	71,660	43,000	114,660
Intergovernmental	243,017	-	243,017
Net cash provided by noncapital financing activities	<u>314,677</u>	<u>43,000</u>	<u>357,677</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(464,564)	-	(464,564)
Net cash used by capital and related financing activities	<u>(464,564)</u>	<u>-</u>	<u>(464,564)</u>
Net increase (decrease) in pooled cash and investments	(174,179)	8,052	(166,127)
Pooled cash and cash equivalents, beginning of year	239,064	20,790	259,854
Pooled cash and cash equivalents, end of year	<u>\$ 64,885</u>	<u>\$ 28,842</u>	<u>\$ 93,727</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating income (loss)	\$ 134,161	\$ (68,743)	\$ 65,418
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation	50,782	33,919	84,701
Change in assets and liabilities:			
Accounts receivable	(17,929)	-	(17,929)
Other receivables	10,595	-	10,595
Inventory	75	-	75
Prepaid items	(2)	-	(2)
Accounts payable	(205,064)	(716)	(205,780)
Salaries and benefits payable and compensated absences	1,481	592	2,073
Due to other funds	(29)	-	(29)
Deferred revenue	1,638	-	1,638
Net cash used by operating activities	<u>\$ (24,292)</u>	<u>\$ (34,948)</u>	<u>\$ (59,240)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets from governmental funds	<u>\$ -</u>	<u>\$ 122,913</u>	<u>\$ 122,913</u>

**CITY OF SIDNEY, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
DECEMBER 31, 2005**

	Service Center	Technology	Self- Insurance	Internal Service Totals
ASSETS				
Current assets:				
Pooled cash and investments	\$ 14,188	\$ 29,648	\$ 840,924	\$ 884,760
Receivables (net):				
Interest	-	-	10,430	10,430
Other	-	-	1,017	1,017
Inventory	25,069	2,866	-	27,935
Prepaid items	6,704	2,508	-	9,212
	<u>45,961</u>	<u>35,022</u>	<u>852,371</u>	<u>933,354</u>
Total current assets				
Noncurrent assets:				
Capital assets, net of accumulated depreciation	508,790	186,006	-	694,796
	<u>508,790</u>	<u>186,006</u>	<u>-</u>	<u>694,796</u>
Total noncurrent assets				
	<u>508,790</u>	<u>186,006</u>	<u>-</u>	<u>694,796</u>
Total assets	<u>\$ 554,751</u>	<u>\$ 221,028</u>	<u>\$ 852,371</u>	<u>\$ 1,628,150</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 14,620	\$ 6,328	\$ 75,840	\$ 96,788
Salaries and benefits payable	31,750	11,651	-	43,401
	<u>46,370</u>	<u>17,979</u>	<u>75,840</u>	<u>140,189</u>
Total current liabilities				
Noncurrent liabilities:				
Compensated absences	30,122	-	-	30,122
	<u>30,122</u>	<u>-</u>	<u>-</u>	<u>30,122</u>
Total noncurrent liabilities				
	<u>30,122</u>	<u>-</u>	<u>-</u>	<u>30,122</u>
Total liabilities	<u>76,492</u>	<u>17,979</u>	<u>75,840</u>	<u>170,311</u>
NET ASSETS				
Invested in capital assets, net of related debt	508,790	186,006	-	694,796
Unrestricted	(30,531)	17,043	776,531	763,043
	<u>478,259</u>	<u>203,049</u>	<u>776,531</u>	<u>1,457,839</u>
Total net assets				
	<u>478,259</u>	<u>203,049</u>	<u>776,531</u>	<u>1,457,839</u>
Total liabilities and net assets	<u>\$ 554,751</u>	<u>\$ 221,028</u>	<u>\$ 852,371</u>	<u>\$ 1,628,150</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Service Center	Technology	Self- Insurance	Internal Service Totals
OPERATING REVENUES:				
Charges for services	\$ 608,561	\$ 269,896	\$ 2,450,935	\$ 3,329,392
Other revenue	<u>63</u>	<u>251</u>	<u>6,085</u>	<u>6,399</u>
Total operating revenues	<u>608,624</u>	<u>270,147</u>	<u>2,457,020</u>	<u>3,335,791</u>
OPERATING EXPENSES:				
Personal services	230,274	141,044	-	371,318
Operations and maintenance	429,366	154,623	1,690,208	2,274,197
Depreciation	<u>34,969</u>	<u>31,787</u>	<u>-</u>	<u>66,756</u>
Total operating expenses	<u>694,609</u>	<u>327,454</u>	<u>1,690,208</u>	<u>2,712,271</u>
Operating income (loss)	<u>(85,985)</u>	<u>(57,307)</u>	<u>766,812</u>	<u>623,520</u>
NONOPERATING REVENUES:				
Investment income	<u>-</u>	<u>-</u>	<u>9,532</u>	<u>9,532</u>
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>9,532</u>	<u>9,532</u>
Income (loss) before capital contributions and transfers	(85,985)	(57,307)	776,344	633,052
Capital contributions	11,500	185,418	-	196,918
Transfers in	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
	<u>36,500</u>	<u>185,418</u>	<u>-</u>	<u>221,918</u>
Change in net assets	(49,485)	128,111	776,344	854,970
Net assets, beginning of year	<u>527,744</u>	<u>74,938</u>	<u>187</u>	<u>602,869</u>
Net assets, end of year	<u>\$ 478,259</u>	<u>\$ 203,049</u>	<u>\$ 776,531</u>	<u>\$ 1,457,839</u>

**CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Service Center	Technology	Self- Insurance	Internal Service Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 1,356	\$ -	\$ 11,000	\$ 12,356
Receipts from interfund services	631,652	270,147	2,456,480	3,358,279
Payments to suppliers	(395,500)	(148,924)	(1,880,513)	(2,424,937)
Payments to employees	(236,224)	(138,640)	-	(374,864)
Payments for interfund services used	(35,771)	(7)	-	(35,778)
Net cash provided (used) by operating activities	(34,487)	(17,424)	586,967	535,056
Cash flows from noncapital financing activities:				
Transfers-in	25,000	-	-	25,000
Net cash provided by noncapital financing activities	25,000	-	-	25,000
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(7,795)	-	-	(7,795)
Net cash used in capital and related financing activities	(7,795)	-	-	(7,795)
Cash flows from investing activities:				
Interest on investments	-	-	8,124	8,124
Net unrealized gain on investments	-	-	(6,998)	(6,998)
Net cash provided by investing activities	-	-	1,126	1,126
Net increase (decrease) in pooled cash and investments	(17,282)	(17,424)	588,093	553,387
Pooled cash and investments, beginning of year	31,470	47,072	252,831	331,373
Pooled cash and investments, end of year	\$ 14,188	\$ 29,648	\$ 840,924	\$ 884,760
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (85,985)	\$ (57,307)	\$ 766,812	\$ 623,520
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	34,969	31,787	-	66,756
Change in assets and liabilities:				
Other receivables	-	-	10,460	10,460
Due from other funds	24,385	-	-	24,385
Prepaid items	2,122	6,521	13,500	22,143
Inventory	24,865	(392)	-	24,473
Accounts payable	(28,892)	(437)	(203,805)	(233,134)
Salaries and benefits payable and compensated absences	(5,951)	2,404	-	(3,547)
Net cash provided (used) by operating activities	\$ (34,487)	\$ (17,424)	\$ 586,967	\$ 535,056
Noncash investing, capital and financing activities:				
Contributions of capital assets from government	\$ 11,500	\$ 185,418	\$ -	\$ 196,918

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2005

	Municipal Court	Medical Reimbursement	Port Jefferson	River Clean-Up	Agency Funds Totals
ASSETS					
Pooled cash and investments	\$ -	\$ 12,508	\$ 2,769	\$ 4,714	\$ 19,991
Municipal Court checking account	117,167	-	-	-	117,167
Accounts receivable	<u>-</u>	<u>-</u>	<u>6,824</u>	<u>-</u>	<u>6,824</u>
Total assets	<u>\$ 117,167</u>	<u>\$ 12,508</u>	<u>\$ 9,593</u>	<u>\$ 4,714</u>	<u>\$ 143,982</u>
LIABILITIES					
Due to employees	\$ -	\$ 6,660	\$ -	\$ -	\$ 6,660
Due to other governments	97,816	-	9,593	-	107,409
Undistributed monies	<u>19,351</u>	<u>5,848</u>	<u>-</u>	<u>4,714</u>	<u>29,913</u>
Total liabilities	<u>\$ 117,167</u>	<u>\$ 12,508</u>	<u>\$ 9,593</u>	<u>\$ 4,714</u>	<u>\$ 143,982</u>

CITY OF SIDNEY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Balance at January 1, 2005	Additions	Deductions	Balance at December 31, 2005
<u>Municipal Court Fund</u>				
ASSETS				
Municipal Court checking account	\$ 100,944	\$ 1,920,000	\$ 1,903,777	\$ 117,167
LIABILITIES				
Due to other governments	\$ 75,369	1,224,413	1,201,966	\$ 97,816
Undistributed monies	25,575	695,587	701,811	19,351
Total liabilities	\$ 100,944	\$ 1,920,000	\$ 1,903,777	\$ 117,167
<u>Medical Reimbursement Fund</u>				
ASSETS				
Pooled cash and investments	\$ 13,394	\$ 86,402	\$ 87,288	\$ 12,508
LIABILITIES				
Due to employees	\$ 5,804	\$ 86,402	\$ 85,546	\$ 6,660
Undistributed monies	7,590	-	1,742	5,848
Total liabilities	\$ 13,394	\$ 86,402	\$ 87,288	\$ 12,508
<u>Port Jefferson Fund</u>				
ASSETS				
Pooled cash and investments	\$ 1,057	\$ 62,366	\$ 60,654	\$ 2,769
Accounts receivable	5,781	63,539	62,496	6,824
	\$ 6,838	\$ 125,905	\$ 123,150	\$ 9,593
LIABILITIES				
Due to other governments	\$ 6,838	\$ 125,905	\$ 123,150	\$ 9,593
<u>River Clean-Up Fund</u>				
ASSETS				
Pooled cash and investments	\$ -	\$ 10,254	\$ 5,540	\$ 4,714
LIABILITIES				
Undistributed monies	\$ -	\$ 10,254	\$ 5,540	\$ 4,714



CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 1,543,503	\$ 1,545,565	\$ 2,062
Intergovernmental revenues	1,374,600	1,423,053	48,453
Special assessments	204,500	227,144	22,644
Charges for services	1,294,703	1,408,393	113,690
Fines, licenses and permits	177,100	156,420	(20,680)
Investment income	280,500	286,801	6,301
Miscellaneous receipts and reimbursements	848,850	845,714	(3,136)
Total revenues	5,723,756	5,893,090	169,334
EXPENDITURES:			
Current:			
General government			
City Council			
Personal services	79,965	78,585	1,380
Contractual, materials and other	49,747	44,245	5,502
City Administration			
Personal services	225,300	220,378	4,922
Contractual, materials and other	24,435	21,363	3,072
Finance			
Personal services	374,490	374,156	334
Contractual, materials and other	115,668	114,452	1,216
Law Director			
Personal services	67,740	67,056	684
Contractual, materials and other	31,147	27,958	3,189
Personnel			
Personal services	103,290	102,324	966
Contractual, materials and other	122,132	112,878	9,254
County Auditor Deductions			
Contractual, materials and other	134,530	134,530	-
Purchasing			
Personal services	98,660	98,219	441
Contractual, materials and other	34,723	34,197	526
City Hall			
Personal services	50,195	48,910	1,285
Contractual, materials and other	193,996	191,273	2,723
Miscellaneous			
Contractual, materials and other	478,270	465,825	12,445
Total general government	2,184,288	2,136,349	47,939
Public safety and judicial			
Police Services			
Personal services	4,293,130	4,159,659	133,471
Contractual, materials and other	735,507	654,599	80,908
Fire Services			
Personal services	3,330,340	3,290,862	39,478
Contractual, materials and other	458,580	428,428	30,152

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

(continued)

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
Municipal Court			
Personal services	835,025	833,145	1,880
Contractual, materials and other	295,223	273,654	21,569
Prosecutor			
Personal services	139,810	137,888	1,922
Contractual, materials and other	63,905	59,902	4,003
Street Lighting Department			
Contractual, materials and other	200,430	159,738	40,692
Total public safety	<u>10,351,950</u>	<u>9,997,875</u>	<u>354,075</u>
Community environment			
Building Inspection			
Personal services	116,030	103,135	12,895
Contractual, materials and other	15,987	13,045	2,942
Engineering			
Personal services	535,325	527,240	8,085
Contractual, materials and other	50,174	47,757	2,417
Community Planning & Development			
Personal services	79,395	78,601	794
Contractual, materials and other	31,877	29,343	2,534
Public Works			
Personal services	100,100	96,576	3,524
Contractual, materials and other	9,990	9,077	913
Code Enforcement			
Personal services	83,920	80,439	3,481
Contractual, materials and other	13,821	11,381	2,440
Total community environment	<u>1,036,619</u>	<u>996,594</u>	<u>40,025</u>
Parks and recreation			
Parks & Recreation - Administration			
Personal services	150,675	147,965	2,710
Contractual, materials and other	17,557	15,939	1,618
Parks & Recreation - Programs			
Personal services	50,360	40,782	9,578
Contractual, materials and other	51,922	49,900	2,022
Parks & Public Grounds			
Personal services	687,140	660,795	26,345
Contractual, materials and other	241,846	231,574	10,272
Urban Forest			
Contractual, materials and other	57,200	56,791	409
Senior Center			
Contractual, materials and other	36,848	35,809	1,039
Total parks and recreation	<u>1,293,548</u>	<u>1,239,555</u>	<u>53,993</u>
Total expenditures	<u>14,866,405</u>	<u>14,370,373</u>	<u>496,032</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

(continued)

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
(Deficiency) of revenues over/(under) expenditures	(9,142,649)	(8,477,283)	665,366
OTHER FINANCING SOURCES (USES):			
Transfers in	9,303,972	9,603,972	300,000
Sales of capital assets	15,000	-	(15,000)
Transfers out	(458,284)	(458,284)	-
Total other financing sources (uses)	8,860,688	9,145,688	285,000
Excess (deficiency) of revenues and other financing sources over/ (under) expenditures and other financing uses	(281,961)	668,405	950,366
Fund Balances, beginning of year	3,291,475	3,291,475	-
Prior Year Encumbrances	186,459	186,459	-
Fund Balances, end of year	<u>\$ 3,195,973</u>	<u>\$ 4,146,339</u>	<u>\$ 950,366</u>



CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
STREET REPAIR AND MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 1,048,025	\$ 1,070,179	\$ 22,154
Miscellaneous receipts and reimbursements	<u>117,075</u>	<u>172,115</u>	<u>55,040</u>
Total revenues	<u>1,165,100</u>	<u>1,242,294</u>	<u>77,194</u>
EXPENDITURES:			
Current:			
Transportation			
Personal services	786,255	703,878	82,377
Contractual, materials and other	<u>567,184</u>	<u>541,430</u>	<u>25,754</u>
Total expenditures	<u>1,353,439</u>	<u>1,245,308</u>	<u>108,131</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(188,339)</u>	<u>(3,014)</u>	<u>185,325</u>
OTHER FINANCING SOURCES:			
Transfers out	(2,500)	(2,500)	-
Sale of assets	<u>200</u>	<u>1,750</u>	<u>1,550</u>
Total other financing sources	<u>(2,300)</u>	<u>(750)</u>	<u>1,550</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(190,639)	(3,764)	186,875
Fund Balances, beginning of year	371,117	371,117	-
Prior Year Encumbrances	<u>44,661</u>	<u>44,661</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 225,139</u>	<u>\$ 412,014</u>	<u>\$ 186,875</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
MUNICIPAL INCOME TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 11,549,800	\$ 12,339,269	\$ 789,469
Miscellaneous receipts and reimbursements	<u>75</u>	<u>45</u>	<u>(30)</u>
Total revenues	<u>11,549,875</u>	<u>12,339,314</u>	<u>789,439</u>
EXPENDITURES:			
Current:			
General government			
Personal services	184,680	181,132	3,548
Contractual, materials and other	<u>37,882</u>	<u>35,461</u>	<u>2,421</u>
Total expenditures	<u>222,562</u>	<u>216,593</u>	<u>5,969</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>11,327,313</u>	<u>12,122,721</u>	<u>795,408</u>
OTHER FINANCING USES:			
Transfers out	<u>(12,004,965)</u>	<u>(12,004,965)</u>	<u>-</u>
Total other financing uses	<u>(12,004,965)</u>	<u>(12,004,965)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(677,652)</u>	<u>117,756</u>	<u>795,408</u>
Fund Balances, beginning of year	919,903	919,903	-
Prior Year Encumbrances	<u>2,652</u>	<u>2,652</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 244,903</u>	<u>\$ 1,040,311</u>	<u>\$ 795,408</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 84,975	\$ 86,771	\$ 1,796
Investment income	600	1,251	651
Total revenues	<u>85,575</u>	<u>88,022</u>	<u>2,447</u>
EXPENDITURES:			
Current:			
Transportation			
Contractual, materials and other	95,575	95,575	-
Total expenditures	<u>95,575</u>	<u>95,575</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	(10,000)	(7,553)	2,447
Fund Balances, beginning of year	20,872	20,872	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 10,872</u>	<u>\$ 13,319</u>	<u>\$ 2,447</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
COUNTY AUTO LICENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 110,000	\$ 140,373	\$ 30,373
EXPENDITURES:			
Contractual, materials and other	110,000	110,000	-
Total expenditures	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	-	30,373	30,373
Fund Balances, beginning of year	1	1	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 1</u>	<u>\$ 30,374</u>	<u>\$ 30,373</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
STORMWATER MANAGEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ -	\$ -	\$ -
EXPENDITURES:			
Current:			
Basic utility services			
Personal services	183,800	182,293	1,507
Contractual, materials and other	50,456	50,242	214
Total expenditures	<u>234,256</u>	<u>232,535</u>	<u>1,721</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(234,256)</u>	<u>(232,535)</u>	<u>(1,721)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Total other financing sources	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(9,256)	(7,535)	(1,721)
Fund Balances, beginning of year	38,773	38,773	-
Prior Year Encumbrances	1,996	1,996	-
Fund Balances, end of year	<u>\$ 31,513</u>	<u>\$ 33,234</u>	<u>\$ (1,721)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CAPITAL INVESTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 9,000	\$ 9,721	\$ 721
EXPENDITURES			
	-	-	-
Excess (deficiency) of revenues over/ (under) expenditures	<u>9,000</u>	<u>9,721</u>	<u>721</u>
Fund Balances, beginning of year	376,420	376,420	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 385,420</u>	<u>\$ 386,141</u>	<u>\$ 721</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 74,300	\$ 62,444	\$ (11,856)
Miscellaneous receipts and reimbursements	<u>3,000</u>	<u>2,080</u>	<u>(920)</u>
Total revenues	<u>77,300</u>	<u>64,524</u>	<u>(12,776)</u>
EXPENDITURES:			
Current:			
Health			
Personal services	168,960	160,076	8,884
Contractual, materials and other	<u>24,855</u>	<u>20,745</u>	<u>4,110</u>
Total expenditures	<u>193,815</u>	<u>180,821</u>	<u>12,994</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(116,515)</u>	<u>(116,297)</u>	<u>218</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>107,000</u>	<u>107,000</u>	<u>-</u>
Total other financing sources	<u>107,000</u>	<u>107,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(9,515)	(9,297)	218
Fund Balances, beginning of year	56,736	56,736	-
Prior Year Encumbrances	<u>260</u>	<u>260</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 47,481</u>	<u>\$ 47,699</u>	<u>\$ 218</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 304,092	\$ 274,970	\$ (29,122)
Charges for services	218,100	169,097	(49,003)
Total revenues	<u>522,192</u>	<u>444,067</u>	<u>(78,125)</u>
EXPENDITURES:			
Current:			
Transportation			
Personal services	387,205	349,472	37,733
Contractual, materials and other	205,605	182,201	23,404
Total expenditures	<u>592,810</u>	<u>531,673</u>	<u>61,137</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(70,618)</u>	<u>(87,606)</u>	<u>(16,988)</u>
OTHER FINANCING SOURCES:			
Transfers in	60,000	-	(60,000)
Sales of assets	-	-	-
Total other financing sources	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>(10,618)</u>	<u>(87,606)</u>	<u>(76,988)</u>
Fund Balances, beginning of year	155,807	155,807	-
Prior Year Encumbrances	286	286	-
Fund Balances, end of year	<u>\$ 145,475</u>	<u>\$ 68,487</u>	<u>\$ (76,988)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
C.D.B.G. FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenue	\$ 349,690	\$ 431,134	\$ 81,444
Investment income	5,000	2,829	(2,171)
Total revenues	<u>354,690</u>	<u>433,963</u>	<u>79,273</u>
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	386,174	369,111	17,063
Total expenditures	<u>386,174</u>	<u>369,111</u>	<u>17,063</u>
Excess (deficiency) of revenues over/ (under) expenditures	(31,484)	64,852	96,336
Fund Balances, beginning of year	(1,420)	(1,420)	-
Prior Year Encumbrances	90,456	90,456	-
Fund Balances, end of year	<u>\$ 57,552</u>	<u>\$ 153,888</u>	<u>\$ 96,336</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
C.D.B.G. REVOLVING LOAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 23,180	\$ 24,299	\$ 1,119
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	209,641	13,272	196,369
Total expenditures	<u>209,641</u>	<u>13,272</u>	<u>196,369</u>
Excess (deficiency) of revenues over/ (under) expenditures	(186,461)	11,027	197,488
Fund Balances, beginning of year	259,349	259,349	-
Prior Year Encumbrances	9,641	9,641	-
Fund Balances, end of year	<u>\$ 82,529</u>	<u>\$ 280,017</u>	<u>\$ 197,488</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
C.D.B.G. PROGRAM INCOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 5,040	\$ 103	\$ (4,937)
EXPENDITURES	<u>8,000</u>	<u>5,767</u>	<u>2,233</u>
Excess (deficiency) of revenues over/ (under) expenditures	(2,960)	(5,664)	(2,704)
Fund Balances, beginning of year	6,843	6,843	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 3,883</u>	<u>\$ 1,179</u>	<u>\$ (2,704)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
H.O.M.E. PROGRAM INCOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Investment income	\$ 5,600	\$ 13,736	\$ 8,136
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	<u>33,818</u>	<u>10,970</u>	<u>22,848</u>
Total expenditures	<u>33,818</u>	<u>10,970</u>	<u>22,848</u>
Excess (deficiency) of revenues over/ (under) expenditures	(28,218)	2,766	30,984
Fund Balances, beginning of year	26,009	26,009	-
Prior Year Encumbrances	2,818	2,818	-
Fund Balances, end of year	<u>\$ 609</u>	<u>\$ 31,593</u>	<u>\$ 30,984</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
PARKING METER AND OFF-STREET PARKING FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 37,500	\$ 42,242	\$ 4,742
EXPENDITURES:			
Current:			
Public safety and judicial			
Personal services	27,050	25,944	1,106
Contractual, materials and other	11,056	8,702	2,354
Total expenditures	<u>38,106</u>	<u>34,646</u>	<u>3,460</u>
Excess (deficiency) of revenues over/ (under) expenditures	(606)	7,596	8,202
Fund Balances, beginning of year	91,615	91,615	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 91,009</u>	<u>\$ 99,211</u>	<u>\$ 8,202</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
PROBATION GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 50,400	\$ 50,407	\$ 7
EXPENDITURES:			
Current:			
Public safety and judicial			
Personal services	51,205	45,659	5,546
Contractual, materials and other	280	261	19
Total expenditures	<u>51,485</u>	<u>45,920</u>	<u>5,565</u>
Excess (deficiency) of revenues over/ (under) expenditures	(1,085)	4,487	5,572
Fund Balances, beginning of year	5,354	5,354	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 4,269</u>	<u>\$ 9,841</u>	<u>\$ 5,572</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CONVENTION AND VISITORS' BUREAU FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Local taxes	\$ 63,300	\$ 69,586	\$ 6,286
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	64,200	64,200	-
Total expenditures	<u>64,200</u>	<u>64,200</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	(900)	5,386	6,286
Fund Balances, beginning of year	7,396	7,396	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 6,496</u>	<u>\$ 12,782</u>	<u>\$ 6,286</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
HEALTH DEPARTMENT BUILDING LEASE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 36,540	\$ 39,632	\$ 3,092
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	30,855	30,422	433
Total expenditures	<u>30,855</u>	<u>30,422</u>	<u>433</u>
Excess (deficiency) of revenues over/ (under) expenditures	5,685	9,210	3,525
Fund Balances, beginning of year	113,978	113,978	-
Prior Year Encumbrances	55	55	-
Fund Balances, end of year	<u>\$ 119,718</u>	<u>\$ 123,243</u>	<u>\$ 3,525</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
FEMA GRANT
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 252,186	\$ 252,185	\$ (1)
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	285,112	285,112	-
Excess (deficiency) of revenues over/ (under) expenditures	(32,926)	(32,927)	(1)
Fund Balances, beginning of year	32,927	32,927	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
SEPARATION PAYMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES:			
Current:			
General government			
Personal services	151,000	147,668	3,332
Total expenditures	151,000	147,668	3,332
Excess (deficiency) of revenues over/ (under) expenditures	(151,000)	(147,668)	3,332
OTHER FINANCING USES:			
Transfers out	(25,000)	(25,000)	-
Total other financing uses	(25,000)	(25,000)	-
OTHER FINANCING SOURCES:			
Transfers in	19,100	19,100	-
Total Other Financing Sources	19,100	19,100	-
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(156,900)	(153,568)	3,332
Fund Balances, beginning of year	744,662	744,662	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 587,762</u>	<u>\$ 591,094</u>	<u>\$ 3,332</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 10,000	\$ 5,012	\$ (4,988)
EXPENDITURES:			
Current:			
General government			
Contractual, materials and other	30,000	27,678	2,322
Total expenditures	<u>30,000</u>	<u>27,678</u>	<u>2,322</u>
Excess (deficiency) of revenues over/ (under) expenditures	(20,000)	(22,666)	(2,666)
OTHER FINANCING SOURCES:			
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	-	(2,666)	(2,666)
Fund Balances, beginning of year	4,358	4,358	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 4,358</u>	<u>\$ 1,692</u>	<u>\$ (2,666)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 16,000	\$ 19,211	\$ 3,211
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	60,000	18,606	41,394
Total expenditures	<u>60,000</u>	<u>18,606</u>	<u>41,394</u>
Excess (deficiency) of revenues over/ (under) expenditures	(44,000)	605	44,605
Fund Balances, beginning of year	68,643	68,643	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 24,643</u>	<u>\$ 69,248</u>	<u>\$ 44,605</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES			
Fines, licenses and permits	\$ 18,900	\$ 19,767	\$ 867
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	19,285	10,914	8,371
Total Expenditures	<u>19,285</u>	<u>10,914</u>	<u>8,371</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(385)</u>	<u>8,853</u>	<u>9,238</u>
Fund Balances, beginning of year	386	386	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 1</u>	<u>\$ 9,239</u>	<u>\$ 9,238</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
INDIGENT DRIVER ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 14,000	\$ 13,112	\$ (888)
EXPENDITURES:			
Current:			
Public safety			
Contractual, materials and other	25,000	14,006	10,994
Total expenditures	<u>25,000</u>	<u>14,006</u>	<u>10,994</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(11,000)</u>	<u>(894)</u>	<u>10,106</u>
Fund Balances, beginning of year	108,014	108,014	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 97,014</u>	<u>\$ 107,120</u>	<u>\$ 10,106</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
ENFORCEMENT & EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Fines, licenses and permits	\$ 6,000	\$ 7,462	\$ 1,462
EXPENDITURES:			
Current:			
Public safety and judicial			
Personal services	11,595	4,521	7,074
Contractual, materials and other	8,300	1,338	6,962
Total expenditures	<u>19,895</u>	<u>5,859</u>	<u>14,036</u>
Excess (deficiency) of revenues over/ (under) expenditures	(13,895)	1,603	15,498
Fund Balances, beginning of year	21,731	21,731	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 7,836</u>	<u>\$ 23,334</u>	<u>\$ 15,498</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
OCJS GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 159,264	\$ 159,264	\$ -
EXPENDITURES:			
Current:			
General government			
Contractual, materials and other	159,264	159,264	-
Total expenditures	<u>159,264</u>	<u>159,264</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	-	-	-
Fund Balances, beginning of year	(10,469)	(10,469)	-
Prior Year Encumbrances	10,469	10,469	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
IMPREST CASH FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
FIRE LOSS SECURITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES			
Charges for services	\$ -	\$ 6,000	\$ 6,000
EXPENDITURES:			
Current:			
Public safety and judicial			
Contractual, materials and other	<u>7,290</u>	<u>7,289</u>	<u>1</u>
Excess (deficiency) of revenues over/ (under) expenditures	(7,290)	(1,289)	5,999
Fund Balances, beginning of year	7,290	7,290	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ -</u>	<u>\$ 6,001</u>	<u>\$ 5,999</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
CEMETERY MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 11,000	\$ 8,124	\$ (2,876)
Investment income	15,000	17,252	2,252
Total revenues	<u>26,000</u>	<u>25,376</u>	<u>(624)</u>
EXPENDITURES:			
Current:			
Health			
Contractual, materials and other	350	306	44
Total expenditures	<u>350</u>	<u>306</u>	<u>44</u>
Excess (deficiency) of revenues over/ (under) expenditures	25,650	25,070	(580)
OTHER FINANCING USES:			
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	15,650	15,070	(580)
Fund Balances, beginning of year	672,837	672,837	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 688,487</u>	<u>\$ 687,907</u>	<u>\$ (580)</u>

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
MAUSOLEUM MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Charges for services	\$ 2,500	\$ 818	\$ (1,682)
Investment income	400	478	78
Total revenues	<u>2,900</u>	<u>1,296</u>	<u>(1,604)</u>
EXPENDITURES			
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over/ (under) expenditures	2,900	1,296	(1,604)
Fund Balances, beginning of year	18,039	18,039	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 20,939</u>	<u>\$ 19,335</u>	<u>\$ (1,604)</u>



CITY OF SIDNEY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 AT LEGAL LEVEL OF BUDGETARY CONTROL
 CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Intergovernmental revenues	\$ 1,043,200	\$ 1,055,534	\$ 12,334
Miscellaneous receipts and reimbursements	<u>-</u>	<u>118,087</u>	<u>118,087</u>
Total revenues	<u>1,043,200</u>	<u>1,173,621</u>	<u>130,421</u>
EXPENDITURES:			
Contractual, materials and other	<u>4,570,633</u>	<u>5,039,211</u>	<u>(468,578)</u>
Total expenditures	<u>4,570,633</u>	<u>5,039,211</u>	<u>(468,578)</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>(3,527,433)</u>	<u>(3,865,590)</u>	<u>(338,157)</u>
OTHER FINANCING SOURCES:			
Transfers in	<u>2,325,993</u>	<u>2,400,993</u>	<u>75,000</u>
Total other financing sources	<u>2,325,993</u>	<u>2,400,993</u>	<u>75,000</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>(1,201,440)</u>	<u>(1,464,597)</u>	<u>(263,157)</u>
Fund Balances, beginning of year	1,770,545	1,770,545	-
Prior Year Encumbrances	<u>643,490</u>	<u>643,490</u>	<u>-</u>
Fund Balances, end of year	<u>\$ 1,212,595</u>	<u>\$ 949,438</u>	<u>\$ (263,157)</u>

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES:			
Special assessments	\$ 17,000	\$ 9,209	\$ (7,791)
EXPENDITURES:			
Current:			
Community environment			
Contractual, materials and other	32,283	18,888	13,395
Total expenditures	32,283	18,888	13,395
Excess (deficiency) of revenues over/ (under) expenditures	(15,283)	(9,679)	5,604
Fund Balances, beginning of year	7,543	7,543	-
Prior Year Encumbrances	8,720	8,720	-
Fund Balances, end of year	\$ 980	\$ 6,584	\$ 5,604

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
POLICE FACILITY CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Final Budget	Actual Including Encumbrances	Variance from Final Budget
REVENUES			
Investment income	\$ 35,000	\$ 102,856	\$ 67,856
EXPENDITURES	5,662,400	5,501,706	160,694
Excess (deficiency) of revenues over/ (under) expenditures	(5,627,400)	(5,398,850)	228,550
OTHER FINANCING SOURCES:			
Sales of bonds	-	-	-
Fund Balances, beginning of year	792,070	792,070	-
Prior Year Encumbrances	4,836,008	4,836,008	-
Fund Balances, end of year	\$ 678	\$ 229,228	\$ 228,550

CITY OF SIDNEY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
AT LEGAL LEVEL OF BUDGETARY CONTROL
WALKWAY GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Final Budget</u>	<u>Actual Including Encumbrances</u>	<u>Variance from Final Budget</u>
REVENUES:			
Miscellaneous receipts and reimbursements	\$ 20,000	\$ 20,000	\$ -
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over/ (under) expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Fund Balances, beginning of year	-	-	-
Prior Year Encumbrances	-	-	-
Fund Balances, end of year	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>



STATISTICAL SECTION

CITY OF SIDNEY, OHIO
Statistical Section
December 31, 2005

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

<u>Contents</u>	<u>Page</u>
Financial Trends (Schedules 1 – 4)	
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	101 – 105
Revenue Capacity (Schedules 5 – 6)	
These schedules contain information to help the reader assess the City’s most significant local revenue source, the municipal income tax.	106 – 107
Debt Capacity (Schedules 7 - 8)	
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	108 – 109
Economic and Demographic Information (Schedules 9 – 10)	
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place.	110 – 111
Operating Information (Schedules 11 – 13)	
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	112 – 114

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



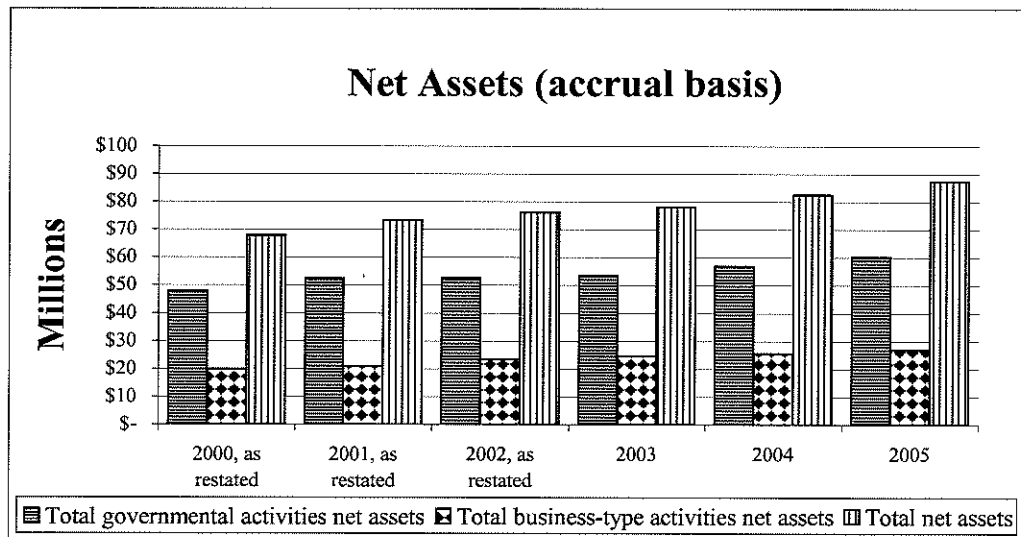
OHIO

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

Schedule 1

	Year Ended December 31,					
	2000, as restated	2001, as restated	2002, as restated	2003	2004	2005
Governmental activities						
Invested in capital assets, net of related debt	\$ 34,168,370	\$ 41,074,076	\$ 41,586,478	\$ 41,850,468	44,263,989	46,330,165
Restricted for:						
Other purposes	1,980,660	1,672,998	1,607,694	1,374,427	1,764,537	1,342,722
Unrestricted	11,818,243	9,694,440	9,523,194	10,240,893	10,957,084	12,637,014
Total governmental activities net assets	<u>47,967,273</u>	<u>52,441,514</u>	<u>52,717,366</u>	<u>53,465,788</u>	<u>56,985,610</u>	<u>60,309,901</u>
Business-type activities						
Invested in capital assets, net of related debt	15,865,656	16,502,437	19,338,974	19,460,644	21,277,102	23,416,686
Unrestricted	3,981,195	4,406,065	4,045,806	5,108,748	4,327,735	3,643,310
Total business-type activities net assets	<u>19,846,851</u>	<u>20,908,502</u>	<u>23,384,780</u>	<u>24,569,392</u>	<u>25,604,837</u>	<u>27,059,996</u>
Total						
Invested in capital assets, net of related debt	50,034,026	57,576,513	60,925,452	61,311,112	65,541,091	69,746,851
Restricted for:						
Other purposes	1,980,660	1,672,998	1,607,694	1,374,427	1,764,537	1,342,722
Unrestricted	15,799,438	14,100,505	13,569,000	15,349,641	15,284,819	16,280,324
Total net assets	<u>\$ 67,814,124</u>	<u>\$ 73,350,016</u>	<u>\$ 76,102,146</u>	<u>\$ 78,035,180</u>	<u>\$ 82,590,447</u>	<u>\$ 87,369,897</u>

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



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

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

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

Schedule 2

	Year Ended December 31,					
	2000, as restated	2001, as restated	2002, as restated	2003	2004	2005
Expenses						
Governmental activities:						
General government	1,723,485	1,998,119	1,905,469	1,782,921	1,489,376	1,614,428
Public safety	8,600,737	9,722,217	9,888,848	9,878,689	10,499,661	10,892,271
Health	174,196	261,687	270,727	295,910	218,608	202,737
Transportation	2,104,864	2,272,067	2,318,094	2,569,392	2,772,945	3,074,878
Community environment	1,298,061	1,190,075	1,379,329	1,313,960	1,430,611	1,368,786
Parks and recreation	1,150,509	1,211,315	1,338,190	1,400,906	1,427,369	1,469,323
Basic utility services	308,467	318,291	370,166	378,706	460,118	487,141
Interest on long-term debt	125,165	121,785	115,448	114,958	266,501	425,995
Total governmental activities expenses	<u>15,485,484</u>	<u>17,095,556</u>	<u>17,586,271</u>	<u>17,735,442</u>	<u>18,565,189</u>	<u>19,535,559</u>
Business-type activities:						
Water	2,515,576	2,588,130	2,599,989	2,657,083	2,930,771	2,959,127
Sewer	2,191,821	2,307,869	2,286,024	2,791,159	3,125,699	3,466,500
Solid Waste	999,249	915,794	1,012,932	1,003,765	1,038,399	1,048,669
Other business-type activities	314,250	286,496	324,786	364,138	448,909	300,401
Total business-type activities expenses	<u>6,020,896</u>	<u>6,098,289</u>	<u>6,223,731</u>	<u>6,816,145</u>	<u>7,543,778</u>	<u>7,774,697</u>
Total Expenses	<u>21,506,380</u>	<u>23,193,845</u>	<u>23,810,002</u>	<u>24,551,587</u>	<u>26,108,967</u>	<u>27,310,256</u>
Program Revenues						
Governmental activities:						
Public safety	1,492,875	1,495,815	1,399,883	1,850,965	1,901,789	1,893,515
Health	129,641	133,616	173,214	115,028	150,921	97,804
Transportation	3,520,102	5,597,599	1,944,035	1,799,891	4,985,199	3,917,009
Community environment	553,089	817,184	494,836	483,702	497,796	660,033
Parks and recreation	101,749	31,132	28,670	65,267	29,718	235,638
Basic utility services	-	-	-	-	-	17,224
Total governmental activities program revenues	<u>5,797,456</u>	<u>8,075,346</u>	<u>4,040,638</u>	<u>4,314,853</u>	<u>7,565,423</u>	<u>6,821,223</u>
Business-type activities:						
Water	2,879,475	2,835,353	3,127,229	3,109,280	3,321,811	3,562,350
Sewer	2,958,403	2,935,486	3,213,919	3,357,205	3,453,028	3,821,448
Solid Waste	763,583	666,804	884,872	845,898	927,527	874,119
Other business-type activities	236,221	213,127	281,415	254,713	548,303	609,976
Total business-type activities program revenues	<u>6,837,682</u>	<u>6,650,770</u>	<u>7,507,435</u>	<u>7,567,096</u>	<u>8,250,669</u>	<u>8,867,893</u>
Net (Expense) Revenue ^(a)						
Governmental activities:						
General government	(1,723,485)	(1,998,119)	(1,905,469)	(1,782,921)	(1,489,376)	(1,614,428)
Public safety	(7,107,862)	(8,226,402)	(8,488,965)	(8,027,724)	(8,597,872)	(8,998,756)
Health	(44,555)	(128,071)	(97,513)	(180,882)	(67,687)	(104,933)
Transportation	1,415,238	3,325,532	(374,059)	(769,501)	2,212,254	842,131
Community environment	(744,972)	(372,891)	(884,493)	(830,258)	(932,815)	(708,753)
Parks and recreation	(1,048,760)	(1,180,183)	(1,309,520)	(1,335,639)	(1,397,651)	(1,233,685)
Basic utility services	(308,467)	(318,291)	(370,166)	(378,706)	(460,118)	(469,917)
Interest on long-term debt	(125,165)	(121,785)	(115,448)	(114,958)	(266,501)	(425,995)
Total governmental activities	<u>(9,688,028)</u>	<u>(9,020,210)</u>	<u>(13,545,633)</u>	<u>(13,420,589)</u>	<u>(10,999,766)</u>	<u>(12,714,336)</u>
Business-type activities:						
Water	363,899	247,223	527,240	452,197	391,040	603,223
Sewer	766,582	627,617	927,895	566,046	327,329	354,948
Solid Waste	(235,666)	(248,990)	(128,060)	(157,867)	(110,872)	(174,550)
Other business-type activities	(78,029)	(73,369)	(43,371)	(109,425)	99,394	309,575
Total business-type activities	<u>816,786</u>	<u>552,481</u>	<u>1,283,704</u>	<u>750,951</u>	<u>706,891</u>	<u>1,093,196</u>
Total	<u>(8,871,242)</u>	<u>(8,467,729)</u>	<u>(12,261,929)</u>	<u>(12,669,638)</u>	<u>(10,292,875)</u>	<u>(11,621,140)</u>

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

(continued) **Schedule 2**

	Year Ended December 31.					
	2000, as restated	2001, as restated	2002, as restated	2003	2004	2005
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Income taxes	10,663,264	10,713,675	10,952,386	11,180,689	11,313,150	12,707,698
Property taxes	1,330,086	1,317,123	1,266,026	1,250,527	1,321,566	1,336,737
Other taxes	561,207	189,818	505,464	618,180	585,600	688,045
Grants and contributions not restricted to specific program	1,114,811	1,117,526	1,273,415	1,146,863	1,287,579	1,174,034
Investment earnings	1,108,964	779,823	447,751	171,516	243,088	340,469
(Loss) gain on sale/disposal of capital assets	(29,845)	(40,253)	(68,845)	9,300	12,983	10,430
Miscellaneous	297,769	155,936	67,249	88,705	42,357	76,941
Transfers	<u>(32,237)</u>	<u>(732,853)</u>	<u>(620,419)</u>	<u>(351,422)</u>	<u>(286,635)</u>	<u>(295,727)</u>
Total governmental activities	<u>15,014,019</u>	<u>13,500,795</u>	<u>13,823,027</u>	<u>14,114,358</u>	<u>14,519,688</u>	<u>16,038,627</u>
Business-type activities:						
Grants and contributions not restricted to specific program	-	-	-	-	-	-
Investment earnings	-	-	135,481	76,870	39,519	64,736
(Loss) gain on sale/disposal of capital assets	-	-	800	5,369	2,400	1,500
Transfers	-	-	620,419	351,422	286,635	295,727
Total business-type activities	<u>-</u>	<u>-</u>	<u>756,700</u>	<u>433,661</u>	<u>328,554</u>	<u>361,963</u>
Total	<u>15,014,019</u>	<u>13,500,795</u>	<u>14,579,727</u>	<u>14,548,019</u>	<u>14,848,242</u>	<u>16,400,590</u>
Change in Net Assets						
Governmental activities	5,325,991	4,480,585	277,394	693,769	3,519,922	3,324,291
Business-type activities	<u>816,786</u>	<u>552,481</u>	<u>2,040,404</u>	<u>1,184,612</u>	<u>1,035,445</u>	<u>1,455,159</u>
Total	<u>6,142,777</u>	<u>5,033,066</u>	<u>2,317,798</u>	<u>1,878,381</u>	<u>4,555,367</u>	<u>4,779,450</u>

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

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

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

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

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

Schedule 3

	December 31,									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Fund										
Reserved for:										
Inventory	\$ 49,119	\$ 35,982	\$ 53,980	\$ 58,360	\$ 49,828	\$ 55,145	\$ 51,800	\$ 42,560	\$ 41,583	\$ 35,817
Prepaid items	73,763	72,733	41,203	-	36,044	37,179	46,045	41,776	43,949	31,608
Encumbrances	119,514	44,680	63,981	34,400	185,280	145,807	157,350	106,148	95,417	20,441
Unreserved	1,303,366	1,863,211	3,331,185	3,691,491	3,050,871	2,981,401	2,707,516	2,710,617	2,894,238	3,753,439
Total general fund	\$ 1,545,762	\$ 2,016,606	\$ 3,490,349	\$ 3,784,251	\$ 3,322,023	\$ 3,219,532	\$ 2,962,711	\$ 2,901,101	\$ 3,075,187	\$ 3,841,305
All Other Governmental Funds										
Reserved for:										
Inventory	\$ 65,335	\$ 62,441	\$ 70,622	\$ 74,932	\$ 69,568	\$ 83,592	\$ 108,045	\$ 88,655	\$ 85,260	\$ 76,273
Prepaid items	6,237	6,204	65,640	-	60,002	57,895	53,795	50,444	97,254	91,248
Long-term loans receivable	442,316	308,045	189,290	128,199	223,204	118,784	107,284	95,191	82,474	69,112
Encumbrances	910,640	589,558	1,536,033	3,626,507	1,048,962	1,106,024	529,435	1,016,744	4,845,128	728,243
Unreserved, reported in:										
Special revenue funds	2,908,543	2,525,897	3,224,111	4,298,002	5,438,619	4,361,742	4,329,121	3,909,666	4,948,733	5,352,567
Capital projects funds	3,054,178	4,795,107	5,278,776	2,860,969	2,384,613	386,758	1,175,574	889,892	2,682,669	1,373,103
Total all other governmental funds	\$ 7,387,249	\$ 8,287,252	\$ 10,364,472	\$ 10,988,609	\$ 9,224,968	\$ 6,114,795	\$ 6,303,254	\$ 6,050,592	\$ 12,741,518	\$ 7,690,546

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

	For Year Ended December 31,									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Revenues:										
Local taxes	12,101,226	12,009,109	12,973,054	13,192,036	11,703,628	11,089,189	12,714,069	12,543,684	13,445,397	14,365,781
Intergovernmental revenues	1,685,832	1,562,047	2,246,126	2,901,054	3,267,850	3,632,296	3,353,670	3,320,149	3,810,313	5,067,711
Special assessments	228,694	229,508	255,468	273,589	263,167	245,742	241,912	227,605	229,316	236,104
Charges for services	180,823	306,107	344,186	469,453	716,325	709,333	768,098	969,279	1,421,837	1,622,762
Fines, licenses and permits	493,128	563,389	596,304	683,212	404,054	429,437	317,800	287,411	256,498	258,766
Investment income	-	525,683	678,184	611,734	948,322	823,690	522,063	268,883	207,837	334,897
Miscellaneous receipts and reimbursements	1,387,960	549,160	601,241	267,942	568,047	326,270	326,443	303,245	308,898	321,297
Total revenues	<u>16,077,663</u>	<u>15,745,003</u>	<u>17,694,563</u>	<u>18,399,020</u>	<u>17,871,393</u>	<u>17,255,957</u>	<u>18,244,055</u>	<u>17,920,256</u>	<u>19,680,096</u>	<u>22,207,318</u>
EXPENDITURES:										
Current:										
General government	1,810,824	2,001,523	1,851,953	2,063,421	1,759,529	1,965,157	1,912,226	1,837,408	1,440,284	1,605,525
Public safety	6,421,169	6,905,528	6,832,335	7,794,337	8,349,842	9,120,432	9,162,996	9,300,073	9,861,029	10,311,264
Health	128,577	112,848	126,224	147,127	230,152	242,231	249,787	259,649	189,070	185,517
Transportation	1,213,265	1,268,129	1,124,800	1,309,352	1,291,164	1,221,388	1,275,471	1,504,254	1,644,318	1,922,641
Community environment	873,887	777,725	803,377	749,486	991,344	915,690	1,016,647	1,013,585	1,105,093	1,222,594
Parks and recreation	775,692	856,820	804,764	941,694	1,080,551	1,044,188	1,213,672	1,246,529	1,251,521	1,352,572
Basic utility services	194,876	160,497	134,723	137,337	157,069	159,406	204,342	222,810	284,370	283,767
Capital outlay	5,426,010	2,106,280	3,759,437	3,937,626	6,654,781	5,128,957	2,627,354	2,449,097	4,247,656	8,568,102
Debt service:										
Principal	110,000	10,000	15,000	120,000	120,000	120,000	120,000	125,000	130,000	425,000
Interest and other charges	13,319	8,803	8,323	129,181	114,498	122,219	115,895	115,522	239,721	429,276
Total expenditures	<u>16,967,619</u>	<u>14,208,153</u>	<u>15,460,936</u>	<u>17,329,561</u>	<u>20,748,930</u>	<u>20,039,668</u>	<u>17,898,390</u>	<u>18,073,927</u>	<u>20,393,062</u>	<u>26,306,258</u>
Excess (deficiency) of revenues over (under) expenditures	(889,956)	1,536,850	2,233,627	1,069,459	(2,877,537)	(2,783,711)	345,665	(153,671)	(712,966)	(4,098,940)
OTHER FINANCING SOURCES (USES):										
Transfers in										
Proceeds from issuance of bonds	10,859,864	10,937,505	11,735,870	15,301,323	13,005,598	11,360,480	11,288,315	11,320,014	12,028,819	12,605,445
Sale of fixed assets	3,295	121,985	29,216	18,329	24,544	21,387	21,300	14,400	26,525	10,430
Transfers out	(10,975,364)	(11,225,493)	(13,270,370)	(15,526,623)	(13,046,831)	(11,810,820)	(11,477,315)	(11,495,014)	(12,132,019)	(12,801,789)
Total other financing sources (uses)	<u>(112,205)</u>	<u>(166,003)</u>	<u>(1,259,716)</u>	<u>(206,971)</u>	<u>(16,689)</u>	<u>(428,953)</u>	<u>(167,700)</u>	<u>(160,600)</u>	<u>7,523,325</u>	<u>(185,914)</u>
Net change in fund balances	<u>\$ (1,002,161)</u>	<u>\$ 1,370,847</u>	<u>\$ 3,493,343</u>	<u>\$ 862,488</u>	<u>\$ (2,894,226)</u>	<u>\$ (3,212,664)</u>	<u>\$ 177,965</u>	<u>\$ (314,271)</u>	<u>\$ 6,810,359</u>	<u>\$ (4,284,854)</u>
Debt service as a percentage of noncapital expenditures	1.1%	0.2%	0.2%	1.9%	1.7%	1.7%	1.6%	1.6%	2.3%	5.1%

CITY OF SIDNEY, OHIO

Schedule 5

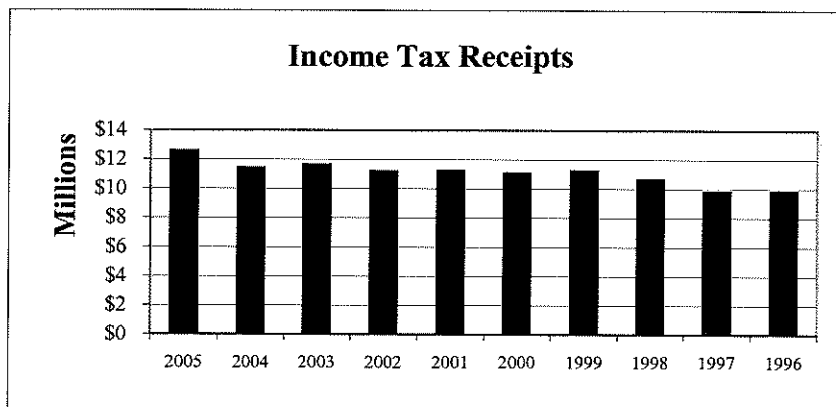
INCOME TAX BY PAYER TYPE AND INCOME TAX RATE

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

Year	Individuals			Total	Income Tax Rate
	Withheld by Employer	Paid by Taxpayer	Net Profits		
2005	\$ 10,304,368	\$ 401,908	\$ 1,869,366	\$ 12,575,642	1.50%
2004	\$ 9,584,082	\$ 422,876	\$ 1,401,307	\$ 11,408,265	1.50%
2003	\$ 9,454,838	\$ 443,801	\$ 1,730,053	\$ 11,628,692	1.50%
2002	\$ 9,191,973	\$ 458,471	\$ 1,545,088	\$ 11,195,532	1.50%
2001	\$ 9,134,504	\$ 465,735	\$ 1,637,333	\$ 11,237,572	1.50%
2000	\$ 8,757,119	\$ 491,777	\$ 1,822,063	\$ 11,070,959	1.50%
1999	\$ 8,430,776	\$ 463,307	\$ 2,351,018	\$ 11,245,101	1.50%
1998	\$ 7,844,728	\$ 465,714	\$ 2,321,262	\$ 10,631,704	1.50%
1997	\$ 7,645,473	\$ 473,549	\$ 1,715,465	\$ 9,834,487	1.50%
1996	\$ 7,275,325	\$ 504,254	\$ 2,067,827	\$ 9,847,406	1.50%

Source: City of Sidney, Ohio, Income Tax Department

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



CITY OF SIDNEY, OHIO
RANKING OF TOP TEN INCOME TAX WITHHOLDERS
CURRENT YEAR AND TEN YEARS AGO (cash basis of accounting)

2005		1996	
<u>Rank</u>	<u>Name</u>	<u>2005 Rank</u>	<u>Rank</u>
1	Copeland Corporation	1	1
2	Honda of America Manufacturing, Inc.	9	2
3	Superior Metal Products	5	3
4	NK Parts Industries, Inc.	4	4
5	Cargill, Inc.	7	5
6	Wilson Memorial Hospital	-	6
7	Sidney Board of Education	-	7
8	Lear Operations Corporation	-	8
9	Alcoa Building Products, Inc.	-	9
10	Ross Aluminum Foundries	-	10
Combined percentage of Total income taxes		37.22%	
		Combined percentage of Total income taxes	
		32.79%	

Source: City of Sidney, Ohio, Income Tax Department

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

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

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Obligation Bonds	\$ 8,595,000	\$ 7,900,000	\$ 9,950,000	\$ 9,115,000	\$ 8,260,000	\$ 14,285,000	\$ 13,390,000	\$ 12,455,000	\$ 19,085,000	\$ 17,790,000
Assessed value of taxable property ^(a)	\$367,577,386	\$394,085,749	\$383,475,209	\$401,899,287	\$410,154,105	\$418,557,164	\$440,544,340	\$442,272,291	\$453,740,892	\$454,122,536
General Obligation Bonds as percent of total assessed value of taxable property	2.34%	2.00%	2.59%	2.27%	2.01%	3.41%	3.04%	2.82%	4.21%	3.92%
Population ^(b)	19,145	19,238	19,197	19,350	20,211	20,378	20,276	20,249	20,147	20,188
General Obligation Bonds Per capita	\$ 449	\$ 411	\$ 518	\$ 471	\$ 409	\$ 701	\$ 660	\$ 615	\$ 947	\$ 881
Less debt not subject to limitations										
Self-supporting securities issued for water systems or facilities	\$ (2,500,000)	\$ (2,250,000)	\$ (2,000,000)	\$ (1,750,000)	\$ (1,500,000)	\$ (1,250,000)	\$ (1,000,000)	\$ (750,000)	\$ (500,000)	\$ (250,000)
Self-supporting securities issued for sanitary sewer systems or facilities	\$ (5,890,000)	\$ (5,455,000)	\$ (5,005,000)	\$ (4,540,000)	\$ (4,055,000)	\$ (10,450,000)	\$ (9,925,000)	\$ (9,365,000)	\$ (8,775,000)	\$ (8,155,000)
Less: Bond Retirement Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net debt subject to 10-1/2% limitation ^(c)	\$ 205,000	\$ 195,000	\$ 2,945,000	\$ 2,825,000	\$ 2,705,000	\$ 2,585,000	\$ 2,465,000	\$ 2,340,000	\$ 9,810,000	\$ 9,385,000
Voted and Unvoted Debt Limit -- 10-1/2% of assessed value	\$ 38,595,626	\$ 41,379,004	\$ 40,264,897	\$ 42,199,425	\$ 43,066,181	\$ 43,948,502	\$ 46,257,156	\$ 46,438,591	\$ 47,642,794	\$ 47,682,866
Legal Debt Margin within 10-1/2% Limitation	\$ 38,390,626	\$ 41,184,004	\$ 37,319,897	\$ 39,374,425	\$ 40,361,181	\$ 41,363,502	\$ 43,792,156	\$ 44,098,591	\$ 37,832,794	\$ 38,297,866
Net debt within limitations for both Voted and Unvoted debt as a percentage of debt limit	0.53%	0.47%	7.31%	6.69%	6.28%	5.88%	5.33%	5.04%	20.59%	19.68%
Net debt subject to 5-1/2% limitation ^(d)	\$ 205,000	\$ 195,000	\$ 2,945,000	\$ 2,825,000	\$ 2,705,000	\$ 2,585,000	\$ 2,465,000	\$ 2,340,000	\$ 9,810,000	\$ 9,385,000
Unvoted Debt Limit -- 5-1/2% of assessed value	\$ 20,216,756	\$ 21,674,716	\$ 21,091,136	\$ 22,104,461	\$ 22,558,476	\$ 23,020,644	\$ 24,229,939	\$ 24,324,976	\$ 24,955,749	\$ 24,976,739
Legal Debt Margin within 5-1/2% Limitation	\$ 20,011,756	\$ 21,479,716	\$ 18,146,136	\$ 19,279,461	\$ 19,853,476	\$ 20,435,644	\$ 21,764,939	\$ 21,984,976	\$ 15,145,749	\$ 15,591,739
Net debt within limitations for Unvoted debt as a percentage of debt limit	1.01%	0.90%	13.96%	12.78%	11.99%	11.23%	10.17%	9.62%	39.31%	37.57%

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

^(b) Source for population: For years 1996 - 1999 and 2001 - 2005, U.S. Bureau of the Census-Population Estimates Program. For year 2000, U.S. Bureau of the Census-2000 Federal Census.

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

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

**CITY OF SIDNEY, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION DEBT
 DECEMBER 31, 2005**

Schedule 8

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Sidney</u>	<u>Amount Applicable to City of Sidney</u>
City of Sidney	\$ 9,385,000 ⁽¹⁾	100%	\$9,385,000
Sidney City School District ⁽²⁾	\$21,529,992	100%	\$21,529,992
Shelby County ⁽³⁾	\$2,606,387	N/A	N/A

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

⁽²⁾ Source: Treasurer of Sidney City Schools

⁽³⁾ Source: Shelby County Auditor

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

Schedule 9

Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ^{(1)(b)}	Median Age ^{(1)(b)}	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾	Total Assessed Property Value ⁽⁴⁾	Estimated Actual Property Value ⁽⁴⁾
1996	19,145 (1)(a)	\$19,075	33.9 yrs	3,998	4.3%	\$367,577,386	\$1,191,225,316
1997	19,238 (1)(a)	\$19,075	33.9 yrs	4,056	4.3%	\$394,085,749	\$1,289,928,287
1998	19,197 (1)(a)	\$19,075	33.9 yrs	3,928	3.7%	\$383,475,209	\$1,236,912,253
1999	19,350 (1)(a)	\$19,075	33.9 yrs	3,953	4.1%	\$401,899,287	\$1,285,641,548
2000	20,211 (1)(b)	\$19,075	33.9 yrs	3,887	4.2%	\$410,154,105	\$1,315,201,174
2001	20,378 (1)(a)	\$19,075	33.9 yrs	3,896	4.0%	\$418,557,164	\$1,344,326,965
2002	20,276 (1)(a)	\$19,075	33.9 yrs	3,918	4.6%	\$440,544,340	\$1,414,316,000
2003	20,249 (1)(a)	\$19,075	33.9 yrs	3,609	4.9%	\$442,272,291	\$1,409,770,730
2004	20,147 (1)(a)	\$19,075	33.9 yrs	3,941	4.4%	\$453,740,892	\$1,458,980,574
2005	20,188 (1)(a)	\$19,075	33.9 yrs	3,923	4.9%	\$454,122,536	\$1,569,576,558

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

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

⁽²⁾ Source: Sidney City Schools Board of Education

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

⁽⁴⁾ Source: Shelby County Auditor

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

Schedule 10

2005			2002		
<u>Employer</u>	<u>Approximate Number of Employees</u>		<u>Employer</u>	<u>Approximate Number of Employees</u>	
1 Copeland Corporation	2,100		1 Copeland Corporation	2,200	
2 NK Parts Industries	1,000		2 NK Parts Industries	1,100	
3 American Trim	800		3 Stolle Products	800	
4 Wilson Memorial Hospital	775		4 Wilson Memorial Hospital	665	
5 Wal-Mart Super Center	600		5 Wal-Mart Super Center	600	
6 Norcold	500		6 Con Agra	484	
7 Sidney Board of Education	500		7 Sidney Board of Education	459	
8 Con Agra	484		8 Alcoa Building Products	450	
9 Alcoa Home Exteriors	450		9 Ross Aluminum Foundries	425	
10 Ross Aluminum Foundries	425		10 Cargill, Inc.	373	
Total	7,634		Total	7,556	

Source: West Ohio Development Council

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

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

Schedule 11

Function/program	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31,						
	1999	2000	2001	2002	2003	2004	2005
General government:	15.74	15.74	15.74	16.74	16.75	16.75	16.75
Police							
Officers	36.00	37.00	38.00	39.00	40.00	40.00	40.00
Civilians	13.57	13.77	14.45	14.45	14.84	14.84	15.84
Fire							
Firefighters and officers	36.00	36.00	37.00	37.00	37.00	37.00	37.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Judicial	13.60	16.66	17.65	17.84	17.89	17.95	17.88
Health - cemetery	2.92	2.85	2.85	3.23	3.38	3.38	3.32
Public transportation	8.47	9.05	8.99	8.99	8.37	9.35	12.55
Street repair & maintenance	11.60	11.83	11.65	11.89	11.79	11.79	12.29
Community development	1.00	1.26	1.26	1.26	1.26	1.23	1.23
Community environment	11.14	11.14	11.37	11.37	11.04	11.29	11.25
Parks and recreation	17.65	16.82	17.75	17.39	17.90	17.62	17.60
Basic utility services - stormwater management	2.96	2.96	2.96	2.96	2.96	2.96	3.06
Water	21.10	21.50	21.60	21.60	21.55	21.46	21.77
Sewer	14.42	14.36	14.36	14.36	14.13	14.00	15.33
Solid waste	3.10	2.87	2.87	2.87	2.87	2.76	0.10
Airport	-	-	-	-	-	0.25	0.25
Swimming pool	3.31	3.29	3.54	3.54	3.76	3.76	4.05
Service center including city garage	4.95	4.95	4.95	5.15	5.19	4.69	4.44
Information technology	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Total	<u>220.53</u>	<u>225.05</u>	<u>230.99</u>	<u>233.64</u>	<u>234.68</u>	<u>235.08</u>	<u>238.71</u>

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

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

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

Schedule 12

Function/program	For Year Ended December 31,						
	1999	2000	2001	2002	2003	2004	2005
General Government							
Accounts payable checks processed	6,473	6,333	6,783	6,571	6,138	5,644	5,600
Purchase orders issued	2,040	2,155	1,915	1,850	1,865	1,870	1,785
Police							
Calls for service processed	36,928	37,770	37,942	37,548	36,676	37,330	39,314
9-1-1 calls processed	3,445	3,334	3,762	3,864	3,905	4,230	3,866
Adult & juvenile arrests	2,534	2,963	2,767	3,000	2,493	2,811	2,905
Traffic citations	2,473	2,761	2,562	3,885	3,976	3,340	3,789
Fire							
Fire calls	611	556	552	568	602	632	606
EMS calls	2,375	2,485	2,432	2,475	2,452	2,603	2,613
Municipal Court							
New cases filed	11,104	13,318	13,798	13,471	12,435	9,070	10,300
Cases completed	11,382	13,806	14,407	14,424	13,116	9,696	10,450
Prisoners transported by bailiff	953	1,081	1,203	1,250	991	982	990
Cemetery							
Burials	115	88	98	95	80	103	75
Grave sales	88	50	85	70	47	79	50
Public Transportation							
Total ridership	47,024	53,032	48,457	40,710	41,427	49,877	49,800
Streets and highways							
Miles of street responsibility	90.5	92.6	95.3	95.9	96.2	97.0	98.0
Traffic signal intersections	49	53	52	51	52	51	50
Planning							
Sign permits issued	28	46	61	48	68	72	39
ZBA applications reviewed	53	29	24	25	31	23	22
Building inspection							
Building permits issued	307	294	278	309	586	292	314
Building inspections	738	921	993	1,045	1,898	1,103	1,071
Engineering							
Sanitary sewer inspections	99	95	274	107	104	101	90
Parks and recreation							
Free clinics organized and directed	10	10	13	16	17	20	20
Free clinics (attendance)	662	583	590	707	444	609	629
Park shelters maintained	30	32	34	33	33	33	33
Number of trees maintained (approximately)	10,000	10,000	10,300	10,300	10,500	10,500	10,700
Trees planted	150	120	170	150	250	274	150
Senior Center members	1,100	1,198	1,350	1,307	1,200	1,200	1,200
Utility Billing							
Customers (mail/drop box)	20,165	20,542	14,570	16,206	15,353	15,412	15,795
Customers (walk-in)	25,025	25,300	31,784	33,351	33,475	35,170	35,524
Water							
Gallons of water processed (in millions)	1,254	1,290	1,223	1,142	1,141	1,365	1,405
Lime sludge processed/removed (dry tons)	2,702	4,687	8,461	20,699	43,476	5,632	-
Water main breaks	15	27	16	18	18	18	20
Regular meter readings obtained	40,910	39,574	31,839	32,578	33,555	34,976	33,636
Sewer							
Wastewater processed (million gallons per day)	4.27	4.40	4.80	5.40	5.50	5.10	6.20
Biosolids processed (dry tons)	584	1,128	972	1,095	593	725	754
Feet of sewer cleaned	55,308	80,390	155,581	173,000	90,000	90,000	87,618
Refuse collected							
Refuse collected (annual tonnage)	7,037	7,423	7,647	7,100	7,456	7,600	7,660
Swimming Pool							
Daily admissions	18,357	13,641	17,912	21,469	13,548	12,032	20,181
Season passes	340	323	295	413	360	379	476
Information Technology							
Number of personal computers maintained	80	95	126	131	136	148	165
Service Center - Garage							
Units in fleet	228	228	235	247	251	235	236

Source: City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 1999 - 2004. Estimated statistics for 2005.

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

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

Schedule 13

<u>Function/Program</u>	<u>Year Ended December 31,</u>						
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Police							
Stations	1	1	1	1	1	1	1
Fire							
Stations	2	2	2	2	2	2	2
Street Repair & Maintenance ⁽¹⁾							
Miles of streets	90.30	92.62	95.32	95.89	96.35	98.61	99.73
Basic utility services - stormwater management ⁽¹⁾							
Miles of storm sewers	63.20	65.40	69.01	69.31	69.90	71.78	73.29
Parks and recreation ⁽²⁾							
Acres of parks maintained	381	386	387	380	380	380	380
Acres of public grounds maintained	250	250	250	250	250	250	250
Neighborhood parks	14	14	15	15	14	14	14
Sewer ⁽¹⁾							
Miles of sanitary sewers	107.81	109.28	112.15	113.70	114.36	116.19	117.86
Water ⁽¹⁾							
Miles of water mains	107.24	109.18	112.51	113.79	114.33	117.11	118.22

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

⁽²⁾ **Source:** City of Sidney, Ohio, Appropriation Budgets for applicable years. Actual statistics for years 1999 - 2004. Estimated statistics for 2005.

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



**Auditor of State
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CITY OF SIDNEY

SHELBY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 7, 2006**