

CITY OF SIDNEY, OHIO

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

CITY OF SIDNEY, OHIO

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

December 31, 1999

CITY OF SIDNEY, OHIO

Table of Contents

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



STATE OF OHIO
OFFICE OF THE AUDITOR


JIM PETRO, AUDITOR OF STATE

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

To the Mayor, City Council and City Manager
City of Sidney, Ohio

We have reviewed the independent auditor's report of the City of Sidney, Shelby County, prepared by Clark, Schaefer, Hackett & Co., Certified Public Accountants, for the audit period January 1, 1999 through December 31, 1999. 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.



JIM PETRO
Auditor of State

August 31, 2000

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

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

To the Mayor and City Council
City of Sidney, Ohio

We have audited the general-purpose financial statements of City of Sidney, Ohio (the City), as of and for the year ended December 31, 1999, and have issued our report thereon dated May 25, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated May 25, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated May 25, 2000.

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

Clark, Schaefer Hackett & Co.

Springfield, Ohio
May 25, 2000

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

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

To the Mayor and City Council
City of Sidney, Ohio

Compliance

We have audited the compliance of City of Sidney, Ohio, (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of City of Sidney, Ohio, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 25, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements of City of Sidney, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 25, 2000

CITY OF SIDNEY, OHIO

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 1998

	<u>Federal CFDA</u>	<u>Project Number</u>	<u>Awards</u>	<u>Disbursements</u>	
U.S. Department of Housing and Urban Development (Passing Through Ohio Department of Development Office of Housing and Community Partnerships):					
Community Development Block Grant	*	14.228	A-F-98-177-1	116,000	101,000
Community Development Block Grant	*	14.228	A-F-97-177-1	<u>194,500</u>	<u>63,838</u>
			<u>310,500</u>	<u>164,838</u>	
HOME Investment Partnerships Program	*	14.239	A-C-97-177-2	\$ <u>405,500</u>	<u>158,360</u>
Total U.S. Department of Housing and Urban Development			\$ <u>716,000</u>	<u>323,198</u>	
U.S. Department of Transportation (Passing through Ohio Department of Transportation):					
Public Transportation for Nonurbanized Areas	20.509	RPT-0075-017-982	<u>8,547</u>	<u>8,547</u>	
Total U.S. Department of Transportation			\$ <u>8,547</u>	<u>8,547</u>	
U.S. Department of Agriculture, Food and Nutrition Service (Passing through Ohio Department of Education, Division of School Food Service):					
Summer Food Service Program for Children	10.559	(1)	\$ <u>10,000</u>	<u>6,886</u>	
Total U.S. Department of Agriculture			\$ <u>10,000</u>	<u>6,886</u>	
U.S. Department of Justice (Passing through the City of Piqua, Ohio):					
Drug Control and System Improvement Act	16.579	(1)	<u>49,275</u>	<u>49,275</u>	
Total Federal Awards			\$ <u>783,822</u>	<u>387,906</u>	

* Denotes major program.

(1) - Project number not available.

See notes to the schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A—SIGNIFICANT ACCOUNTING POLICIES

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

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

CITY OF SIDNEY, OHIO
DECEMBER 31, 1999

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

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

Findings: None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Findings: None

**CITY OF SIDNEY, OHIO
DECEMBER 31, 1999**

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

Department of Housing and Urban Development

Finding 1998-1: HOME Investment Partnerships Program

Condition: This finding was a reportable condition stating that vendor records for determining compliance with eligibility for federal programs were not reviewed.

Recommendation: We recommended that reviews be preformed of vendor determination of eligibility for federal programs.

Current Status: The recommendation was adopted in 1999. No similar findings were noted in the 1999 audit.

Finding 1998-2: HOME Investment Partnerships Program

Condition: The finding was a reportable condition stating that Community Housing Improvement Program funds and HOME Investment Partnerships Program funds were recorded within the same general ledger account.

Recommendation: We recommended that separate revenue accounts be used to separate the funds within the general ledger.

Current Status: The recommendation was adopted in 1999 where additional revenue accounts were added to the general ledger. No similar findings were noted in the 1999 audit.



Comprehensive Annual Financial Report



FOR THE YEAR ENDED
DECEMBER 31, 1999

THE CITY OF SIDNEY, OHIO



COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 1999

Prepared by:

Thomas L. Judy, CPA

Finance Officer

TABLE OF CONTENTS



City of Sidney, Ohio

Exhibit
No

Page

I

INTRODUCTORY SECTION

A	LETTER OF TRANSMITTAL		i - xvi
B	LIST OF PRINCIPAL OFFICIALS		xvii
C	CITY ORGANIZATIONAL CHART		xviii
D	CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING		xix

II

FINANCIAL SECTION

A	INDEPENDENT AUDITORS' REPORT		1
B	COMBINED FINANCIAL STATEMENTS - OVERVIEW		
	Combined Balance Sheet – All Fund Types and Account Groups	I	2 - 5
	Combined Statement of Revenues, Expenditures and Changes In Fund Balances – All Governmental Fund Types and Similar Fiduciary Fund Types	II	6 - 7
	Combined Statement of Revenues, Expenditures and Changes In Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis – All Governmental Fund Types	III	8 - 9
	Combined Statement of Revenues, Expenses and Changes in Retained Earnings – All Proprietary Fund Types and Similar Trust Funds	IV	10 - 11

	<u>Exhibit</u> <u>No</u>	<u>Page</u>
Combined Statement of Cash Flows – All Proprietary Fund Types And Similar Trust Funds	V	12
Notes to the General Purpose Financial Statements		13 - 35

**C COMBINING AND INDIVIDUAL FINANCIAL
STATEMENTS AND ACCOUNT GROUP SCHEDULES**

General Fund

Fund Definition		37
Comparative Balance Sheets	A-1	38
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	A-2	39
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	A-3	40 - 43

Special Revenue Funds

Fund Definitions		45
Combining Balance Sheet – All Special Revenue Funds	B-1	46 - 49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Special Revenue Funds	B-2	50 - 53
Street Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-3	54

Special Revenue Funds (Continued)	<u>Exhibit</u> <u>No</u>	<u>Page</u>
State Highway Improvement Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-4	55
County Auto License Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-5	56
Municipal Income Tax Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-6	57
Stormwater Management Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-7	58
Cemetery Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-8	59
Transportation Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-9	60
C.D.B.G. Fund : Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-10	61
Parking Meter / Off Street Parking Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-11	62
C.D.B.G. Revolving Loan Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-12	63

	<u>Exhibit</u> <u>No</u>	<u>Page</u>
Special Revenue Funds (Continued)		
Drug Law Enforcement Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-13	64
Law Enforcement Fund : Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-14	65
Indigent Driver Alcohol Treatment Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-15	66
Enforcement and Education Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-16	67
Probation Grant Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non- GAAP) Basis	B-17	68
Health Department Building Lease Fund : Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	B-18	69
All Special Revenue Funds : Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis	B-19	70
Capital Projects Funds		
Fund Definitions		71
Combining Balance Sheet – All Capital Projects Funds	C-1	72 - 73

	<u>Exhibit</u>	<u>Page</u>
Capital Projects Funds (Continued)	<u>No</u>	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Capital Projects Funds	C-2	74 - 75
Capital Improvement Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	C-3	76
Capital Investment Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	C-4	77
Monumental Building Renovation Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	C-5	78
Special Assessment Fund : Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary (Non-GAAP) Basis	C-6	79
All Capital Projects Funds : Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary (Non-GAAP) Basis	C-7	80
 Enterprise Funds		
Fund Definitions		81
Combining Balance Sheet – All Enterprise Funds	D-1	82 - 83
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings – All Enterprise Funds	D-2	84 - 85
Combining Statement of Cash Flows – All Enterprise Funds	D-3	86 - 87

	<u>Exhibit</u> <u>No</u>	<u>Page</u>
Internal Service Funds		
Fund Definitions		88
Combining Balance Sheet – All Internal Service Funds	E-1	89
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - All Internal Service Funds	E-2	90
Combining Statement of Cash Flows – All Internal Service Funds	E-3	91
Trust and Agency Funds		
Fund Definitions		93
Combining Balance Sheet – All Trust and Agency Funds	F-1	94 - 95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Expendable Trust Funds	F-2	96
Combining Statement of Revenue, Expenses and Changes in Fund Balances – All Non-Expendable Trust Funds	F-3	97
Combining Statement of Cash Flows – All Non-Expendable Trust Funds	F-4	98
Statement of Changes in Assets and Liabilities – Municipal Court Fund	F-5	99
General Fixed Assets Account Group		
Account Group Definition		100
Schedule of General Fixed Assets – By Source	G-1	101
Schedule of General Fixed Assets – By Function and Activity	G-2	102

General Fixed Assets Account Group (Continued)	<u>Exhibit</u> <u>No</u>	<u>Page</u>
Schedule of Changes in General Fixed Assets – By Function and Activity	G-3	103

III

STATISTICAL SECTION

	<u>Table</u> <u>No</u>	<u>Page</u>
General Governmental Expenditures by Function	1	105
General Governmental Revenues by Source	2	106
Property Tax Levies and Collections – Real Property and Public Utility Property	3	107
Property Tax Levies and Collections – Tangible Personal Property	4	108
Assessed and Estimated Actual Value of Taxable Property	5	109
Property Tax Rates – Direct and Overlapping Governments	6	110
Special Assessment Billings and Collections	7	111
Computation of 5½ % Legal Debt Margin for Unvoted Debt	8	112
Computation of 10½ % Legal Debt Margin for Voted and Unvoted Debt	9	113
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	10	114
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures	11	115
Computation of Direct and Overlapping General Obligation Debt	12	116

	<u>Table</u>	
	<u>No</u>	<u>Page</u>
Revenue Bond Coverage	13	117
Demographic Statistics	14	118
Property Value, New Construction and Bank Deposits	15	119
Principal Taxpayers (Property Tax)	16	120
Miscellaneous Statistics	17	121



City of Sidney

June 28, 2000

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

The comprehensive annual financial report of the City of Sidney, Ohio is hereby submitted for your review. This report, although not legally required, represents the commitment of the City of Sidney to adhere to nationally recognized standards of excellence in its financial reporting.

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

This report is presented in three sections:

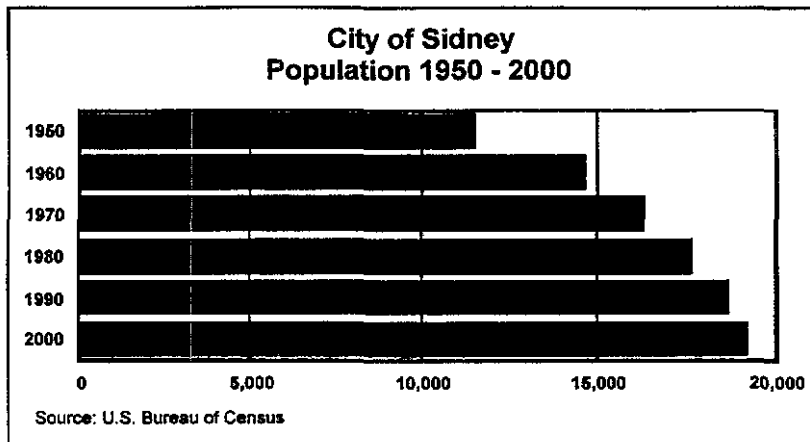
1. The Introductory Section includes this letter of transmittal, an organizational chart, and a listing of principal City officials. This section is unaudited.
2. The Financial Section of the report is structured in the form of a "financial reporting pyramid" that allows the reader to move from less detailed financial reports to more detailed reports. The Combined Financial Statements, together with the notes to the financial statements, comprise the General Purpose Financial Statements (GPFS). The GPFS, which include the report of the independent auditors, are the City's basic financial statements and provide the reader with an overview of financial position and results of operations. The remainder of the Financial Section contains specific combining statements of individual funds for the reader who desires more detailed financial statements.
3. The Statistical Section presents selected financial and demographic data, generally presented on a multi-year basis. This section is unaudited.

THE CITY OF SIDNEY

General Information

The City of Sidney is a progressive, growing community located in west central Ohio, approximately 37 miles north of Dayton, 85 miles west of Columbus, 100 miles south of Toledo, and 120 miles east of Indianapolis. The City, the county seat of Shelby County, was incorporated in 1820.

The City's population growth trend averaged 15.5% per decade from 1900 to 1990. Although the growth rate has slowed somewhat in recent decades, steady growth continues. The 1990 Census reported a total population of 18,710 and recent U.S. Census Bureau estimates establish the population slightly in excess of 19,000, but in-house estimates reflect a higher number.



Municipal Services and Facilities

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

Governmental Organization

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

The legislative authority of the City is vested in a seven-member Council. Three members are elected at large and four represent specific wards of the City. Council members are elected to over-lapping four year terms. The Council enacts legislation to provide for City services, adopt budgets, levy taxes, borrow money, license and regulate businesses and trades, and perform such other duties consistent with the Charter. The presiding officer of the Council is the mayor who is a member of Council. The mayor is elected to that position by a vote of the Council members. It is a part-time position like the other Council positions.

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

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

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

Departmental Highlight – Police Community Resource Officer Unit

Each year in this report we spotlight the activities and accomplishments of one of the outstanding departments or divisions of the City. This year, the focus is upon the Police Community Resource Officer Unit.

Recent years have seen police departments across the country re-emphasize their focus on the philosophy of “community policing”. The essence of “community policing” is simply a more proactive partnership between the police and the citizens toward anticipating and resolving problems. While most small town police departments, like Sidney’s, have a much closer relationship with their citizens than their big city counterparts, there is always room for improvement. It was with that goal in mind that the Sidney Police Department began a re-examination of our community-oriented operations in the summer of 1997.

With the assistance of local and off-site training and several community forums, community leaders and citizens, city staff, and members of the Police Department discussed ways to better deliver police services consistent with the expectations of the community. One result of this was the organization of a “Community Resource Officer” (CRO) unit under the direction of the Administrative Captain.

Although originally staffed with two officers, the unit now contains three. High visibility, personal and proactive involvement with citizens has been the guiding principle for the CRO’s.

Among their many and varied duties are:

- Conducting an 18-month long, experimental establishment of a neighborhood police sub-station involving house-to-house delivery of 500 surveys to gauge neighborhood input;
- Extensive involvement in school based programs including DARE (Drug Abuse Resistance Education) in three elementary schools, G.R.E.A.T. (Gang Resistance Education and Training) at Bridgeview Middle School, full-time school resource officer presence at Sidney High School, “third grade safety belt training” at all elementary schools, and the “Safety Pup” program in conjunction with the National Child Safety Council;
- Coordination of anti-crime groups such as “Neighborhood Watch” and local “Crime Stoppers” organization;
- Carrying out yearly youth-related activities such as “Safety Town” (a week-long summer program for kids ages 3-7), bike safety “Rodeos” at which free bike helmets are distributed, “KID I. D.” type fingerprinting programs at various locations;
- Providing public speakers to all sizes and types of groups on topics such as burglar-proofing a home or personal safety awareness;
- Conducting a 12-week long “Citizens Police Academy” each fall;
- Providing a liaison between the Police Department and citizens to assist with resolution of special or long-term neighborhood problems.

Through these many citizen contacts, the CRO’s have a unique opportunity for sustained, positive involvement with our residents. Such involvement is not always possible with regular patrol officers, whose time with citizens is frequently brief due to call-load demands.

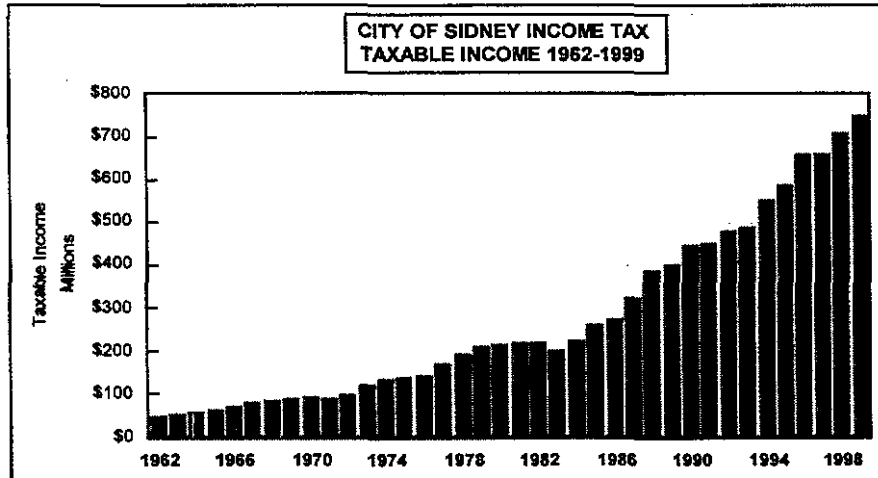
Police-community relations, like any other relationship, is dependent upon mutual respect and communication to be healthy. Our Community Resource Officers are an integral component of the department's quality police services, being responsive to our citizen's needs.

ECONOMIC CONDITIONS AND OUTLOOK

Economic Environment – Historically

Sidney's history as a strong industrial center is rooted in its strategic location. The construction of the Miami-Erie Canal between 1825 and 1837 connected Sidney with the major trade centers in Ohio to the north and south. As the influence of the canal declined, railroads emerged. East-west rail began to be laid in Sidney in 1851, followed by north-south rail in 1856. Sidney is still served by these railroad lines today. In the 1950's, the interstate highway began to play a significant role in the development of the City. Today, Interstate 75 connects Sidney with Canada to the north and Florida to the south. Sidney has four interchanges on Interstate 75, providing quick and convenient access for both commercial and industrial users.

The local economy has grown at a robust and steady pace for the last four decades. Income subject to the City of Sidney income tax has grown at an average annual rate of approximately 8% since 1961.



Economic Environment – Today

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 1999 are:

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

In addition to the above employers, Honda of America Mfg., Inc., operates a major auto engine plant just eight miles outside of the City that significantly benefits the City's industrial, commercial, residential and income tax bases.

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

1999 Economic Activity and Outlook for the Future

Area employment levels were high in 1999 evidenced by the Shelby County unemployment rate of 4.05% compared to the statewide rate of 4.2%.

Significant growth continued to occur in the area in 1999. One of the factors that contributes to the growth in Sidney is a spirit of cooperation between the public and private sectors. The West Ohio Development Council (WODC) helps facilitate that relationship. WODC is a non-profit corporation organized to create more employment opportunities and retain the existing employment base in the Sidney and Shelby County area. WODC's 1999 Annual Report provides the following information on new development activity in Sidney in 1999 (new jobs created are shown in parentheses, if known):

- Holloway Sportswear, Inc. leased additional space in a newly constructed 50,000 square foot facility;
- Bensar Developments constructed a new 130,000 square foot facility to house the Sidney Warehousing operation;
- Sidney Bakery constructed 5,800 square feet of warehousing and additional dock space;
- Freshway began constructing a new state-of-the-art 57,500 square foot facility (110 jobs);
- Wells Aluminum began construction of a new 107,000 square foot facility (250 jobs);
- C&C Technologies, Inc. leased the facility vacated by Wells Aluminum (5 jobs);
- Hampton Square Development became a reality (18 jobs);
- NK Parts announced the additional investment of \$4.5 million as they move a Honda Transmission remanufacturing operation to Sidney from North Carolina (40 jobs);
- Copeland Corporation (Emerson Electric) completed a \$40 million expansion including building, machinery and equipment;
- Kirk Nationalease finished a 32,000 square foot addition to their facility increasing the size of their office and service area (6 jobs).

Although the economic news was overwhelmingly positive, there were a few unfortunate things to report:

- Monarch Busch moved the Monarch Machine Tool facility to Milwaukee, Wisconsin;
- Wagner Ware Corporation closed their operations in July 1999 and entered into liquidation proceedings.

The outlook for continued economic vitality looks favorable for the near future as the factors that have made Sidney an attractive industrial site for many years remain in place. However, the population base must continue to grow to meet the expanding labor needs of local industry.

MAJOR INITIATIVES

For the Year

The City of Sidney continued to reinvest into the infrastructure of the community in 1999 as well as address the objectives identified in the 1997 Comprehensive Plan. This reinvestment will continue into the future thanks to the voters' permanent renewal of a one-half percent portion of the City's 1.5% income tax rate. That portion of the has been in effect since 1984 and, while it had been renewed several times on a

temporary basis, City administration felt strongly that the tax should be made permanent in order to be able to do long range strategic planning.

Major projects the City accomplished or started included the Sycamore Street storm sewer project. This project, which cost approximately \$328,000, provided storm water protection for a low- to moderate - income neighborhood. This area was one of the last areas not served by a storm water system.

The Monumental Building project was bid and construction has started on the \$3.7 million renovation of the building for Municipal Court purposes. The Monumental Building was constructed in 1876 as a memorial to those from Shelby County who served in the Civil War. This three-story structure, located in the historic public square, contains an "Opera House" on the third floor that will be preserved and converted into a modern courtroom. This renovation has been long awaited and will preserve this historic structure for the next several generations of Sidney residents.

The City completed a runway extension at the municipal airport for safety purposes. These extensions will not extend the landing zone but will provide additional space for emergency shutdown in case of aborted take-offs or extended landings. This extension helps ensure the retention of important corporate clients.

The City is systematically replacing major water and sewer lines within the community. The targeted areas are the oldest sections of town, some of which have original piping over seventy-five years old. The 1999 project included a major stretch along South Walnut Street, which is in a low to moderate income neighborhood. The project cost about \$173,000 and replaced a sewer line for four blocks in length.

The City's commitment to improving water services throughout the community was evidenced by the Russell Road water main extension. This \$162,000 project extended the water line on Russell Road from Sixth Avenue west to North Vandemark Road. This leg is planned to connect to a future extension on South Vandemark, which will accomplish a looping of the water system. The loop will provide more consistent water pressure as well as a dual source of water in case one of our water towers is out of service. This line will service a commercial and industrial district.

There were several annexation petitions accepted by the City of Sidney during 1999. A long time void in the City existed on St. Marys Avenue. This un-annexed area was completely surrounded by the incorporated area. During the year, the annexation of the area was finalized. This action will provide the area with a more consistent delivery of services.

In addition, two other annexations, one on North Vandemark Road and one on State Route 47 west, brought in an additional 250 acres. This land will be zoned commercial and industrial and provides much - needed industrial zoning for future growth of the community. Both annexations were anticipated in the 1997 Comprehensive Plan. The proposed zoning is consistent with the land use map.

Future Plans

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

To prepare for future growth and to improve the treatment of wastewater, in 1999 the City started the design phase of the upgrade of the Wastewater Treatment Plant. Design activities will continue through 2000 with the upgrade of the plant scheduled for the year 2001. The plant will be expanded from the current permitted capacity of 5.0 million gallons per day (mgd) to 7.0 mgd to meet anticipated 20-year demands. The project is expected to cost approximately \$8 million.

The concept of a streetscape plan for the downtown is moving forward toward accomplishment in 2001. The Shelby County Court House occupies an entire block in the center of our community. The County has very dutifully maintained this 1883 structure which acts as a focal point of our downtown.

Because the downtown is the oldest part of our community, the infrastructure is in need of upgrading and improvement. City Council approved a plan to replace water, sanitary sewer and gas lines, and to install a storm sewer system. In addition, all curb and gutter will be replaced and the street will be reconstructed around the court square. To improve the aesthetic appearance after the infrastructure improvements are made, the existing street lights will be replaced with decorative poles with light fixtures that resemble those that existed around the turn of the century. Brick pavers will be installed at the corners and in a four-foot section along all curb lines. The City is planning on investing about \$2 million in this very exciting project. It is anticipated that property owners in the area will also reinvest in their properties once they see the impact of the public improvements.

The commercial district in Sidney is located on the western edge of the community. In cooperation with the Ohio Department of Transportation, the State Route passing through this area will be improved from a two-lane street to a five-lane improved street with curb and gutter, storm water system and a center turn lane. This project, which will begin in 2000, will improve a very congested area as well as increase safety. Currently, daily traffic counts indicate 30,000 vehicles use this street. The project should make future development very attractive. The community has indicated a need for more retail businesses and this project should promote such growth. The total project cost within the City is estimated at \$1.8 million. The City share will be about \$1 million.

REPORTING ENTITY

Generally accepted accounting principles require that the accompanying general purpose financial statements present:

- 1) the primary government,
- 2) its component units, and
- 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

A component unit is an entity for which the government is considered to be financially liable. The City is not a component unit of any other entity and does not have any component units that require inclusion in the general purpose financial statements.

FINANCIAL INFORMATION

Accounting / Budgetary Control System

Internal Controls. Management of the City is responsible for the establishment and maintenance of an internal control system that provides reasonable, but not absolute, assurance that:

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

The concept of reasonable assurance recognizes that:

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

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

Budgetary Controls. City Council approves an annual budget for all funds and approves subsequent amendments to that budget as needed. The “legal level of control” is the level of detail as approved by Council in its appropriation ordinances. Expenditures and encumbrances cannot exceed the legal level of control. Legal level of control for the City of Sidney is based on object of expenditure for each department as follows: 1) Salaries and Wages, 2) Fringe Benefits, 3) Contractual and Materials, and 4) Capital Outlay.

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. Purchase orders for which insufficient appropriations exist are not released until the budget is amended.

Fund Categories and Types

The City of Sidney classifies its funds into three broad categories: governmental funds, proprietary funds, and fiduciary funds. An explanation of each follows:

Governmental Funds. Governmental funds are used to account for “governmental-type” activities. Governmental funds use a “flow of financial resources” measurement focus. That is to say, the operating statement of a governmental fund attempts to answer the question “Are there more or less resources that can be spent in the near future as a result of events and transactions of the period?” Increases in spendable resources are reported in the operating statement as “revenues” or “other financing sources.” Decreases in spendable resources are reported as “expenditures” or “other financing uses.” The following are the City’s governmental fund types:

General Fund – This fund is the general operating fund of the City. It is required to account for all financial resources of the City that are not required to be accounted for in another fund. Examples of activities accounted for in the General Fund are police, fire, parks, engineering, and the Municipal Court. Also, the General Fund accounts for all general administrative functions of the City such as City Council, the City Manager’s office, and the finance department.

Special Revenue Funds – These funds account for resources designated for a specific purpose. Often, a special revenue fund is created due to legal restrictions placed upon a revenue source. For example, the City’s share of gasoline tax and motor vehicle license tax revenues must be used only for the repair and maintenance of streets. Those resources are accounted for in the Street Fund. Examples of other special revenue funds are the Cemetery Fund and the Income Tax Fund.

Debt Service Funds – These funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general obligation or special assessment debt.

Capital Projects Funds – These funds are used to account for financial resources used for the acquisition or construction of major capital facilities or assets. The primary capital projects fund of the City of Sidney is the Capital Improvement Fund.

Proprietary Funds. Proprietary funds are used to account for the City’s business-type activities. Financial activity is reported in much the same manner as in private industry. The measurement focus is based upon a determination of net income. The following are the City’s proprietary fund types:

Enterprise Funds – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises for which 1) the intent is that the costs (expenses, including depreciation) be recovered primarily through user charges, or 2) determination of net income is appropriate for management control, accountability

or other purposes. The City of Sidney's enterprise funds include the Water Fund, Sewer Fund, Sanitation Fund and the Airport Fund.

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 Service Center Fund, which accounts for the operation of the Service Center Building and the municipal garage, is an example of an internal service fund.

Fiduciary Funds. These funds are used to account for assets held by the City in a trustee capacity as an agent for others.

Nonexpendable Trust Funds – These funds are used to account for endowment-type arrangements in which the City is permitted to spend only the investment earnings on the assets held in trust. The City may spend only the income earned on the trust principal. Nonexpendable trust funds function much like proprietary funds. The Cemetery Trust Fund is an example of this type of fund.

Expendable Trust Funds – These funds are designed to provide stewardship over expendable assets held in trust. They function much like governmental funds.

Agency Funds - Agency funds are used to account for assets held in a custodial capacity. Assets in agency funds are matched by liabilities to the owners of those assets.

In addition to the above funds, the City maintains two account groups:

General Fixed Assets Account Group – This account group is used to account for all fixed assets other than those accounted for in proprietary funds.

General Long-Term Obligations Account Group – This account group is used to account for all long-term obligations that are not a specific liability of a proprietary fund.

Financial Highlights – General Government Functions

Income Tax Revenues. Ohio law permits municipal corporations, without approval of the voters, to levy a tax on income up to a rate of 1%. Rates in excess of 1% must be approved by the voters. The income tax rate for the City of Sidney has been 1.5% since 1984. The 1.5% rate consists of 1% authorized by an ordinance of City Council and 0.5% approved by the voters. The voted portion of the rate was renewed by the voters on a temporary basis three times after it was put into effect in 1984. In November of 1999, the voters of Sidney approved a ballot issue that made the 0.5% portion of the tax permanent.

The income tax is the single largest revenue source for the City. Collections over the past thirty years (adjusted for the effects of tax rate changes) have grown at an average rate in excess of 8% per year, reflecting the continued growth in the community. Cash collections in 1999 increased by 5.8% over 1998.

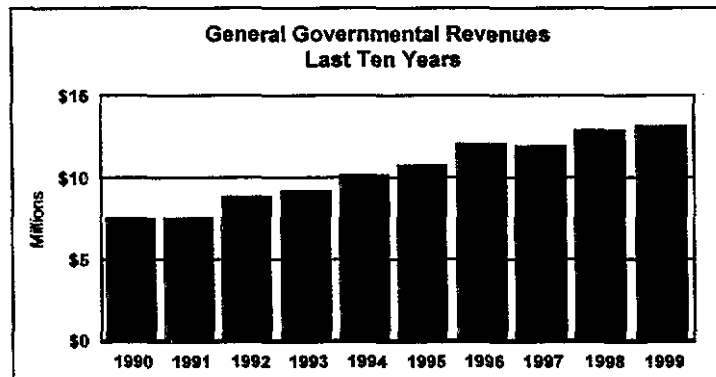
Revenues (1999 vs. 1998). Revenues for governmental functions (consisting of the General Fund, all special revenue funds and capital projects funds) totaled \$18,394,840 representing an increase of \$700,277, or 4.0% over 1998. The following schedule presents a summary of general government revenues for the years ended December 31, 1998 and December 31, 1999.

General Governmental Revenues

<u>Revenue Source</u>	1999		1998		<u>Increase / (Decrease) from 1998</u>	<u>Percentage Increase / (Decrease)</u>
	<u>1999 Total</u>	<u>Percent of Total</u>	<u>1998 Total</u>	<u>Percent of Total</u>		
Local Taxes	\$13,192,036	71.7%	\$12,973,054	73.3%	\$218,982	1.7%
Intergovernmental	2,901,054	15.8%	2,246,126	12.7%	654,928	29.2%
Special Assessments	273,589	1.5%	255,468	1.4%	18,121	7.1%
Charges for Services	469,453	2.6%	344,186	2.0%	125,267	36.4%
Fees, Licenses, Permits	683,212	3.7%	596,304	3.4%	86,908	14.6%
Investment Income	611,734	3.3%	678,184	3.8%	(66,450)	(10.9%)
All Other Revenue	263,762	1.4%	601,241	3.4%	(337,479)	(56.1%)
Total	\$18,394,840	100.0%	\$17,694,563	100.0%	\$700,277	4.0%

Revenue Issues. Continued economic growth in the City helped income tax revenue to continue to grow at a pace well in excess of inflation. Intergovernmental revenues, chiefly state-levied-shared taxes, also grew at rates exceeding inflation.

Investment revenue decreased for governmental funds in 1999 due to a decrease in the market value of the investment portfolio. GASB Statement 31 requires that increases or decreases in the market value of certain investments (unrealized gains or losses), be reflected as investment income. The market value of the investment portfolio of the City of Sidney decreased in 1999 due to the substantial increases in interest rates during the latter part of the year. This decrease is to be expected in rising interest rate markets. Conversely, market values will rise and likely create unrealized gains, in a decreasing interest rate environment. The portfolio is managed in a way that maintains sufficient liquidity so that no investment need be sold before maturity; therefore, all investments will be redeemed at their face value. Excluding the effects of the change in market value, the amount of interest received increased by about \$135,000 in 1999.



The large increase in Intergovernmental revenue shown for 1999 is attributable to a change in the classification of various state-levied-shared taxes. Gasoline excise taxes and auto registration taxes were classified as Local Taxes in 1998 and prior years; however, the 1999 statements classify these revenues as Intergovernmental. We believe this is a more appropriate classification and will continue to classify them accordingly in the future. Had these revenue sources been classified as Intergovernmental revenue for 1998, Local Taxes would have reflected an increase of \$1,157,164, or 9.6%, in 1999. Intergovernmental revenue would have indicated an 8.9% decrease of \$283,254. That decrease is primarily the result of a large amount of housing grant revenue in 1998 related to the CHIP program.

The apparently large increase in Charges for Services reflected in the chart above is due primarily to the re-classification of several revenue items, such as the Township Fire and EMS charges, as service charges. In reality, no new charges of note were instituted and service charge increases were insignificant.

The primary reason for the decrease in the "All Other Revenue" category is that the 1998 amount reflected a large one-time refund received from the Bureau of Workers Compensation.

Expenditures (1999 vs. 1998). Expenditures for general government purposes totaled \$17,329,561 in 1999, an increase of \$1,868,625 over 1998.

The following schedule presents a summary of general government expenditures for the years ended December 31, 1998 and December 31, 1999.

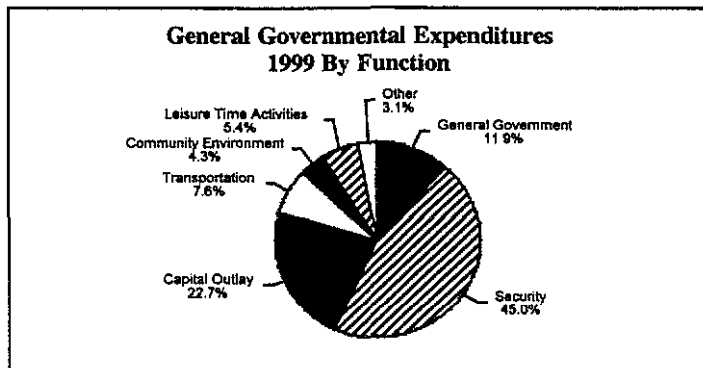
<u>General Governmental Expenditures</u>						
<u>Function</u>	<u>1999 Total</u>	<u>1999 Percent of Total</u>	<u>1998 Total</u>	<u>1998 Percent of Total</u>	<u>Increase / Decrease (-) from 1998</u>	<u>Percentage Increase / Decrease (-)</u>
<u>Current</u>						
Security of Persons and Property	\$7,794,337	45.0%	\$6,832,335	44.2%	\$962,002	14.1%
Leisure Time Activities	941,694	5.4%	804,764	5.2%	136,930	17.0%
Community Environment	749,486	4.3%	803,377	5.2%	(53,891)	(6.7%)
Basic Utility Services	137,337	0.8%	134,723	0.9%	2,614	1.9%
Transportation	1,309,352	7.6%	1,124,800	7.3%	184,552	14.1%
General Government	2,063,421	11.9%	1,851,953	12.0%	211,468	11.4%
Health	147,127	0.9%	126,224	0.8%	20,903	14.2%
<u>Capital Outlay</u>	3,937,626	22.7%	3,759,437	24.3%	178,189	4.7%
<u>Debt Service</u>						
Principal	120,000	0.7%	15,000	0.1%	105,000	700.0%
Interest	129,181	0.7%	8,323	0.0%	120,858	1,452.1%
Total	\$17,329,561	100.0%	\$15,460,936	100.0%	\$1,868,625	12.1%

Expenditure Issues. In general, the expenditure increases are a direct reflection of the growth of the community and the need for services to keep pace. For instance, three additional firefighter positions were added in 1999. Those costs as well as additional costs of training, are a primary reason for the increase in Security of Persons and Property expenditures. Also, in Leisure Time Activities, the Parks and Recreation department added a recreation program coordinator position representing the City's commitment to the upgrade and expansion of recreation opportunities for the community.

The costs of selecting, testing and hiring an unusually large number of safety employees and the costs of negotiating three labor contracts were material factors in the increase in General Government expenditures. The large number of positions to be filled was due to several retirements and the additional firefighter positions.

Debt Service expenditures for 1999 reflect the first principal and interest installments on the \$2.8 million general obligation bonds issued in 1998 to finance the renovation of the Monumental Building for the Municipal Court.

A major reason for the increase in Transportation expenditures is the cost of clearing snow and ice from the streets during the winter season. These expenditures were significantly higher in 1999 due a much more severe winter weather season than in 1998.



Fund Balances. Fund balances in the governmental fund types represent the accumulation of revenues and other financing sources over expenditures and other financing uses. A tabulation of fund balances and increases (decreases) from the prior year follows:

Fund Balances – Governmental Funds

<u>Fund Type</u>	<u>Fund Balance 12/31/99</u>	<u>Fund Balance 12/31/98</u>	<u>Increase / (Decrease)</u>
General Fund	\$3,784,251	\$3,490,349	\$293,902
Special Revenue funds	4,639,724	3,614,364	1,025,360
Capital Project funds	6,348,885	6,809,839	(460,954)
Total	\$14,772,860	\$13,914,552	\$858,308

Financial Highlights – Enterprise Operations

An enterprise fund is used for an activity for which the intent of the government is to recover, in whole or in part, the cost of providing goods or services. In practice, enterprise funds are used routinely for activities that are fully financed through user charges, such as municipal utility services.

The accounting for the City's Water, Sewer, and Sanitation operations is accomplished through enterprise funds. The financial policy of the City is that each of these operations should be financially self-supporting through user charges.

It is City policy that rates for these services be reviewed and adjusted annually to allow charges to grow at a rate that keeps pace with the cost of providing the service. Projected cash needs for at least five years into the future are considered when establishing rates. The intent of this policy is to create incremental increases in rates rather than large increases that may result in a financial burden to customers.

The other enterprise operations are the Airport and the Swimming Pool. User fees for these operations do not necessarily cover the full cost of providing the service; however, they are treated as enterprise funds because such accounting treatment provides the best measurement of the full cost of providing these services. Cash deficiencies in these operations are anticipated in advance and are budgeted as a subsidy from the General Fund.

The following is a summary of revenues, expenses and retained earnings for each of these funds for the years ended December 31, 1998 and 1999:

Revenues, Expenses and Retained Earnings – Enterprise Funds

<u>Fund</u>	<u>Revenues, Gains and Transfers</u>	<u>Expenses, Losses and Transfers</u>	<u>Retained Earnings 12/31/99</u>	<u>Retained Earnings 12/31/98</u>	<u>Increase / Decrease (-) in Retained Earnings</u>
Water	\$3,233,671	\$3,044,281	\$1,833,421	\$1,644,031	\$189,390
Sewer	3,165,891	2,704,638	3,754,367	3,293,114	461,253
Airport	203,753	209,540	626,597	632,384	(5,787)
Sanitation	897,116	852,027	397,427	352,338	45,089
Swimming Pool	89,987	98,947	778,627	787,587	(8,960)
Total	\$7,590,418	\$6,909,433	\$7,390,439	\$6,709,454	\$680,985

Airport revenue, Sanitation revenue, and Swimming Pool Fund revenue shown above includes cash transfers from the General Fund of \$10,000; \$182,800; and \$35,000, respectively.

Cash Fund Balance Targets

The City of Sidney Statement of Financial Policy specifies target cash fund balances for the major operating and capital funds. This target is generally stated as a percentage of annual expenditures. For example, the General Fund target cash fund balance is 12% of annual expenditures. The purpose of this policy is to provide reserves for unforeseen emergencies or revenue shortfalls and to eliminate the need for short-term borrowing for cash flow needs. This policy is an example of the conservative fiscal management and stewardship practiced by the City.

Target cash fund balances have been established for ten funds. Nine of those funds exceeded the target as of December 31, 1999. The one fund that did not meet the target was the Self-Insurance Fund. The Self-Insurance Fund, which accounts for the partially self-insured employee health plan, has experienced a series of years with poor claims experience. The low fund balance is being addressed through a combination of conservative funding and the purchase of stop-gap insurance products designed to limit the losses to be paid from the plan. For the first time in several years, the year-end Water Fund cash fund balance exceeded the target balance. The shortfall that had existed was addressed by water user charge rate increases of 6%, 4% and 3.7% in January 1998, January 1999 and January 2000, respectively. Rates will continue to be reviewed annually and adjusted as necessary, in accordance with the City's Statement of Financial Policy.

RISK MANAGEMENT

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

MVRMA was formed in 1988 by a core group of Dayton, Ohio area municipalities who possessed professional administrations, stable operations, and unusually good claims and loss experience. Since then, the Association's marketing committee has sought out cities with similar characteristics. The City of Sidney joined in 1993. The 1998 membership consisted of these sixteen Ohio cities: Beavercreek, Blue Ash, Indian Hill, Kettering, Madeira, Mason, Miamisburg, Montgomery, Sidney, Springdale, Tipp City, Troy, Vandalia, West Carrollton, Wilmington and Wyoming.

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

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

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

Claims were administered in 1999 by J&H Marsh & McLennan so that professional claims management practices were employed in all cases. The first \$2,500 of each claims loss is a "deductible" that is fully payable by the member city filing the claim. Claim settlements, payments and defense costs in excess of that amount are paid from the reserves of the Association up to a maximum of \$500,000 for liability claims and \$150,000 for property claims. Expenses for claims exceeding these limits are covered by the traditional insurance coverages purchased by the Association. Property is covered at replacement value and the maximum for liability coverage per occurrence is \$11 million.

DEBT ADMINISTRATION

The City of Sidney had outstanding indebtedness of \$9,115,000 as of December 31, 1999, all of which was in the form of general obligation bonds. The amount consisted of: \$4,540,000 of Sewer bonds to be repaid from Sewer fees; \$1,750,000 of Water bonds to be repaid from Water fees; \$160,000 of bonds issued to fund the Health Department Building; and \$2,665,000 of bonds issued in 1998 for the purpose of the renovation of the Monumental Building into a new facility for the Municipal Court.

The City of Sidney achieved a rating of A2 from Moody's Investor Service when the Municipal Court bonds were issued December 1, 1998; however, the City obtained private insurance on this issue, which ultimately resulted in these bonds receiving a Aaa rating.

Ohio law provides that the amount of voted and unvoted net indebtedness of a municipal corporation, such as the City of Sidney, may not exceed 10-1/2% of the assessed value of all property in the City. Also, the aggregate principal amount of unvoted net indebtedness may not exceed 5-1/2% of such value. Net indebtedness is generally considered to be that portion of the City's debt that is expected to be repaid from property taxes. The City is well below these thresholds, having used only about \$2.8 million of the \$42.1 million capacity for total debt (10-1/2% limitation) and \$2.8 million of the \$22.1 million cap for unvoted debt (5-1/2% limitation).

CASH MANAGEMENT

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

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

1. Government securities issued by the United States or Federal agencies,
2. Certificates of deposit if secured by proper collateral,
3. Bankers acceptances issued by institutions ranked nationally as being in the top fifty in asset and deposit size within their industry,
4. Repurchase agreements,
5. Commercial paper rated A-1/P-1,

6. Money market funds whose portfolios consist of instruments otherwise authorized in the investment policy,
7. State Treasury Asset Reserve of Ohio,
8. NOW accounts or similar accounts.

The investment portfolio at December 31, 1999 consisted of 19% certificates of deposit, 8% commercial paper, 3% corporate notes, 3% U.S. Treasury bonds and notes, 46% federal agency notes, and 21% money market funds. The portfolio's relatively large concentration of money market funds was attributable to the holding of about \$2.8 million in the State of Ohio's Treasury Asset Reserve Fund in anticipation of making payments on the Monumental Building renovation project.

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

The weighted average maturity of the portfolio at December 31, 1999 was 649 days and the weighted average yield was 5.60%.

INDEPENDENT AUDIT

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

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, 1998. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the efforts of the members of the Finance Department. We would like to express appreciation to Dianna Morrow, who collected a significant portion of the statistical data and performed much of the GAAP conversion activities, and Jan Fishbaugh, who coordinated the production of the document.

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

Respectfully submitted,



R. Michael Puckett
City Manager



Thomas L. Judy, CPA
Finance Officer

**CITY OF SIDNEY, OHIO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 1999**

CITY COUNCIL MEMBERS

Thomas R. Miller, Mayor

Merrill Asher, Vice Mayor

Doris Blackston

Michael Burns

Rick Simms

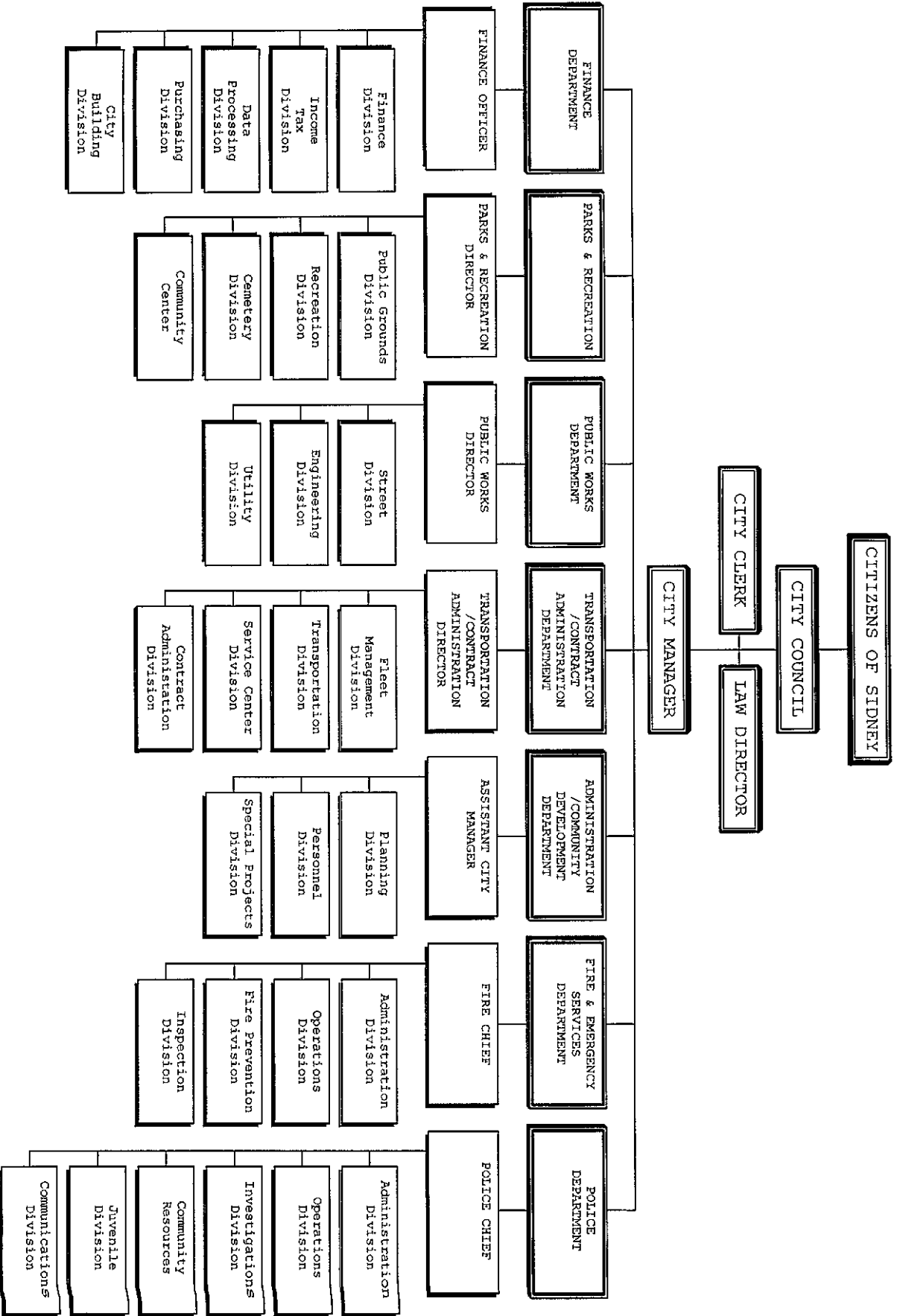
Greg Miller

Frank Mariano

APPOINTED OFFICIALS

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

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, 1998

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.



Greg Brueck
President

Jeffrey L. Esler
Executive Director

CITY OF SIDNEY



OHIO



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

Independent Auditors' Report

To the City Council and City Manager
City of Sidney, Ohio

We have audited the accompanying general purpose financial statements of the City of Sidney, Ohio as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Sidney's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Sidney, Ohio as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2000 on our consideration of the City of Sidney, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Sidney, Ohio, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical section of this report and therefore express no opinion thereon.

Clark, Schaefer, Hackett & Co.
Springfield, Ohio
May 25, 2000

COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999
 (with comparative totals for December 31, 1998)

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Assets and Other Debits:			
Assets:			
Pooled Cash and Investments	\$ 4,387,871	2,478,827	6,390,382
Cash with Fiscal Agent	-	-	-
Receivables:			
Taxes, including interest, penalties and liens	912,984	2,333,958	-
Loans	-	128,199	-
Accounts	-	-	-
Special Assessments, including liens	106,604	-	34,804
Accrued Interest	144,306	12,992	16,688
Other	33,780	35,715	-
Due from Other Funds	45,433	1,458	-
Due from Other Governments	-	45,493	25,000
Inventory	58,360	74,932	-
Prepaid Items	47,096	1,642	61,364
Fixed Assets, Net of Accumulated Depreciation, where applicable	-	-	-
Other Debits:			
Amount to be Provided for Payment of General Long-Term Obligations	-	-	-
 Total Assets and Other Debits	 \$ <u>5,736,434</u>	 <u>5,113,216</u>	 <u>6,528,238</u>

EXHIBIT I
(continued)

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	1999	1998 As Restated
2,904,885	676,525	578,898	-	-	17,417,388	16,359,621
-	-	102,803	-	-	102,803	88,812
-	-	-	-	-	3,246,942	2,099,791
-	-	-	-	-	128,199	189,290
1,069,227	-	-	-	-	1,069,227	985,212
-	-	-	-	-	141,408	144,527
28,709	1,983	6,299	-	-	210,977	238,070
9,898	391	4,284	-	-	84,068	411,467
-	-	-	-	-	46,891	81,938
-	-	-	-	-	70,493	45,137
241,045	34,399	-	-	-	408,736	351,242
116,386	3,052	-	-	-	229,540	235,980
10,408,426	672,015	-	11,835,598	-	22,916,039	22,661,109
-	-	-	-	4,234,965	4,234,965	4,426,725
<u>14,778,576</u>	<u>1,388,365</u>	<u>692,284</u>	<u>11,835,598</u>	<u>4,234,965</u>	<u>50,307,676</u>	<u>48,318,921</u>

COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999
 (with comparative totals for December 31, 1998)

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Liabilities, Equity and Other Credits:			
Liabilities:			
Accounts Payable	\$ 176,330	334,460	128,555
Accrued Salaries	257,599	37,277	-
Accrued Pension	280,853	30,354	-
Accrued Compensated Absences	68,738	29,851	-
Accrued Workers Compensation	25,718	3,773	-
Due to Other Funds	-	-	-
Due to Other Governments	3,708	9,621	-
Undistributed Monies	-	-	-
Deferred Revenue	1,139,237	26,938	39,741
Accrued Interest Payable	-	1,218	9,872
Bond Premium	-	-	1,185
General Obligation Bonds Payable	-	-	-
Unfunded Police/Fire Pension Obligation	-	-	-
Total Liabilities	<u>1,952,183</u>	<u>473,492</u>	<u>179,353</u>
Equity and Other Credits:			
Contributed Capital	-	-	-
Investments in General Fixed Assets	-	-	-
Retained Earnings:			
Unreserved	-	-	-
Fund Balances:			
Reserved for:			
Encumbrances	34,400	138,591	3,487,916
Loans Receivable	-	128,199	-
Inventory	58,360	74,932	-
Prepaid Items	-	-	-
Endowments	-	-	-
Unreserved	<u>3,691,491</u>	<u>4,298,002</u>	<u>2,860,969</u>
Total Equity and Other Credits	<u>3,784,251</u>	<u>4,639,724</u>	<u>6,348,885</u>
Total Liabilities, Equity and Other Credits	<u>\$ 5,736,434</u>	<u>5,113,216</u>	<u>6,528,238</u>

See Notes to the General Purpose Financial Statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	1999	1998 As Restated
58,715	255,682	62	-	-	953,804	661,186
60,249	7,591	-	-	-	362,716	327,743
47,390	6,079	-	-	-	364,676	338,462
306,639	46,586	-	-	1,014,849	1,466,663	1,598,606
6,079	713	-	-	-	36,283	144,802
-	-	46,891	-	-	46,891	81,938
11,254	-	36,898	-	-	61,481	70,435
-	-	19,014	-	-	19,014	14,884
78,176	1,569	9,142	-	-	1,294,803	1,250,199
46,687	-	-	-	-	57,777	62,671
-	-	-	-	-	1,185	1,247
6,290,000	-	-	-	2,825,000	9,115,000	9,950,000
-	-	-	-	395,116	395,116	401,968
<u>6,905,189</u>	<u>318,220</u>	<u>112,007</u>	<u>-</u>	<u>4,234,965</u>	<u>14,175,409</u>	<u>14,904,141</u>
482,948	72,654	-	-	-	555,602	385,316
-	-	-	11,835,598	-	11,835,598	10,655,579
7,390,439	997,491	-	-	-	8,387,930	7,952,607
-	-	-	-	-	3,660,907	1,600,014
-	-	-	-	-	128,199	189,290
-	-	-	-	-	133,292	124,602
-	-	-	-	-	-	106,843
-	-	527,666	-	-	527,666	-
-	-	52,611	-	-	10,903,073	12,400,529
<u>7,873,387</u>	<u>1,070,145</u>	<u>580,277</u>	<u>11,835,598</u>	<u>-</u>	<u>36,132,267</u>	<u>33,414,780</u>
<u>14,778,576</u>	<u>1,388,365</u>	<u>692,284</u>	<u>11,835,598</u>	<u>4,234,965</u>	<u>50,307,676</u>	<u>48,318,921</u>

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR
 FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999
 (with comparative totals for the year ended December 31, 1998)

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Revenues:			
Local Taxes	\$ 1,342,301	11,849,735	-
Intergovernmental Revenues	1,242,150	1,499,128	159,776
Special Assessments	216,317	-	57,272
Charges for Services	343,390	126,063	-
Fines, Licenses and Permits	618,619	64,593	-
Investment Income	527,416	32,161	52,157
Miscellaneous Receipts and Reimbursements	26,173	174,527	63,062
Total Revenues	4,316,366	13,746,207	332,267
Expenditures:			
Current:			
General Government	1,798,402	265,019	-
Security of Persons & Property	7,716,515	77,822	-
Health	-	147,127	-
Transportation	-	1,309,352	-
Community Environment	741,860	7,626	-
Leisure Time Activities	941,694	-	-
Basic Utility Services	-	137,337	-
Capital Outlay	142,791	411,569	3,383,266
Debt Service:			
Principal	-	20,000	100,000
Interest	-	7,730	121,451
Total Expenditures	11,341,262	2,383,582	3,604,717
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,024,896)	11,362,625	(3,272,450)
Other Financing Sources (Uses):			
Proceeds from the Issuance of Bonds	-	-	-
Operating Transfers In	8,445,984	242,475	6,612,864
Sale of Fixed Assets	17,114	1,215	-
Operating Transfers (Out)	(1,144,300)	(10,580,955)	(3,801,368)
Total Other Financing Sources (Uses)	7,318,798	(10,337,265)	2,811,496
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	293,902	1,025,360	(460,954)
Fund Balances, Beginning of Year, as restated	3,490,349	3,614,364	6,809,839
Fund Balances, End of Year	\$ 3,784,251	4,639,724	6,348,885

EXHIBIT II

Fiduciary Fund Types Expendable Trust	Totals (Memorandum Only)	
	1999	1998
-	13,192,036	12,973,054
-	2,901,054	2,246,126
-	273,589	255,468
-	469,453	357,475
-	683,212	596,304
-	611,734	728,050
<u>4,180</u>	<u>267,942</u>	<u>615,239</u>
<u>4,180</u>	<u>18,399,020</u>	<u>17,771,716</u>
22,068	2,085,489	1,879,524
-	7,794,337	6,832,335
-	147,127	126,865
-	1,309,352	1,124,800
-	749,486	803,377
-	941,694	804,764
-	137,337	134,723
-	3,937,626	3,759,437
-	120,000	15,000
-	129,181	8,323
<u>22,068</u>	<u>17,351,629</u>	<u>15,489,148</u>
<u>(17,888)</u>	<u>1,047,391</u>	<u>2,282,568</u>
-	-	2,765,000
7,500	15,308,823	11,743,370
-	18,329	29,216
-	(15,526,623)	(13,280,370)
<u>7,500</u>	<u>(199,471)</u>	<u>1,257,216</u>
(10,388)	847,920	3,539,784
<u>38,791</u>	<u>13,953,343</u>	<u>10,881,494</u>
<u>28,403</u>	<u>14,801,263</u>	<u>14,421,278</u>

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund		Variance: Favorable/ (Unfavorable)
	Budget	Actual	
Revenues:			
Local Taxes	\$ 1,469,540	1,342,226	(127,314)
Intergovernmental Revenues	1,154,374	1,299,470	145,096
Special Assessments	191,800	217,506	25,706
Charges for Services	310,849	340,526	29,677
Fines, Licenses and Permits	569,950	611,549	41,599
Investment Income	401,500	646,201	244,701
Miscellaneous Receipts and Reimbursements	13,350	27,936	14,586
Total Revenues	<u>4,111,363</u>	<u>4,485,414</u>	<u>374,051</u>
Expenditures:			
Current:			
General Government	1,896,713	1,823,425	73,288
Security of Persons & Property	8,080,038	7,855,061	224,977
Health	-	-	-
Transportation	-	-	-
Community Environment	797,554	754,082	43,472
Leisure Time Activities	997,275	976,593	20,682
Basic Utility Services	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>11,771,580</u>	<u>11,409,161</u>	<u>362,419</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(7,660,217)</u>	<u>(6,923,747)</u>	<u>736,470</u>
Other Financing Sources (Uses):			
Operating Transfers-In	8,509,440	8,445,984	(63,456)
Sale of Assets	-	17,114	17,114
Operating Transfers-(Out)	<u>(1,144,300)</u>	<u>(1,144,300)</u>	
Total Other Financing Sources (Uses)	<u>7,365,140</u>	<u>7,318,798</u>	<u>(46,342)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(295,077)</u>	<u>395,051</u>	<u>690,128</u>
Fund Balances, Beginning of Year	3,947,605	3,947,605	
Prior Year Encumbrances	76,811	76,811	
Fund Balances, End of Year	<u>\$ 3,729,339</u>	<u>4,419,467</u>	<u>690,128</u>

See Notes to the General Purpose Financial Statements.

Special Revenue			Capital Projects		
Budget	Actual	Variance: Favorable/ (Unfavorable)	Budget	Actual	Variance: Favorable/ (Unfavorable)
10,967,650	10,762,856	(204,794)	-	-	-
2,099,469	1,555,153	(544,316)	150,000	255,925	105,925
-	-	-	57,000	59,683	2,683
109,800	124,908	15,108	-	-	-
52,150	62,978	10,828	-	-	-
30,000	46,049	16,049	95,000	75,679	(19,321)
<u>304,450</u>	<u>219,067</u>	<u>(85,383)</u>	<u>80,000</u>	<u>132,821</u>	<u>52,821</u>
<u>13,563,519</u>	<u>12,771,011</u>	<u>(792,508)</u>	<u>382,000</u>	<u>524,108</u>	<u>142,108</u>
431,487	145,258	286,229	-	-	-
104,619	72,162	32,457	-	-	-
174,114	170,680	3,434	-	-	-
1,256,076	1,208,141	47,935	-	-	-
471,031	145,215	325,816	-	-	-
-	-	-	-	-	-
170,351	156,579	13,772	-	-	-
<u>1,065,715</u>	<u>541,757</u>	<u>523,958</u>	<u>10,593,314</u>	<u>9,889,807</u>	<u>703,507</u>
<u>3,673,393</u>	<u>2,439,792</u>	<u>1,233,601</u>	<u>10,593,314</u>	<u>9,889,807</u>	<u>703,507</u>
<u>9,890,126</u>	<u>10,331,219</u>	<u>441,093</u>	<u>(10,211,314)</u>	<u>(9,365,699)</u>	<u>845,615</u>
387,972	242,475	(145,497)	6,620,425	6,612,864	(7,561)
-	1,215	1,215	-	-	-
<u>(10,557,480)</u>	<u>(10,580,955)</u>	<u>(23,475)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(10,169,508)</u>	<u>(10,337,265)</u>	<u>(167,757)</u>	<u>6,620,425</u>	<u>6,612,864</u>	<u>(7,561)</u>
(279,382)	(6,046)	273,336	(3,590,889)	(2,752,835)	838,054
2,249,567	2,249,567	-	5,061,960	5,061,960	-
80,591	80,591	-	1,490,308	1,490,308	-
<u>2,050,776</u>	<u>2,324,112</u>	<u>273,336</u>	<u>2,961,379</u>	<u>3,799,433</u>	<u>838,054</u>

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
 AND SIMILAR TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999
 (with comparative totals for the year ended December 31, 1998)

	Proprietary Fund Types	
	Enterprise	Internal Service
Operating Revenues:		
Charges for Services	\$ 6,369,079	1,584,530
Total Operating Revenues	<u>6,369,079</u>	<u>1,584,530</u>
Operating Expenses:		
Personal Services	1,830,156	222,575
General Operating	1,724,085	908,691
Contractual Services	76,663	12,837
Materials and Supplies	1,290,077	207,145
Depreciation	706,646	35,020
Total Operating Expenses	<u>5,627,627</u>	<u>1,386,268</u>
Operating Income (Loss)	<u>741,452</u>	<u>198,262</u>
Nonoperating Revenues (Expenses):		
Interest Income	76,588	2,896
Intergovernmental	15,000	-
(Loss) on Disposal of Assets	(114)	(8,918)
Interest Expense	(379,741)	-
Total Nonoperating Revenues (Expenses)	<u>(288,267)</u>	<u>(6,022)</u>
Income (Loss) before Operating Transfers	<u>453,185</u>	<u>192,240</u>
Operating Transfers In	1,127,800	-
Operating Transfers (Out)	<u>(900,000)</u>	<u>-</u>
Net Income (Loss)	680,985	192,240
Retained Earnings/Fund Balance, Beginning of Year, as restated	6,709,454	805,251
Residual Equity Transfer In	-	-
Residual Equity Transfer Out	<u>-</u>	<u>-</u>
Retained Earnings/Fund Balance, End of Year	\$ <u>7,390,439</u>	<u>997,491</u>

See Notes to the General Purpose Financial Statements.

EXHIBIT IV

Fiduciary Fund Types	Totals (Memorandum Only)	
	1999	1998
Nonexpendable Trust		
16,092	7,969,701	7,185,182
16,092	7,969,701	7,185,182
-	2,052,731	1,945,002
-	2,632,776	1,982,943
-	89,500	678,890
311	1,497,533	1,683,448
-	741,666	786,174
311	7,014,206	7,076,457
15,781	955,495	108,725
18,427	97,911	54,054
-	15,000	66,512
-	(9,032)	(56,392)
-	(379,741)	(424,980)
18,427	(275,862)	(360,806)
34,208	679,633	(252,081)
-	1,127,800	2,337,000
(10,000)	(910,000)	(800,000)
24,208	897,433	1,284,919
527,666	7,514,705	7,150,560
-	-	232,738
-	-	(715,610)
551,874	8,412,138	7,952,607

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
AND SIMILAR TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1999

with comparative totals for the year ended December 31, 1998)

	Proprietary Fund Types		Fiduciary	Totals (Memorandum Only)	
	Enterprise	Internal Service	Fund Types Nonexpendable Trust	1999	1998
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 741,452	198,262	15,781	955,495	108,725
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	706,646	35,020	-	741,666	786,174
Change in Assets and Liabilities:					
Accounts Receivable	(84,015)	-	-	(84,015)	125,731
Other Receivables	128,082	(391)	-	127,691	(134,017)
Due from Other Funds	-	40,775	-	40,775	(30,188)
Prepaid Expenses	10,039	(716)	-	9,323	21,866
Inventory	(42,237)	(6,567)	-	(48,804)	25,720
Accounts Payable	(50,418)	15,896	(42)	(34,564)	2,572
Accrued Payroll and Compensated Absences	(51,184)	(1,575)	-	(52,759)	(20,475)
Accrued Pension	1,978	338	-	2,316	(4,093)
Due to Other Funds	(6,138)	(4)	-	(6,142)	(1,363,767)
Due to Other Governments	11,254	-	-	11,254	-
Deferred Revenue	(3,005)	851	547	(1,607)	(31,310)
Net Cash Provided (Used) by Operating Activities	1,362,454	281,889	16,286	1,660,629	(513,062)
Cash Flows from Noncapital Financing Activities:					
Operating Transfers-In	1,127,800	-	-	1,127,800	2,337,000
Operating Transfers-(Out)	(900,000)	-	(10,000)	(910,000)	(800,000)
Intergovernmental	15,000	-	-	15,000	66,512
Net Cash Provided (Used) by Noncapital Financing Activities	242,800	-	(10,000)	232,800	1,603,512
Cash Flows from Capital and Related Financing Activities:					
Acquisition of Capital Assets	(38,419)	-	-	(38,419)	(70,592)
Principal Payments	(715,000)	-	-	(715,000)	(700,000)
Interest Paid	(384,243)	-	-	(384,243)	(429,278)
Net Cash Provided (Used) in Capital and Related Financing Activities	(1,137,662)	-	-	(1,137,662)	(1,199,870)
Cash Flows from Investing Activities:					
Proceeds from Sale of Assets	4,925	-	-	4,925	5,768
Interest on Investments	113,445	2,096	24,453	139,994	70,816
Net Unrealized Loss on Investments	(36,284)	-	(5,017)	(41,301)	-
Net Cash Provided by Investing Activities	82,086	2,096	19,436	103,618	76,584
Net Increase (Decrease) in Cash and Cash Equivalents	549,678	283,985	25,722	859,385	(32,836)
Pooled Cash and Investments, Beginning of Year, as restated	2,355,207	392,540	524,898	3,272,645	2,863,691
Pooled Cash and Investments, End of Year	\$ 2,904,885	676,525	550,620	4,132,030	2,830,855
Supplemental Disclosure:					
Interest paid	\$ 384,243	-	-	384,243	429,278

See Notes to the General Purpose Financial Statements.

CITY OF SIDNEY, OHIO

Notes to the General Purpose Financial Statements

For the Year Ended December 31, 1999

1. Summary of Significant Accounting Policies:

A. Reporting Entity

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

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

For financial reporting purposes, the City includes in this report all funds, account groups, agencies, boards, commissions, and departments in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 criteria for determining the entity and component units. Under the provisions of GASB Statement No. 14, the City of Sidney is the primary government, since it is a special purpose government that has a separate elected governing body; functions as a separate legal entity; and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the City may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue debt. As required by generally accepted accounting principles, these 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, 1999.

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 which have independent elected officials and are excluded from the accompanying 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 general purpose financial statements.

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

B. Basis of Presentation

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

The accounts of the City are organized on the basis of funds or account groups, 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. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable available financial resources. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

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

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by City ordinances, federal and state statutes or grant provisions.

Capital Projects Funds - Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

Proprietary Fund Types

The proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector. The following are the City's proprietary fund types:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, 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.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds.

Trust and Agency Funds - Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

Account Groups - Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. Since these assets and obligations are long-term, they are neither spendable resources nor require current appropriations.

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the City other than those accounted for in the proprietary fund types.

General Long-Term Obligations Account Group - This account group is used to account for all long-term obligations of the City except those accounted for in the proprietary funds.

C. Basis of Accounting

The accounting and financial reporting treatment that applies to a fund is determined by its measurement focus. All governmental funds and expendable trust 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 net current assets.

All proprietary funds and nonexpendable trust 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. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components.

Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used for all governmental fund types and expendable trust funds. 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 determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest of general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

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

The 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 modified accrual basis of accounting.

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

The City reports deferred revenues on its combined 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.

D. Budgets and Budgetary Accounting

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

- (1) The City must submit a tax budget of estimated cash receipts and disbursements for all funds to the County Budget Commission by July 20 of each year for the following year, January 1 through December 31.
- (2) The County Budget Commission certifies its actions by September 1 and issues an Official Certificate of Estimated Resources, (the "Certificate") limiting the maximum amount the City may expend from a given fund during the year to the estimated resources available.

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

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

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

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

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue, and Capital Projects Fund Types - Budget (Non-GAAP) Basis is presented on the budgetary basis 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. Pooled Cash and Investments

For purposes of the statements of cash flows, the proprietary funds consider all highly liquid investments held by trustees with a maturity of three months or less when purchased to be cash equivalents. All investments of the City are recorded at fair market value, in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The statement established accounting and reporting guidelines for government investments and investment pools. Certain investments that were reported at cost in previous years may now be reported at fair value. Cash balances for all City funds, as allowed by law, are pooled and invested to improve cash management. Interest earnings from investments are allocated to the General Fund except for funds derived from contract, trust agreement or City ordinance which require crediting otherwise.

F. Inventory

Inventory is valued at cost (first-in, first-out). 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.

G. Insurance and Risk

The City of Sidney covers most of its risks of loss through commercial insurance. Effective January 1, 1990, the City began a partially self-funded health plan. The City funds the maximum liability, which is equal to the City's aggregate stop loss plus the insurance companies costs. During 1999, the City incurred claims of \$783,590. The City plans to use any excess funds to contain health coverage costs.

H. Fixed Assets - General

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental fund types and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Public domain assets (infrastructure) such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

No depreciation has been provided on general fixed assets, nor has interest on general fixed asset construction-in-progress been capitalized.

I. Fixed Assets - Enterprise and Internal Service Funds

Fixed assets acquired by the proprietary fund types are stated at cost (or estimated historical cost), including interest capitalized during construction, where applicable. Contributed fixed assets are recorded at fair market value at the date received. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Life (Years)</u>
Land improvements	20 to 25
Buildings and improvements	20 to 40
Machinery and equipment	2 to 25

J. Bond Issuance Costs

Bond issuance costs for proprietary fund types are deferred and amortized over the terms of the bonds using methods which approximate the effective interest method. Issuance costs at year-end amounted to \$170,448 net of accumulated amortization of \$70,971. These costs are included in prepaid costs on the combined balance sheet.

K. 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.

For governmental fund type employees, the current portion of vested vacation and sick leave is recorded in the appropriate governmental fund type and the noncurrent portion is recorded in the general long-term obligations account group. Vested vacation and sick leave pertaining to proprietary fund types is recorded as an expense when earned.

Payment of vacation and sick leave recorded in the general long-term obligations account group 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.

L. Pensions

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

M. 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.

N. 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.

O. Contributed Capital

Proprietary fund type contributed capital is recorded as the fair market value of the related assets on the date received. Depreciation on contributed fixed assets (acquired by grants, entitlements and shared revenues externally restricted for capital acquisitions and construction that reduce contributed capital) is expensed to retained earnings using the straight-line method over the same lives as described for the related fixed assets in Note 1 H.

The changes in the City's contributed capital for its proprietary funds were as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Airport</u>
Contributed capital, January 1, 1999	\$ 14,888	107,896	153,636
Prior Period Misstatement	49,510	-	-
Contributing sources:			
General Fund	-	-	-
Stormwater Management Fund	12,923	-	-
Capital Improvement Fund	4,998	27,900	19,862
Water Reserve Fund	<u>42,714</u>	<u>36,356</u>	<u>-</u>
Contributed capital, December 31, 1999	<u>\$125,033</u>	<u>172,152</u>	<u>173,498</u>

	<u>Sanitation</u>	<u>Total Proprietary Funds</u>	<u>Internal Service Funds Service Center</u>
Contributed capital, January 1, 1999	\$12,265	288,685	146,141
Prior Period Misstatement	-	49,510	-
Contributing sources:			
General Fund	-	-	(94,485)
Stormwater Management Fund	-	12,923	-
Capital Improvement Fund	-	52,760	20,998
Water Reserve Fund	<u>-</u>	<u>79,070</u>	<u>-</u>
Contributed capital, December 31, 1999	<u>\$12,265</u>	<u>482,948</u>	<u>72,654</u>

In 1998, an amount of \$49,510 was incorrectly recorded to retained earnings rather than to contributed capital in the Water Fund. This amount represented fixed assets that were

purchased by a different fund and recorded by the Water Fund. See restatement of retained earnings adjustment in Note 2.

P. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it and that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Q. Financial Disclosure

The City has elected to report its financial statements in accordance with statements issued by the Financial Accounting Standards Board (FASB) unless they are superseded by GASB, as outlined by GASB 20.

R. Comparative Data

Comparative total data for the prior year has been presented in the accompanying general purpose financial statements in order to provide an understanding of overall changes in the City's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in the general purpose financial statements, since their inclusion would make the statements unduly complex and difficult to read. Certain prior year comparative data has been reclassified to be consistent with current account classifications.

S. Total Columns on General Purpose Financial Statements

Total columns on the general purpose (combined) financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

T. Estimates

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

2. Reclassification of Funds/Prior Period Adjustment:

On January 1, 1999, the City reclassified three funds of the City. The changes and the effect on the beginning fund balance/retained earnings of the City's financial statements are as follows:

	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Expendable Trust</u>
Fund Balance/Retained Earnings, December 31, 1998	\$ 3,554,633	7,147,356	566,457
Parking Meter Fund	59,731	(388,392)	-
Cemetery Trust Fund	-	-	(522,301)
Mausoleum Trust Fund	-	-	(5,365)
Prior Period Misstatement	-	(49,510)	-
Fund Balance, Retained Earnings, January 1, 1999	<u>\$ 3,614,364</u>	<u>6,709,454</u>	<u>38,791</u>

	<u>Nonexpendable Trust</u>	<u>GFAAG</u>	<u>Total</u>
Fund Balance/Retained Earnings, December 31, 1998	\$ -	10,655,579	21,924,025
Parking Meter Fund	-	328,661	-
Cemetery Trust Fund	522,301	-	-
Mausoleum Trust Fund	5,365	-	-
Prior Period Misstatement	-	-	(49,510)
Fund Balance, Retained Earnings, January 1, 1999	<u>\$ 527,666</u>	<u>10,984,240</u>	<u>21,874,515</u>

In 1998, an amount of \$49,510 was incorrectly recorded to retained earnings rather than to contributed capital in the Water Fund. This amount represented fixed assets that were purchased by a different fund and recorded by the Water Fund. See restatement of retained earnings adjustment in Note 2.

Furthermore, the City has determined that the bank accounts of the Sidney Municipal Court that account for the assets received and disbursed as an agent or custodian relative to civil or criminal court matters should be reported as an Agency fund within the general purpose financial statements of the City. This determination has resulted in the reclassification of certain line items within the General Fund, Special Revenue Funds and the Agency Fund for December 31, 1998 as follows:

	<u>As Previously Stated</u>	<u>Reclassification</u>	<u>As Restated</u>
General Fund			
Assets:			
Other Receivables	\$ 81,189	(39,009)	42,180
Due from Other Funds	1,294	39,009	40,303

Special Revenue Funds			
Drug Law Enforcement Fund			
Assets:			
Other Receivables	\$ 225	(225)	-
Due from Other Funds	-	225	225
Indigent Driver Alcohol Treatment Fund			
Assets:			
Other Receivables	\$ 588	(588)	-
Due from Other Funds	-	588	588
Enforcement & Education			
Assets:			
Other Receivables	\$ 241	(241)	-
Due from Other Funds	-	241	241
Agency Funds			
Sidney Municipal Court			
Assets:			
Cash with Fiscal Agent	\$ -	88,812	88,812
Liabilities:			
Due to Other Funds	\$ -	39,869	39,869
Due to Other Governments	-	34,059	34,059
Undistributed Monies	-	14,884	14,884

As a result of the above reclassifications; the 1998 "Memorandum Total Only" column has been restated as follows:

	<u>As Previously Stated</u>	<u>Reclassification</u>	<u>As Restated</u>
Assets:			
Cash with Fiscal Agent	\$ -	88,812	88,812
Other Receivables	451,336	(39,869)	411,467
Due from Other Funds	42,069	39,869	81,938
Liabilities:			
Due to Other Funds	\$ 42,069	39,869	81,938
Due to Other Governments	36,376	34,059	70,435
Undistributed Monies	-	14,884	14,884

3. Pooled Cash and Investments:

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

remaining cash equivalents are included under the caption "investments." Income accrued on cash deposits and investments are shown collectively by fund on the combined balance sheet as "accrued interest receivable."

Cash Deposits - At December 31, 1999, the carrying amount of the City's deposits was \$4,205,072 and the bank balance was \$4,400,573. Of the bank balance:

1. \$700,000 was covered by federal depository insurance; and
2. \$3,700,573 was covered by collateral held by financial institutions not in the City's name or by single financial institution collateralized pools held in the financial institution's name as specified by Section 135.181 of the Ohio Revised Code (ORC).

The State of Ohio by statute has established a collateral pooling system for financial institutions acting as public depositories. The public depositories must pledge qualified securities with a market value of at least equal to 110 percent of the total amount of all public deposits to be secured by the collateral pool. The securities so pledged provide the equivalent of a deposit insurance fund. This approach protects all public entities against a single public depository collapse. The state has implemented collateral pools to minimize the interest penalty to public entities for protecting public deposits.

Investments - The ORC and the City's charter authorizes the City to invest in the State Treasury Asset Reserve of Ohio, certificates of deposit, repurchase agreements, United States treasury bills and notes, corporate bonds, 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 authorize public depositories and contracts with such institutions are in accordance with the ORC and the City's charter.

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

A summary of the market value of investments held at December 31, 1999, and an indication of the related risk is as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Risk Category</u>
Money market fund	\$ 664,737	Category 1
Commercial paper	1,378,346	Category 1
Government securities	8,087,438	Category 3
Corporate bonds	463,403	Category 3
Star Ohio	<u>2,721,195</u>	Unclassified
	<u>\$ 13,315,119</u>	

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

A reconciliation between classifications of pooled cash and investments and investments on the Combined Balance Sheet and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Pooled Cash and Investments</u>	<u>Investments</u>
Per Combined Balance Sheet	\$ 17,520,191	-
Reclassifications:		
Investments	<u>(13,315,119)</u>	<u>13,315,119</u>
Per GASB 3	\$ <u>4,205,072</u>	<u>13,315,119</u>

4. Income Taxes:

Municipalities within the State of Ohio are permitted by state statute to levy an income tax up to a maximum rate of 1% subject to the approval of the local legislative body. Any rate in excess of 1% requires the approval of a majority of the eligible voters residing within the municipal corporation. The City of Sidney levies a 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.

5. 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 0.260% (2.6 mills) of assessed value. The City also receives additional .6 mills to fund the police and fire unfunded pension liability.

Real property and public utility taxes collected during 1999 were levied on January 1, 1999 on assessed values listed as of January 1, 1998, the lien date. One-half of these taxes were due on February 14, 1999, with the remaining balance due on July 20, 1999.

Tangible personal property taxes collected during 1999 had a lien and levy date of January 1, 1999. One-half of these taxes were due between February 14, 1999, and April 30, 1999, with the remaining balance due on October 20, 1999.

Assessed values of real property are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed no less than every six years with equalization adjustments in the third year following reappraisal. The last revaluation was completed in 1999. Public utility property taxes are assessed on tangible personal property as well as land and improvements at true value (50% of cost). Tangible personal property assessments are 25% of true value. The assessed value for 1998 upon which the 1999 levy was based was approximately \$383,475,209. The assessed value for 1999 upon which the 2000 levy will be based is approximately \$401,899,287.

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. Property taxes may be paid on either an annual or semi-annual basis.

6. Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance 12/31/98 (as restated)	Additions	Disposal	Balance 12/31/99
Land and land improvements	\$ 1,177,326	49,320	-	1,226,646
Building and improvements	4,069,650	526,939	-	4,596,589
Machinery and equipment	<u>5,737,264</u>	<u>643,160</u>	<u>308,061</u>	<u>6,012,363</u>
	<u>\$ 10,984,240</u>	<u>1,219,419</u>	<u>308,061</u>	<u>11,835,598</u>

The beginning has been restated as a result of the reclassification of Note 2.

A summary of proprietary fund type fixed assets at December 31, 1999 follows:

	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Airport</u>
Land and land improvements	\$ 143,179	62,820	304,465
Buildings and improvements	3,600,632	7,860,090	628,376
Machinery and equipment	2,618,653	3,079,889	89,694
Less accumulated depreciation	<u>4,059,878</u>	<u>4,474,361</u>	<u>274,228</u>
	<u>\$ 2,302,586</u>	<u>6,528,438</u>	<u>748,307</u>

	Enterprise Funds			Internal
	Sanitation	Swimming Pool	Total	Service Fund Service Center
Land and land improvements	\$ 11,340	-	521,804	-
Buildings and improvements	-	1,008,267	13,097,365	1,114,849
Machinery and equipment	562,418	1,760	6,352,414	175,344
Less accumulated depreciation	<u>503,565</u>	<u>251,125</u>	<u>9,563,157</u>	<u>618,178</u>
	\$ <u>70,193</u>	<u>758,902</u>	<u>10,408,426</u>	<u>672,015</u>

7. Defined Benefit Pension Plans:

Police and fire are covered by the Police and Fireman's Disability and Pension Fund of Ohio (Police and Fire). Substantially all other City employees are covered by Public Employees Retirement System of Ohio (PERS). Police and Fire and PERS are both cost-sharing, multiple-employer public employee retirement systems. The payrolls for employees covered by Police and Fire, for employees covered by PERS and for all employees were approximately \$3,735,559, \$5,238,249 and \$8,973,808, respectively for the year ended December 31, 1999.

Plan Description. The City of Sidney contributes to the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides the authority to establish and amend benefit provisions. PERS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to PERS, 277 East Town Street, Columbus, Ohio 43215, or by calling (614) 466-2085.

Funding Policy. The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 8.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 13.55% of annual covered payroll. The City's actual contributions to PERS for the years ending December 31, 1999, 1998 and 1997 were \$691,875, \$659,169 and \$635,300, respectively, equal to the required contributions for each year.

Plan Description. The City of Sidney contributes to the Police and Firemen's Disability and Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit 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. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy. 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 of Sidney's actual contributions to OP&F for the years ending December 31, 1999, 1998 and 1997 were \$764,493, \$714,545 and \$678,058, respectively, equal to the required contributions for each year.

The City also makes payments to Police and Fire fund for its portion of past service cost determined at the time the fund was established in the mid-1930's. As of December 31, 1999, the unfunded liability is payable, including principal and interest, in annual installments of \$21,672 through the year 2035. The principal balance of \$395,116 is accounted for in the general long-term obligation account group. The liability for past service cost at the time PERS was established was assumed by the State.

8. Postemployment Benefits:

A. Public Employees Retirement System

The Public Employees retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by state statute. The 1999 employer contribution rate was 13.55% of covered payroll for employees not engaged in law enforcement; 4.2% was the portion that was used to fund health care for 1999. For law enforcement employees, the employer contribution rate for 1999 was 16.7% of which 4.2% was used to fund health care.

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

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1999, the Retirement Board adopted a new calculation method for determination employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

B. Police and Firemen's Disability and Pension Fund

The Police and Firemen's Disability and Pension Fund (the "fund") provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code provides the statutory authority allowing the Police and Firemen's Disability and Pension Fund's Board of Trustees to provide health care coverage to all eligible individuals and states that health care cost paid from the Police and Firemen's Disability and Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5% of covered payroll and the total firefighter employer contribution rate is 24% of covered payroll, of which 6.5% of covered payroll is applied to the postemployment health care program. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The number of participants eligible to receive health care benefits as of December 31, 1998, (the latest information available) was 11,424 for police and 9,146 for firefighters. The City's actual contributions for 1999 that were used to fund postemployment benefits were \$126,145 for police and \$120,629 for firefighters. The Fund's total health care expenses for the year ended December 31, 1998, was \$78,596,790, which was net of member contributions of \$5,331,515.

9. General Long-Term Obligations:

Activity related to other general long-term obligations in the General Long-Term Obligations Account Group are as follows:

	Accrued Vacation & Sick Leave	Unfunded Police/ Fire Pension Obligation	Long-Term Debt	Total
Balance, January 1, 1999	\$ 1,079,757	401,968	2,945,000	4,426,725
Additions*	-	-	-	-
Reductions*	<u>(64,908)</u>	<u>(6,852)</u>	<u>(120,000)</u>	<u>(191,760)</u>
Balance, December 31, 1999	<u>\$ 1,014,849</u>	<u>395,116</u>	<u>2,825,000</u>	<u>4,234,965</u>

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

10. Long-Term Debt:

The following is a summary of debt transactions of the City for the year ended December 31, 1999:

General Long-Term Debt Account Group:

Bonds payable, January 1, 1999	\$ 2,945,000
Bonds issued	-
Principal retired	<u>(120,000)</u>
Total long-term debt account group	<u>\$ 2,825,000</u>

Proprietary Funds:

	<u>Sewer General Obligation</u>	<u>Water General Obligation</u>	<u>Total</u>
Bonds payable, January 1, 1999	\$ 5,005,000	2,000,000	7,005,000
Bonds issued	-	-	-
Bonds retired	<u>(465,000)</u>	<u>(250,000)</u>	<u>(715,000)</u>
Bonds payable, December 31, 1999	<u>\$ 4,540,000</u>	<u>1,750,000</u>	<u>6,290,000</u>

Bonds payable at December 31, 1999 consisted of the following issues:

	<u>1999</u>	<u>1998</u>
<u>General Long-Term Debt Account Group:</u>		
Health Department Building, 9/15/93, general obligation bonds; 2.5% to 4.9% payable in installments to 2007	\$ 160,000	180,000
Monumental Building renovation, 12/1/98, General obligation bonds; 3.25% to 5.0% interest paid semi-annually May 1 and November 1; matures 2018	<u>2,665,000</u>	<u>2,765,000</u>
	<u>\$ 2,825,000</u>	<u>2,945,000</u>

Proprietary Funds:

Sewer:

1993 Sewer Advanced Refunding 2.5% to 4.9%, payable in installments to 2007 \$ 4,540,000 5,005,000

Water:

General obligation bonds:

1986, 8.125%, payable in installments to 2006 1,750,000 2,000,000

Total long-term debt within Enterprise Funds \$ 6,290,000 7,005,000

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

Annual requirements to pay principal and interest on long-term debt at December 31, 1999 are:

Principal:

<u>Year Ending</u> <u>December 31</u>	<u>General Long-Term</u> <u>Debt Account Group</u>	<u>Proprietary Fund Types</u>		
		<u>Sewer</u> <u>Revenue</u>	<u>Water</u> <u>General</u> <u>Obligation</u>	<u>Total</u>
2000	\$ 120,000	485,000	250,000	735,000
2001	120,000	505,000	250,000	755,000
2002	120,000	525,000	250,000	775,000
2003	125,000	545,000	250,000	795,000
2004	125,000	575,000	250,000	825,000
Thereafter	2,215,000	1,905,000	500,000	2,405,000
Total	\$ 2,825,000	4,540,000	1,750,000	6,290,000

Interest:

<u>Year Ending</u> <u>December 31</u>	<u>Proprietary Fund Types</u>		
	<u>Sewer</u> <u>Revenue</u>	<u>Water</u> <u>General</u> <u>Obligation</u>	<u>Total</u>
2000	\$ 204,465	142,188	346,653
2001	185,473	121,875	307,348
2002	164,750	101,563	266,313
2003	141,610	81,250	222,860
2004	114,538	60,938	175,476
Thereafter	166,477	75,035	241,512
Total	\$ 977,313	582,849	1,560,162

Advance Refunding

On September 15, 1993, the City of Sidney advance refunded the 1987 Sewer System Improvement Mortgage Reserve bond issue with new General Obligation Bonds. The City issued

\$7.302 million of general obligation refunding bonds to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the enterprise fund. This advance refunding was undertaken to reduce total debt service payments over the remaining 14 years by \$1,958,469 and to obtain an economic gain (difference between present value of the debt service payments of the refunded and refunding bonds) of \$315,392. Outstanding defeased bonds at December 31, 1999 per amortization schedules are \$5,100,000.

11. Interfund Activity:

A summary of interfund transactions at December 31, 1999 consist of the following:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ <u>45,433</u>	<u>-</u>
Special Revenue Funds:		
Drug Law Enforcement	260	-
Indigent Driver Alcohol Treatment Enforcement & Education	898	-
	<u>300</u>	<u>-</u>
Total Special Revenue Funds	<u>1,458</u>	<u>-</u>
Agency Funds:		
Sidney Municipal Court	<u>-</u>	<u>46,891</u>

During the normal course of operations, the City has numerous transactions among funds, most of which are accounted for as transfers among funds, with the exception of the Internal Service Fund. This fund is used to account for various supplies and services which are charged back to the appropriate fund on an "as used" basis. The Internal Service Fund records such charges as operating revenues. Other funds record payments to the Internal Service Fund as operating expenditures or expenses.

12. Enterprise Fund Segment Information:

Significant financial data for the services provided by the City which were intended to be financed by user charges for the year ended December 31, 1999, were as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Airport</u>
Operating revenues	\$ 2,747,620	2,673,403	193,753
Depreciation	187,731	438,177	20,174
Operating income (loss)	316,211	637,699	(15,787)
Intergovernmental	-	-	-
Operating transfers:			
In	450,000	450,000	10,000
Out	(450,000)	(450,000)	-
Net income (loss)	189,390	461,253	(5,787)
Property additions	9,098	27,561	-

Net working capital	1,405,868	1,938,081	51,788
Total assets	4,080,532	8,663,357	831,377
Indebtedness	1,750,000	4,540,000	-
Contributed capital	125,033	172,152	173,498
Total equity	\$ 1,958,454	3,926,519	800,095

	<u>Sanitation</u>	<u>Pool</u>	<u>Total</u>
Operating revenues	\$ 699,316	54,987	6,369,079
Depreciation	38,222	22,342	706,646
Operating income (loss)	(152,711)	(43,960)	741,452
Intergovernmental	15,000	-	15,000
Operating transfers:			
In	182,800	35,000	1,127,800
Out	-	-	(900,000)
Net income (loss)	45,089	(8,960)	680,985
Property additions	-	1,760	38,419
Net working capital	339,499	19,725	3,754,961
Total assets	424,501	778,809	14,778,576
Indebtedness	-	-	6,290,000
Contributed capital	12,265	-	482,948
Total equity	\$ 409,692	778,627	7,873,387

13. Contingent Liabilities:

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

14. Budget Basis of Accounting:

The adjustments necessary to convert the results of operations for the year ended December 31, 1999, from the GAAP basis to the budget basis are as follows:

	Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other <u>Financing Uses</u>		
	<u>General</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
	GAAP basis	\$ 293,902	1,025,360
Increase (decrease):			
Due to revenues	169,048	(975,196)	191,841
Due to expenditures	(67,899)	(79,685)	(6,285,090)
Due to other financing sources and uses	-	<u>23,475</u>	<u>3,801,368</u>
Budget basis	\$ <u>395,051</u>	<u>(6,046)</u>	<u>(2,752,838)</u>

15. 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 (the allocation is based upon the percentage of each funds' current-year payroll as it relates to total payroll of the City) is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. Changes in the balances of claims liabilities during the past fiscal year are as follows:

	<u>1999</u>	<u>1998</u>
Unpaid claims, beginning of year	\$ 214,709	191,230
Incurred claims (including IBNRs)	783,590	1,187,178
Claim payments	<u>(845,805)</u>	<u>(1,163,699)</u>
Unpaid claims, end of year	\$ <u>152,494</u>	<u>214,709</u>

16. Risk Management:

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

The City pays an annual premium to MVRMA, Inc. for this coverage. The agreement provides that the MVRMA, Inc. will be self-sustaining through member premiums and the purchase of excess and stop-loss insurance. The deductible per occurrence for all types of claims is \$2,500. During 1999, the Association's per-occurrence retention limit for property was \$150,000, with the exception of boiler and machinery for which there was a \$5,000 per occurrence retention limit. Liability had a per-occurrence retention limit of \$500,000. After the retention limits are reached, excess insurance will cover up to the limits stated below.

General Liability (including law enforcement)	\$10,500,000 per occurrence
Automobile Liability	\$10,500,000 per occurrence
Public Officials Liability	\$10,500,000 per occurrence
Boiler and Machinery	BLANKET COVERAGE
Property	BLANKET COVERAGE
Flood and Earthquake	\$100,000,000 per occurrence

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



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.

COMPARATIVE BALANCE SHEETS
 GENERAL FUND
 DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Assets:		
Pooled Cash and Investments	\$ 4,387,871	4,103,584
Receivables:		
Taxes, including interest, penalties and liens	912,984	852,735
Special Assessments, including liens	106,604	103,812
Accrued Interest	144,306	166,111
Other	33,780	42,180
Due from Other Funds	45,433	40,303
Inventory	58,360	53,980
Prepaid Items	47,096	41,203
	<u>5,736,434</u>	<u>5,403,908</u>
Total Assets	\$ 5,736,434	5,403,908
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable	\$ 176,330	58,281
Accrued Salaries	257,599	233,968
Accrued Pension	280,853	259,192
Accrued Compensated Absences	68,738	120,652
Accrued Workers Compensation	25,718	102,214
Due to Other Funds	-	14,112
Due to Other Governments	3,708	36,376
Deferred Revenue	1,139,237	1,088,764
	<u>1,952,183</u>	<u>1,913,559</u>
Total Liabilities	1,952,183	1,913,559
Fund Balances:		
Reserved for:		
Encumbrances	34,400	63,981
Inventory	58,360	53,980
Prepaid Items	-	41,203
Unreserved	3,691,491	3,331,185
	<u>3,784,251</u>	<u>3,490,349</u>
Total Fund Balances	3,784,251	3,490,349
Total Liabilities and Fund Balances	\$ 5,736,434	5,403,908

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Local Taxes	\$ 1,342,301	1,274,300
Intergovernmental Revenues	1,242,150	1,167,516
Special Assessments	216,317	193,206
Charges for Services	343,390	236,675
Fines, Licenses and Permits	618,619	578,747
Investment Income	527,416	563,833
Miscellaneous Receipts and Reimbursements	<u>26,173</u>	<u>368,769</u>
Total Revenues	<u>4,316,366</u>	<u>4,383,046</u>
Expenditures:		
Current:		
General Government	1,798,402	1,586,650
Security of Persons & Property	7,716,515	6,814,277
Community Environment	741,860	671,618
Leisure Time Activities	941,694	804,764
Capital Outlay	<u>142,791</u>	<u>130,410</u>
Total Expenditures	<u>11,341,262</u>	<u>10,007,719</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,024,896)</u>	<u>(5,624,673)</u>
Other Financing Sources (Uses):		
Operating Transfers-In	8,445,984	8,298,085
Sales of Fixed Assets	17,114	22,216
Operating Transfers-(Out)	<u>(1,144,300)</u>	<u>(1,281,764)</u>
Total Other Financing Sources (Uses)	<u>7,318,798</u>	<u>7,038,537</u>
Excess of Revenues and Other Financing Sources Over Expenditures and and Other Financing Uses	293,902	1,413,864
Fund Balances, Beginning of Year	<u>3,490,349</u>	<u>2,076,485</u>
Fund Balances, End of Year	<u>\$ 3,784,251</u>	<u>3,490,349</u>

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund		Variance: Favorable/ (Unfavorable)
	Budget	Actual	
Revenues:			
Local Taxes	\$ 1,469,540	1,342,226	(127,314)
Intergovernmental Revenues	1,154,374	1,299,470	145,096
Special Assessments	191,800	217,506	25,706
Charges for Services	310,849	340,526	29,677
Fines, Licenses and Permits	569,950	611,549	41,599
Investment Income	401,500	646,201	244,701
Miscellaneous Receipts and Reimbursements	13,350	27,936	14,586
Total Revenues	4,111,363	4,485,414	374,051
Expenditures:			
Current:			
General Government			
City Council			
Salaries and Wages	46,460	46,459	1
Fringe Benefits	12,978	12,910	68
Contractual/Materials	105,932	103,887	2,045
Capital Outlay	1,800	1,705	95
City Administration			
Salaries and Wages	120,109	120,104	5
Fringe Benefits	26,852	26,844	8
Contractual/Materials	15,360	14,906	454
Capital Outlay	2,325	2,257	68
Finance			
Salaries and Wages	185,698	181,607	4,091
Fringe Benefits	45,826	41,643	4,183
Contractual/Materials	61,761	61,566	195
Capital Outlay	1,800	1,759	41
Law Director			
Salaries and Wages	47,491	47,491	-
Fringe Benefits	10,361	10,321	40
Contractual/Materials	29,156	26,451	2,705
Personnel			
Salaries and Wages	93,354	93,339	15
Fringe Benefits	27,081	27,065	16
Contractual/Materials	114,627	110,760	3,867
Capital Outlay	2,750	2,733	17
Data Processing			
Salaries and Wages	105,424	105,206	218
Fringe Benefits	22,300	22,236	64
Contractual/Materials	45,924	44,856	1,068
Capital Outlay	3,600	3,505	95

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund		Variance: Favorable/ (Unfavorable)
	Budget	Actual	
Purchasing			
Salaries and Wages	67,760	67,073	687
Fringe Benefits	16,400	16,155	245
Contractual/Materials	33,597	32,811	786
City Hall			
Salaries and Wages	37,660	34,206	3,454
Fringe Benefits	6,346	5,404	942
Contractual/Materials	200,187	183,738	16,449
Capital Outlay	23,400	19,243	4,157
Miscellaneous			
Contractual/Materials	382,394	355,185	27,209
Total General Government	1,896,713	1,823,425	73,288
Security of Persons & Property			
Police Services			
Salaries and Wages	2,315,364	2,273,719	41,645
Fringe Benefits	700,085	689,509	10,576
Contractual/Materials	1,065,768	989,849	75,919
Capital Outlay	41,908	33,453	8,455
Fire Services			
Salaries and Wages	1,912,591	1,900,447	12,144
Fringe Benefits	635,734	635,669	65
Contractual/Materials	360,280	339,488	20,792
Capital Outlay	53,290	51,002	2,288
Municipal Court			
Salaries and Wages	353,328	353,326	2
Fringe Benefits	85,254	84,259	995
Contractual/Materials	133,171	115,923	17,248
Capital Outlay	2,600	626	1,974
Prosecutor			
Salaries and Wages	63,992	63,594	398
Fringe Benefits	18,904	16,850	2,054
Contractual/Materials	92,200	88,861	3,339
Probation Grant			
Salaries and Wages	15,356	15,347	9
Fringe Benefits	3,695	3,776	(81)
Contractual/Materials	6,068	4,608	1,460
Street Lighting Department			
Contractual/Materials	220,450	194,755	25,695
Total Security of Persons & Property	8,080,038	7,855,061	224,977

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund		
	Budget	Actual	Variance: Favorable/ (Unfavorable)
Community Environment			
Building Inspection			
Salaries and Wages	66,404	62,465	3,939
Fringe Benefits	19,984	18,925	1,059
Contractual/Materials	24,763	16,636	8,127
Engineering			
Salaries and Wages	318,793	312,750	6,043
Fringe Benefits	82,138	75,539	6,599
Contractual/Materials	42,031	37,479	4,552
Capital Outlay	5,660	5,139	521
Community Planning & Development			
Salaries and Wages	29,629	29,299	330
Fringe Benefits	7,762	5,187	2,575
Contractual/Materials	37,714	32,547	5,167
Capital Outlay	2,000	1,988	12
Public Works			
Salaries and Wages	72,610	72,604	6
Fringe Benefits	17,368	14,800	2,568
Contractual/Materials	7,345	5,833	1,512
Capital Outlay	700	690	10
Code Enforcement			
Salaries and Wages	47,085	47,073	12
Fringe Benefits	9,400	9,343	57
Contractual/Materials	6,168	5,785	383
Total Community Environment	<u>797,554</u>	<u>754,082</u>	<u>43,472</u>
Leisure Time Activities			
Parks & Recreation - Administration			
Salaries and Wages	94,595	94,548	47
Fringe Benefits	19,614	17,939	1,675
Contractual/Materials	7,936	6,557	1,379
Capital Outlay	2,500	2,384	116
Parks & Recreation - Programs			
Salaries and Wages	40,100	38,153	1,947
Fringe Benefits	7,447	6,251	1,196
Contractual/Materials	40,509	40,209	300
Capital Outlay	-	-	-
Parks & Recreation - Maintenance			
Salaries and Wages	138,742	138,673	69
Fringe Benefits	38,804	38,559	245
Contractual/Materials	87,271	83,539	3,732
Capital Outlay	5,090	3,403	1,687

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund		
	Budget	Actual	Variance: Favorable/ (Unfavorable)
Parks & Public Grounds			
Salaries and Wages	182,282	180,730	1,552
Fringe Benefits	42,591	42,233	358
Contractual/Materials	40,843	38,505	2,338
Capital Outlay	6,540	7,467	(927)
Parks & Recreation - Tawana Park			
Salaries and Wages	99,640	99,326	314
Fringe Benefits	28,512	28,268	244
Contractual/Materials	34,320	33,732	588
Capital Outlay	5,837	5,837	-
Urban Forest			
Contractual/Materials	36,450	35,548	902
Senior Center			
Contractual/Materials	30,012	26,732	3,280
Capital Outlay	7,640	8,000	(360)
Total Leisure Time Activities	997,275	976,593	20,682
Total Expenditures	11,771,580	11,409,161	362,419
(Deficiency) of Revenues Over/(Under) Expenditures	(7,660,217)	(6,923,747)	736,470
Other Financing Sources (Uses):			
Operating Transfers-In	8,509,440	8,445,984	(63,456)
Sale of Assets	-	17,114	17,114
Operating Transfers-(Out)	(1,144,300)	(1,144,300)	-
Total Other Financing Sources (Uses)	7,365,140	7,318,798	(46,342)
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing Uses	(295,077)	395,051	690,128
Fund Balances, Beginning of Year	3,947,605	3,947,605	-
Prior Year Encumbrances	76,811	76,811	-
Fund Balances, End of Year	\$ 3,729,339	4,419,467	690,128



SPECIAL REVENUE FUNDS

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

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

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.

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

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

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

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

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

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

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.

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.

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

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

CITY OF SIDNEY, OHIO

EXHIBIT B - 1

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

	Street	State Highway	County Auto License
Assets:			
Pooled Cash and Investments	\$ 444,307	41,977	-
Receivables:			
Taxes, including interest, penalties and liens	46,781	3,793	-
Loan	-	-	-
Accrued Interest	-	-	-
Other	2,072	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
Inventory	53,101	-	-
Prepaid Items	500	-	-
Total Assets	\$ 546,761	45,770	-
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 12,683	-	-
Accrued Salaries	18,930	-	-
Accrued Pension	14,766	-	-
Accrued Compensated Absences	3,966	-	-
Accrued Workers Compensation	1,944	-	-
Due to Other Governments	-	-	-
Deferred Revenue	949	-	-
Accrued Interest Payable	-	-	-
Total Liabilities	53,238	-	-
Fund Balances:			
Reserved for:			
Encumbrances	1,829	-	-
Loans Receivable	-	-	-
Inventory	53,101	-	-
Unreserved	438,593	45,770	-
Total Fund Balances	493,523	45,770	-
Total Liabilities and Fund Balances	\$ 546,761	45,770	-

Municipal Income Tax	Stormwater Management	Cemetery	Transportation	C.D.B.G.	Parking Meter/ Off-Street Parking
677,597	117,842	111,173	111,993	159,788	70,316
2,283,384	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,363	3,811
181	181	17,029	241	2,066	-
-	-	-	-	-	-
-	-	-	45,493	-	-
2,988	18,843	-	-	-	-
643	-	124	-	-	375
<u>2,964,793</u>	<u>136,866</u>	<u>128,326</u>	<u>157,727</u>	<u>163,217</u>	<u>74,502</u>
299,526	1,595	253	83	18,041	32
4,123	4,560	3,402	4,551	-	489
3,355	2,844	3,173	4,711	-	542
21,699	2,571	563	1,033	-	19
347	371	381	603	-	63
-	-	-	-	-	2,843
-	-	15,160	-	1,363	3,780
-	-	-	-	-	-
<u>329,050</u>	<u>11,941</u>	<u>22,932</u>	<u>10,981</u>	<u>19,404</u>	<u>7,768</u>
172	10,366	-	494	125,730	-
-	-	-	-	-	-
2,988	18,843	-	-	-	-
<u>2,632,583</u>	<u>95,716</u>	<u>105,394</u>	<u>146,252</u>	<u>18,083</u>	<u>66,734</u>
<u>2,635,743</u>	<u>124,925</u>	<u>105,394</u>	<u>146,746</u>	<u>143,813</u>	<u>66,734</u>
<u>2,964,793</u>	<u>136,866</u>	<u>128,326</u>	<u>157,727</u>	<u>163,217</u>	<u>74,502</u>

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
DECEMBER 31, 1999

	C.D.B.G. Revolving Loan	Drug Law Enforcement	Law Enforcement
Assets:			
Pooled Cash and Investments	\$ 603,372	25,366	492
Receivables:			
Taxes, including interest, penalties and liens	-	-	-
Loan	128,199	-	-
Accrued Interest	7,818	-	-
Other	-	1,212	-
Due from Other Funds	-	260	-
Due from Other Governments	-	-	-
Inventory	-	-	-
Prepaid Items	-	-	-
Total Assets	\$ 739,389	26,838	492
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ -	-	-
Accrued Salaries	-	-	-
Accrued Pension	-	-	-
Accrued Compensated Absences	-	-	-
Accrued Workers Compensation	-	-	-
Due to Other Governments	-	-	-
Deferred Revenue	5,686	-	-
Accrued Interest Payable	-	-	-
Total Liabilities	5,686	-	-
Fund Balances:			
Reserved for:			
Encumbrances	-	-	-
Loans Receivable	128,199	-	-
Inventory	-	-	-
Unreserved	605,504	26,838	492
Total Fund Balances	733,703	26,838	492
Total Liabilities and Fund Balances	\$ 739,389	26,838	492

Indigent Driver Alcohol Treatment	Enforcement & Education	Probation Grant	Health Department Building Lease	Special Revenue Totals
39,703	6,988	6,514	61,399	2,478,827
-	-	-	-	2,333,958
-	-	-	-	128,199
-	-	-	-	12,992
-	-	12,733	-	35,715
898	300	-	-	1,458
-	-	-	-	45,493
-	-	-	-	74,932
-	-	-	-	1,642
<u>40,601</u>	<u>7,288</u>	<u>19,247</u>	<u>61,399</u>	<u>5,113,216</u>
225	555	1,347	120	334,460
-	-	1,222	-	37,277
-	-	963	-	30,354
-	-	-	-	29,851
-	-	64	-	3,773
-	-	-	6,778	9,621
-	-	-	-	26,938
-	-	-	1,218	1,218
<u>225</u>	<u>555</u>	<u>3,596</u>	<u>8,116</u>	<u>473,492</u>
-	-	-	-	138,591
-	-	-	-	128,199
-	-	-	-	74,932
<u>40,376</u>	<u>6,733</u>	<u>15,651</u>	<u>53,283</u>	<u>4,298,002</u>
<u>40,376</u>	<u>6,733</u>	<u>15,651</u>	<u>53,283</u>	<u>4,639,724</u>
<u>40,601</u>	<u>7,288</u>	<u>19,247</u>	<u>61,399</u>	<u>5,113,216</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Street	State Highway	County Auto License
Revenues:			
Local Taxes	\$ -	-	-
Intergovernmental Revenues	803,619	65,159	123,469
Charges for Services	-	-	-
Fines, Licenses and Permits	-	-	-
Investment Income	-	-	-
Miscellaneous Receipts and Reimbursements	77,070	-	-
Total Revenues	880,689	65,159	123,469
Expenditures:			
Current:			
General Government	-	-	-
Security of Persons & Property	-	-	-
Health	-	-	-
Transportation	906,763	60,000	123,469
Community Environment	-	-	-
Basic Utility Services	-	-	-
Capital Outlay	2,322	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	909,085	60,000	123,469
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,396)	5,159	-
Other Financing Sources (Uses):			
Operating Transfers-In	-	-	-
Sales of Fixed Assets	1,465	-	-
Operating Transfers-(Out)	-	-	-
Total Other Financing Sources (Uses)	1,465	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(26,931)	5,159	-
Fund Balances, Beginning of Year, as restated	520,454	40,611	-
Fund Balances, End of Year	\$ 493,523	45,770	-

Municipal Income Tax	Stormwater Management	Cemetery	Transportation	C.D.B.G.	Parking Meter/ Off-Street Parking
11,849,735	-	-	-	-	-
-	-	-	158,607	322,928	-
-	-	89,408	36,655	-	-
-	-	-	-	-	-34,814
-	-	-	-	2,872	-
<u>323</u>	<u>181</u>	<u>4,081</u>	<u>4,803</u>	<u>32,672</u>	<u>351</u>
<u>11,850,058</u>	<u>181</u>	<u>93,489</u>	<u>200,065</u>	<u>358,472</u>	<u>35,165</u>
265,019	-	-	-	-	-
-	-	-	-	-	28,162
-	-	129,373	-	-	-
-	-	-	219,120	-	-
-	-	-	-	7,491	-
-	137,337	-	-	-	-
4,663	3,118	2,232	12,750	381,630	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>269,682</u>	<u>140,455</u>	<u>131,605</u>	<u>231,870</u>	<u>389,121</u>	<u>28,162</u>
<u>11,580,376</u>	<u>(140,274)</u>	<u>(38,116)</u>	<u>(31,805)</u>	<u>(30,649)</u>	<u>7,003</u>
-	170,000	35,000	-	23,475	-
(10,557,480)	-	-	-	-	-
<u>(10,557,480)</u>	<u>170,000</u>	<u>35,000</u>	<u>-</u>	<u>23,475</u>	<u>-</u>
1,022,896	29,726	(3,116)	(31,805)	(7,174)	7,003
<u>1,612,847</u>	<u>95,199</u>	<u>108,510</u>	<u>178,551</u>	<u>150,987</u>	<u>59,731</u>
<u>2,635,743</u>	<u>124,925</u>	<u>105,394</u>	<u>146,746</u>	<u>143,813</u>	<u>66,734</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999.

	C.D.B.G. Revolving Loan	Drug Law Enforcement	Law Enforcement
Revenues:			
Local Taxes	\$ -	-	-
Intergovernmental Revenues	-	-	-
Charges for Services	-	-	-
Fines, Licenses and Permits	-	19,103	(647)
Investment Income	29,289	-	-
Miscellaneous Receipts and Reimbursements	6,224	2,133	(636)
Total Revenues	35,513	21,236	(1,283)
Expenditures:			
Current:			
General Government	-	-	-
Security of Persons & Property	-	828	1,002
Health	-	-	-
Transportation	-	-	-
Community Environment	135	-	-
Basic Utility Services	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	135	828	1,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,378	20,408	(2,285)
Other Financing Sources (Uses):			
Operating Transfers-In	-	-	-
Sales of Fixed Assets	-	-	(250)
Operating Transfers-(Out)	(23,475)	-	-
Total Other Financing Sources (Uses)	(23,475)	-	(250)
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	11,903	20,408	(2,535)
Fund Balances, Beginning of Year, as restated	721,800	6,430	3,027
Fund Balances, End of Year	\$ 733,703	26,838	492

Indigent Driver Alcohol Treatment	Enforcement & Education	Probation Grant	Health Department Building Lease	Special Revenue Totals
-	-	-	-	11,849,735
-	-	25,346	-	1,499,128
-	-	-	-	126,063
7,584	3,739	-	-	64,593
-	-	-	-	32,161
<u>6,625</u>	<u>-</u>	<u>60</u>	<u>40,640</u>	<u>174,527</u>
<u>14,209</u>	<u>3,739</u>	<u>25,406</u>	<u>40,640</u>	<u>13,746,207</u>
-	-	-	-	265,019
23,385	690	23,755	-	77,822
-	-	-	17,754	147,127
-	-	-	-	1,309,352
-	-	-	-	7,626
-	-	-	-	137,337
-	4,854	-	-	411,569
-	-	-	20,000	20,000
-	-	-	7,730	7,730
<u>23,385</u>	<u>5,544</u>	<u>23,755</u>	<u>45,484</u>	<u>2,383,582</u>
<u>(9,176)</u>	<u>(1,805)</u>	<u>1,651</u>	<u>(4,844)</u>	<u>11,362,625</u>
-	-	14,000	-	242,475
-	-	-	-	1,215
-	-	-	-	(10,580,955)
-	-	14,000	-	(10,337,265)
(9,176)	(1,805)	15,651	(4,844)	1,025,360
<u>49,552</u>	<u>8,538</u>	<u>-</u>	<u>58,127</u>	<u>3,614,364</u>
<u>40,376</u>	<u>6,733</u>	<u>15,651</u>	<u>53,283</u>	<u>4,639,724</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 STREET FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Intergovernmental Revenue	\$ 762,000	803,598	41,598
Miscellaneous Receipts and Reimbursements	75,000	75,947	947
Total Revenues	<u>837,000</u>	<u>879,545</u>	<u>42,545</u>
Expenditures:			
Current:			
Transportation			
Salaries and Wages	484,288	468,123	16,165
Fringe Benefits	124,056	112,498	11,558
Contractual/Materials	351,873	342,993	8,880
Capital Outlay	2,335	2,322	13
Total Expenditures	<u>962,552</u>	<u>925,936</u>	<u>36,616</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(125,552)</u>	<u>(46,391)</u>	<u>79,161</u>
Other Financing Sources:			
Operating Transfers-In	60,000	-	(60,000)
Sale of Assets	-	1,465	1,465
Total Other Financing Sources	<u>60,000</u>	<u>1,465</u>	<u>(58,535)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(65,552)</u>	<u>(44,926)</u>	<u>20,626</u>
Fund Balances, Beginning of Year	484,754	484,754	-
Prior Year Encumbrances	2,650	2,650	-
Fund Balances, End of Year	<u>\$ 421,852</u>	<u>442,478</u>	<u>20,626</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 STATE HIGHWAY IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Intergovernmental Revenue	\$ 66,000	65,157	(843)
Total Revenues	<u>66,000</u>	<u>65,157</u>	<u>(843)</u>
Expenditures:			
Current:			
Transportation			
Contractual/Materials	60,000	60,000	-
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>-</u>
(Deficiency) of Revenues			
(Under) Expenditures	6,000	5,157	(843)
Fund Balances, Beginning of Year	36,820	36,820	-
Prior Year Encumbrances	-	-	-
Fund Balances, End of Year	<u>\$ 42,820</u>	<u>41,977</u>	<u>(843)</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 COUNTY AUTO LICENSE FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable/ (Unfavorable)
Revenues:			
Intergovernmental Revenue	\$ 123,469	123,469	-
Total Revenues	<u>123,469</u>	<u>123,469</u>	-
Expenditures:			
Capital Outlay	123,469	123,469	-
Total Expenditures	<u>123,469</u>	<u>123,469</u>	-
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-
Fund Balances, Beginning of Year	-	-	-
Prior Year Encumbrances	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>

STATEMENT 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, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Local Taxes	\$ 10,967,650	10,762,856	(204,794)
Miscellaneous Receipts and Reimbursements	-	142	142
Total Revenues	<u>10,967,650</u>	<u>10,762,998</u>	<u>(204,652)</u>
Expenditures:			
Current:			
General Government			
Salaries and Wages	93,268	92,141	1,127
Fringe Benefits	29,885	25,530	4,355
Contractual/Materials	308,334	27,587	280,747
Capital Outlay	4,950	4,663	287
Total Expenditures	<u>436,437</u>	<u>149,921</u>	<u>286,516</u>
Excess of Revenues Over Expenditures	<u>10,531,213</u>	<u>10,613,077</u>	<u>81,864</u>
Other Financing (Uses):			
Operating Transfers-Out	<u>(10,557,480)</u>	<u>(10,557,480)</u>	-
Total Other Financing (Uses)	<u>(10,557,480)</u>	<u>(10,557,480)</u>	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(26,267)	55,597	81,864
Fund Balances, Beginning of Year	620,024	620,024	-
Prior Year Encumbrances	-	-	-
Fund Balances, End of Year	<u>\$ 593,757</u>	<u>675,621</u>	<u>81,864</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 STORMWATER MANAGEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues	\$ -	-	-
Expenditures:			
Current:			
Basic Utility Services			
Salaries and Wages	93,576	93,559	17
Fringe Benefits	26,222	26,206	16
Contractual/Materials	50,553	36,814	13,739
Capital Outlay	3,200	3,118	82
Total Expenditures	<u>173,551</u>	<u>159,697</u>	<u>13,854</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(173,551)</u>	<u>(159,697)</u>	<u>13,854</u>
Other Financing Sources:			
Operating Transfers-In	<u>197,972</u>	<u>170,000</u>	<u>(27,972)</u>
Total Other Financing Sources	<u>197,972</u>	<u>170,000</u>	<u>(27,972)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	24,421	10,303	(14,118)
Fund Balances, Beginning of Year	95,713	95,713	-
Prior Year Encumbrances	-	-	-
Fund Balances, End of Year	<u>\$ 120,134</u>	<u>106,016</u>	<u>(14,118)</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 CEMETERY FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Charges for Services	\$ 70,800	88,253	17,453
Miscellaneous Receipts and Reimbursements	-	3,900	3,900
Total Revenues	<u>70,800</u>	<u>92,153</u>	<u>21,353</u>
Expenditures:			
Current:			
Health			
Salaries and Wages	91,832	92,242	(410)
Fringe Benefits	20,762	19,699	1,063
Contractual/Materials	21,655	20,033	1,622
Capital Outlay	2,250	2,232	18
Total Expenditures	<u>136,499</u>	<u>134,206</u>	<u>2,293</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(65,699)</u>	<u>(42,053)</u>	<u>23,646</u>
Other Financing Sources:			
Operating Transfers-In	<u>70,000</u>	<u>35,000</u>	<u>(35,000)</u>
Total Other Financing Sources	<u>70,000</u>	<u>35,000</u>	<u>(35,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	4,301	(7,053)	(11,354)
Fund Balances, Beginning of Year	118,058	118,058	-
Prior Year Encumbrances	168	168	-
Fund Balances, End of Year	<u>\$ 122,527</u>	<u>111,173</u>	<u>(11,354)</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 TRANSPORTATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Intergovernmental Revenue	\$ 119,000	158,251	39,251
Charges for Services	39,000	36,655	(2,345)
Miscellaneous Receipts and Reimbursements	-	4,562	4,562
Total Revenues	<u>158,000</u>	<u>199,468</u>	<u>41,468</u>
Expenditures:			
Current:			
Transportation			
Salaries and Wages	153,243	144,513	8,730
Fringe Benefits	27,355	27,312	43
Contractual/Materials	55,261	52,702	2,559
Capital Outlay	15,234	12,750	2,484
Total Expenditures	<u>251,093</u>	<u>237,277</u>	<u>13,816</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(93,093)</u>	<u>(37,809)</u>	<u>55,284</u>
Other Financing Sources:			
Operating Transfers-In	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
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>(33,093)</u>	<u>(37,809)</u>	<u>(4,716)</u>
Fund Balances, Beginning of Year	143,470	143,470	-
Prior Year Encumbrances	<u>5,838</u>	<u>5,838</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 116,215</u>	<u>111,499</u>	<u>(4,716)</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 C.D.B.G. FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Intergovernmental Revenue	\$ 989,000	392,005	(596,995)
Investment Income	-	4,210	4,210
Miscellaneous Receipts and Reimbursements	<u>51,000</u>	<u>18,118</u>	<u>(32,882)</u>
Total Revenues	<u>1,040,000</u>	<u>414,333</u>	<u>(625,667)</u>
Expenditures:			
Current:			
Community Environment			
Contractual/Materials	161,031	145,080	15,951
Capital Outlay	<u>902,548</u>	<u>388,349</u>	<u>514,199</u>
Total Expenditures	<u>1,063,579</u>	<u>533,429</u>	<u>530,150</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(23,579)	(119,096)	(95,517)
Other Financing Sources:			
Operating Transfers-In	<u>-</u>	<u>23,475</u>	<u>23,475</u>
Total Other Financing Sources	<u>-</u>	<u>23,475</u>	<u>23,475</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(23,579)	(95,621)	(72,042)
Fund Balances, Beginning of Year	43,049	43,049	-
Prior Year Encumbrances	<u>69,928</u>	<u>69,928</u>	-
Fund Balances, End of Year	<u>\$ 89,398</u>	<u>17,356</u>	<u>(72,042)</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 PARKING METER/OFF-STREET PARKING FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable/ (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$ 32,900	34,814	1,914
Miscellaneous Receipts and Reimbursements	-	321	321
Total Revenues	<u>32,900</u>	<u>35,135</u>	<u>2,235</u>
Expenditures:			
Current:			
Security of Persons and Property			
Salaries and Wages	18,595	15,636	2,959
Fringe Benefits	3,135	2,684	451
Contractual/Materials	8,478	7,116	1,362
Capital Outlay	2,150	-	2,150
Total Expenditures	<u>32,358</u>	<u>25,436</u>	<u>6,922</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	542	9,699	9,157
Fund Balances, Beginning of Year	60,618	60,618	-
Prior Year Encumbrances	-	-	-
Fund Balances, End of Year	<u>\$ 61,160</u>	<u>70,317</u>	<u>9,157</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 C.D.B.G. REVOLVING LOAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable/ (Unfavorable)
Revenues:			
Investment Income	\$ 30,000	41,839	11,839
Miscellaneous Receipts and Reimbursements	<u>123,000</u>	<u>67,315</u>	<u>(55,685)</u>
Total Revenues	<u>153,000</u>	<u>109,154</u>	<u>(43,846)</u>
Expenditures:			
Current:			
Community Environment Contractual/Materials	<u>310,000</u>	<u>135</u>	<u>309,865</u>
Total Expenditures	<u>310,000</u>	<u>135</u>	<u>309,865</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(157,000)	109,019	266,019
Other Financing Uses:			
Operating Transfers-(Out)	<u>-</u>	<u>(23,475)</u>	<u>(23,475)</u>
Total Other Financing Uses	<u>-</u>	<u>(23,475)</u>	<u>(23,475)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(157,000)	85,544	242,544
Fund Balances, Beginning of Year	522,794	522,794	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 365,794</u>	<u>608,338</u>	<u>242,544</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 DRUG LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable/ (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$ 8,000	17,856	9,856
Miscellaneous Receipts and Reimbursements	<u>-</u>	<u>2,133</u>	<u>2,133</u>
Total Revenues	<u>8,000</u>	<u>19,989</u>	<u>11,989</u>
Expenditures:			
Current:			
Security of Persons & Property Contractual/Materials	<u>11,000</u>	<u>828</u>	<u>10,172</u>
Total Expenditures	<u>11,000</u>	<u>828</u>	<u>10,172</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(3,000)	19,161	22,161
Fund Balances, Beginning of Year	6,205	6,205	-
Prior Year Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,205</u>	<u>25,366</u>	<u>22,161</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$ 1,000	(647)	(1,647)
Miscellaneous Receipts and Reimbursements	5,000	(636)	(5,636)
Total Revenues	<u>6,000</u>	<u>(1,283)</u>	<u>(7,283)</u>
Expenditures:			
Current:			
Security of Persons & Property			
Contractual/Materials	6,507	1,318	5,189
Capital Outlay	2,725	-	2,725
Total Expenditures	<u>9,232</u>	<u>1,318</u>	<u>7,914</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(3,232)</u>	<u>(2,601)</u>	<u>631</u>
Other Financing Sources:			
Sale of Assets	-	(250)	(250)
Total Other Financing Sources	<u>-</u>	<u>(250)</u>	<u>(250)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(3,232)</u>	<u>(2,851)</u>	<u>381</u>
Fund Balances, Beginning of Year	1,336	1,336	-
Prior Year Encumbrances	2,007	2,007	-
Fund Balances, End of Year	<u>\$ 111</u>	<u>492</u>	<u>381</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 INDIGENT DRIVER ALCOHOL TREATMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable/ (Unfavorable)
Revenues:			
Fines, Licenses and Permits	\$ 6,250	7,275	1,025
Miscellaneous Receipts and Reimbursements	<u>5,450</u>	<u>6,625</u>	<u>1,175</u>
Total Revenues	<u>11,700</u>	<u>13,900</u>	<u>2,200</u>
Expenditures:			
Current:			
Security of Persons & Property Contractual/Materials	<u>30,000</u>	<u>23,160</u>	<u>6,840</u>
Total Expenditures	<u>30,000</u>	<u>23,160</u>	<u>6,840</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(18,300)	(9,260)	9,040
Fund Balances, Beginning of Year	48,964	48,964	-
Prior Year Encumbrances	-	-	-
Fund Balances, End of Year	<u>\$ 30,664</u>	<u>39,704</u>	<u>9,040</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 ENFORCEMENT & EDUCATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance: Favorable/ (Unfavorable)</u>
Revenues:			
Fines, Licenses and Permits	\$ 4,000	3,680	(320)
Total Revenues	<u>4,000</u>	<u>3,680</u>	<u>(320)</u>
Expenditures:			
Current:			
Security of Persons & Property			
Salaries and Wages	2,656	-	2,656
Contractual/Materials	690	690	-
Capital Outlay	<u>4,854</u>	<u>4,854</u>	<u>-</u>
Total Expenditures	<u>8,200</u>	<u>5,544</u>	<u>2,656</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(4,200)	(1,864)	2,336
Fund Balances, Beginning of Year	8,297	8,297	-
Prior Year Encumbrances	-	-	-
Fund Balances, End of Year	<u>\$ 4,097</u>	<u>6,433</u>	<u>2,336</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 PROBATION GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$ 40,000	12,673	(27,327)
Total Revenues	<u>40,000</u>	<u>12,673</u>	<u>(27,327)</u>
Expenditures:			
Current:			
Security of Persons & Property			
Salaries and Wages	15,400	15,392	8
Fringe Benefits	3,608	3,591	17
Contractual/Materials	4,550	1,747	2,803
Capital Outlay	2,000	-	2,000
Total Expenditures	<u>25,558</u>	<u>20,730</u>	<u>4,828</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	14,442	(8,057)	(22,499)
Other Financing Sources:			
Transfers-In	-	14,000	14,000
Total Other Financing Sources	<u>-</u>	<u>14,000</u>	<u>14,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	14,442	5,943	(8,499)
Fund Balances, Beginning of Year	-	-	-
Prior Year Encumbrances	-	-	-
Fund Balances, End of Year	<u>\$ 14,442</u>	<u>5,943</u>	<u>(8,499)</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 HEALTH DEPARTMENT BUILDING LEASE FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable/ (Unfavorable)
Revenues:			
Miscellaneous Receipts and Reimbursements	\$ 45,000	40,640	(4,360)
Total Revenues	<u>45,000</u>	<u>40,640</u>	<u>(4,360)</u>
Expenditures:			
Current:			
Health			
Contractual/Materials	39,865	38,706	1,159
Total Expenditures	<u>39,865</u>	<u>38,706</u>	<u>1,159</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	5,135	1,934	(3,201)
Fund Balances, Beginning of Year	59,465	59,465	-
Prior Year Encumbrances	-	-	-
Fund Balances, End of Year	<u>\$ 64,600</u>	<u>61,399</u>	<u>(3,201)</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Local Taxes	\$ 10,967,650	10,762,856	(204,794)
Intergovernmental Revenues	2,099,469	1,555,153	(544,316)
Charges for Services	109,800	124,908	15,108
Fines, Licenses and Permits	52,150	62,978	10,828
Investment Income	30,000	46,049	16,049
Miscellaneous Receipts and Reimbursements	304,450	219,067	(85,383)
Total Revenues	13,563,519	12,771,011	(792,508)
Expenditures:			
Current:			
General Government	431,487	145,258	286,229
Security of Persons & Property	104,619	72,162	32,457
Health	174,114	170,680	3,434
Transportation	1,256,076	1,208,141	47,935
Community Environment	471,031	145,215	325,816
Basic Utility Services	170,351	156,579	13,772
Capital Outlay	1,065,715	541,757	523,958
Total Expenditures	3,673,393	2,439,792	1,233,601
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	9,890,126	10,331,219	441,093
Other Financing Sources (Uses):			
Operating Transfers-In	387,972	242,475	(145,497)
Sale of Assets	-	1,215	1,215
Operating Transfers-Out	(10,557,480)	(10,580,955)	(23,475)
Total Other Financing Sources (Uses)	(10,169,508)	(10,337,265)	(167,757)
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(279,382)	(6,046)	273,336
Fund Balances, Beginning of Year	2,249,567	2,249,567	-
Prior Year Encumbrances	80,591	80,591	-
Fund Balances, End of Year	\$ 2,050,776	\$ 2,324,112	273,336

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.

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

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

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

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

CITY OF SIDNEY, OHIO

EXHIBIT C - 1

COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
DECEMBER 31, 1999

	<u>Capital Improvement</u>	<u>Capital Investment</u>
Assets:		
Pooled Cash and Investments	\$ 2,533,094	342,249
Receivables:		
Special Assessments, including liens	-	-
Accrued Interest	-	16,688
Other	-	-
Due From Other Governments	25,000	-
Prepaid Items	61,364	-
	<u>2,619,458</u>	<u>358,937</u>
Total Assets	\$ 2,619,458	358,937
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable	\$ 40,418	-
Deferred Revenue	-	13,202
Accrued Interest Payable	9,872	-
Bond Premium	1,185	-
	<u>51,475</u>	<u>13,202</u>
Total Liabilities	51,475	13,202
Fund Balances:		
Reserved for:		
Encumbrances	654,157	-
Prepaid Items	-	-
Unreserved	1,913,826	345,735
	<u>2,567,983</u>	<u>345,735</u>
Total Fund Balances	2,567,983	345,735
	<u>2,619,458</u>	<u>358,937</u>
Total Liabilities and Fund Balances	\$ 2,619,458	358,937

EXHIBIT C - 1

Monumental Building Renovation	Special Assessment Construction	Capital Projects Totals
3,471,903	43,136	6,390,382
-	34,804	34,804
-	-	16,688
-	-	-
-	-	25,000
-	-	61,364
<u>3,471,903</u>	<u>77,940</u>	<u>6,528,238</u>
74,474	13,663	128,555
-	26,539	39,741
-	-	9,872
-	-	1,185
<u>74,474</u>	<u>40,202</u>	<u>179,353</u>
2,833,759	-	3,487,916
-	-	-
<u>563,670</u>	<u>37,738</u>	<u>2,860,969</u>
<u>3,397,429</u>	<u>37,738</u>	<u>6,348,885</u>
<u>3,471,903</u>	<u>77,940</u>	<u>6,528,238</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Capital Improvement</u>	<u>Capital Investment</u>
Revenues:		
Intergovernmental Revenues	\$ 59,776	-
Special Assessments	-	-
Investment Income	11,354	40,803
Miscellaneous Receipts and Reimbursements	<u>40,062</u>	<u>-</u>
Total Revenues	<u>111,192</u>	<u>40,803</u>
Expenditures:		
Capital Outlay	2,706,770	-
Debt Service:		
Principal	100,000	-
Interest	<u>121,451</u>	<u>-</u>
Total Expenditures	<u>2,928,221</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,817,029)</u>	<u>40,803</u>
Other Financing Sources (Uses):		
Proceeds from the Issuance of Bonds	-	-
Operating Transfers-In	2,611,496	200,000
Operating Transfers-(Out)	<u>(2,701,368)</u>	<u>(1,100,000)</u>
Total Other Financing Sources (Uses)	<u>(89,872)</u>	<u>(900,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(2,906,901)	(859,197)
Fund Balances, Beginning of Year	<u>5,474,884</u>	<u>1,204,932</u>
Fund Balances, End of Year	<u>\$ 2,567,983</u>	<u>345,735</u>

EXHIBIT C - 2

Monumental Building Renovation	Special Assessment Construction	Capital Projects Totals
100,000	-	159,776
-	57,272	57,272
-	-	52,157
<u>23,000</u>	<u>-</u>	<u>63,062</u>
<u>123,000</u>	<u>57,272</u>	<u>332,267</u>
526,939	149,557	3,383,266
-	-	100,000
-	-	121,451
<u>526,939</u>	<u>149,557</u>	<u>3,604,717</u>
<u>(403,939)</u>	<u>(92,285)</u>	<u>(3,272,450)</u>
-	-	-
3,801,368	-	6,612,864
-	-	(3,801,368)
<u>3,801,368</u>	<u>-</u>	<u>2,811,496</u>
3,397,429	(92,285)	(460,954)
-	130,023	6,809,839
<u>3,397,429</u>	<u>37,738</u>	<u>6,348,885</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$ 150,000	155,925	5,925
Investment Income	15,000	14,711	(289)
Miscellaneous Receipts and Reimbursements	80,000	109,821	29,821
Total Revenues	<u>245,000</u>	<u>280,457</u>	<u>35,457</u>
Expenditures:			
Capital Outlay	6,639,914	6,378,015	261,899
Total Expenditures	<u>6,639,914</u>	<u>6,378,015</u>	<u>261,899</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(6,394,914)</u>	<u>(6,097,558)</u>	<u>297,356</u>
Other Financing Sources:			
Operating Transfers-In	2,619,057	2,611,496	(7,561)
Total Other Financing Sources	<u>2,619,057</u>	<u>2,611,496</u>	<u>(7,561)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(3,775,857)</u>	<u>(3,486,062)</u>	<u>289,795</u>
Fund Balances, Beginning of Year	3,758,076	3,758,076	-
Prior Year Encumbrances	1,489,625	1,489,625	-
Fund Balances, End of Year	<u>\$ 1,471,844</u>	<u>1,761,639</u>	<u>289,795</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 CAPITAL INVESTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Investment Income	\$ 80,000	60,968	(19,032)
Total Revenues	<u>80,000</u>	<u>60,968</u>	<u>(19,032)</u>
Expenditures:			
Capital Outlay	1,100,000	1,100,000	-
Total Expenditures	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>(1,020,000)</u>	<u>(1,039,032)</u>	<u>(19,032)</u>
Other Financing Sources:			
Operating Transfers-In	200,000	200,000	-
Total Other Financing Sources	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(820,000)</u>	<u>(839,032)</u>	<u>(19,032)</u>
Fund Balances, Beginning of Year	<u>1,183,683</u>	<u>1,183,683</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 363,683</u>	<u>344,651</u>	<u>(19,032)</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 MONUMENTAL BUILDING RENOVATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$ -	100,000	100,000
Miscellaneous Receipts and Reimbursements	-	23,000	23,000
Total Revenues	-	123,000	123,000
Expenditures:			
Capital Outlay	3,800,000	3,360,698	439,302
Total Expenditures	3,800,000	3,360,698	439,302
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(3,800,000)	(3,237,698)	562,302
Other Financing Sources:			
Operating Transfers-In	3,801,368	3,801,368	-
Total Other Financing Sources	3,801,368	3,801,368	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	1,368	563,670	562,302
Fund Balances, Beginning of Year	-	-	-
Fund Balances, End of Year	\$ 1,368	563,670	562,302

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 SPECIAL ASSESSMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Special Assessments	\$ 57,000	59,683	2,683
Total Revenues	<u>57,000</u>	<u>59,683</u>	<u>2,683</u>
Expenditures:			
Capital Outlay	153,400	151,094	2,306
Total Expenditures	<u>153,400</u>	<u>151,094</u>	<u>2,306</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(96,400)	(91,411)	4,989
Fund Balances, Beginning of Year	120,201	120,201	-
Prior Year Encumbrances	683	683	-
Fund Balances, End of Year	<u>\$ 24,484</u>	<u>29,473</u>	<u>4,989</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY (NON-GAAP) BASIS
 ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance: Favorable/ (Unfavorable)
Revenues:			
Intergovernmental Revenues	\$ 150,000	255,925	105,925
Special Assessments	57,000	59,683	2,683
Investment Income	95,000	75,679	(19,321)
Miscellaneous Receipts and Reimbursements	80,000	132,821	52,821
Total Revenues	382,000	524,108	142,108
Expenditures:			
Capital Outlay	10,593,314	9,889,807	703,507
Total Expenditures	10,593,314	9,889,807	703,507
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(10,211,314)	(9,365,699)	845,615
Other Financing Sources (Uses):			
Operating Transfers-In	6,620,425	6,612,864	(7,561)
Total Other Financing Sources (Uses)	6,620,425	6,612,864	(7,561)
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(3,590,889)	(2,752,835)	838,054
Fund Balances, Beginning of Year	5,061,960	5,061,960	-
Prior Year Encumbrances	1,490,308	1,490,308	-
Fund Balances, End of Year	\$ 2,961,379	3,799,433	838,054

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 council 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 council has decided that periodic determination of net income is appropriate for accountability purposes.

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.

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.

Sanitation 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.

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.

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
DECEMBER 31, 1999

	<u>Water</u>	<u>Sewer</u>
Assets:		
Pooled Cash and Investments	\$ 1,052,321	1,490,026
Receivables:		
Accounts	506,703	488,359
Accrued Interest	13,900	14,809
Other	1,928	1,266
Inventory	195,227	32,959
Prepaid Items	7,867	107,500
Fixed Assets, net of Accumulated Depreciation, where applicable	<u>2,302,586</u>	<u>6,528,438</u>
Total Assets	\$ <u>4,080,532</u>	<u>8,663,357</u>
Liabilities and Equity:		
Liabilities:		
Accounts Payable	\$ 18,638	21,420
Accrued Salaries	34,521	22,867
Accrued Pension	26,864	18,296
Accrued Compensated Absences	216,661	85,243
Accrued Workers Compensation	3,336	2,276
Due to Other Governments	424	-
Deferred Revenue	59,785	11,898
Accrued Interest Payable	11,849	34,838
Bonds Payable	<u>1,750,000</u>	<u>4,540,000</u>
Total Liabilities	<u>2,122,078</u>	<u>4,736,838</u>
Equity:		
Contributed Capital	125,033	172,152
Retained Earnings:		
Unreserved	<u>1,833,421</u>	<u>3,754,367</u>
Total Equity	<u>1,958,454</u>	<u>3,926,519</u>
Total Liabilities and Equity	\$ <u>4,080,532</u>	<u>8,663,357</u>

<u>Airport</u>	<u>Sanitation</u>	<u>Swimming Pool</u>	<u>Enterprise Totals</u>
47,939	294,692	19,907	2,904,885
14,760	59,405	-	1,069,227
-	-	-	28,709
6,493	211	-	9,898
12,859	-	-	241,045
1,019	-	-	116,386
<u>748,307</u>	<u>70,193</u>	<u>758,902</u>	<u>10,408,426</u>
<u>831,377</u>	<u>424,501</u>	<u>778,809</u>	<u>14,778,576</u>
13,959	4,698	-	58,715
-	2,861	-	60,249
-	2,230	-	47,390
-	4,735	-	306,639
-	285	182	6,079
10,830	-	-	11,254
6,493	-	-	78,176
-	-	-	46,687
-	-	-	6,290,000
<u>31,282</u>	<u>14,809</u>	<u>182</u>	<u>6,905,189</u>
173,498	12,265	-	482,948
<u>626,597</u>	<u>397,427</u>	<u>778,627</u>	<u>7,390,439</u>
<u>800,095</u>	<u>409,692</u>	<u>778,627</u>	<u>7,873,387</u>
<u>831,377</u>	<u>424,501</u>	<u>778,809</u>	<u>14,778,576</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Water	Sewer
Operating Revenue:		
Charges for Services	\$ 2,747,620	2,673,403
Total Operating Revenue	<u>2,747,620</u>	<u>2,673,403</u>
Operating Expenses:		
Personal Services	1,006,112	687,620
General Operating	455,979	509,106
Contractual Services	26,592	4,376
Materials and Supplies	754,995	396,425
Depreciation	187,731	438,177
Total Operating Expenses	<u>2,431,409</u>	<u>2,035,704</u>
Operating Income (Loss)	<u>316,211</u>	<u>637,699</u>
Nonoperating Revenues (Expenses):		
Interest Income	36,051	40,537
Intergovernmental	-	-
Gain (Loss) on Sale of Assets	(2,065)	1,951
Interest Expense	(160,807)	(218,934)
Total Nonoperating Income (Expense)	<u>(126,821)</u>	<u>(176,446)</u>
Income (Loss) before Operating Transfers	<u>189,390</u>	<u>461,253</u>
Operating Transfers In	450,000	450,000
Operating Transfers (Out)	(450,000)	(450,000)
Net Income (Loss)	189,390	461,253
Retained Earnings, Beginning of Year, as restated	<u>1,644,031</u>	<u>3,293,114</u>
Retained Earnings, End of Year	<u>\$ 1,833,421</u>	<u>3,754,367</u>

EXHIBIT D - 2

<u>Airport</u>	<u>Sanitation</u>	<u>Swimming Pool</u>	<u>Enterprise Totals</u>
<u>193,753</u>	<u>699,316</u>	<u>54,987</u>	<u>6,369,079</u>
<u>193,753</u>	<u>699,316</u>	<u>54,987</u>	<u>6,369,079</u>
-	86,375	50,049	1,830,156
54,710	691,287	13,003	1,724,085
31,839	13,500	356	76,663
102,817	22,643	13,197	1,290,077
20,174	38,222	22,342	706,646
<u>209,540</u>	<u>852,027</u>	<u>98,947</u>	<u>5,627,627</u>
<u>(15,787)</u>	<u>(152,711)</u>	<u>(43,960)</u>	<u>741,452</u>
-	-	-	76,588
-	15,000	-	15,000
-	-	-	(114)
-	-	-	(379,741)
<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(288,267)</u>
<u>(15,787)</u>	<u>(137,711)</u>	<u>(43,960)</u>	<u>453,185</u>
10,000	182,800	35,000	1,127,800
-	-	-	(900,000)
<u>(5,787)</u>	<u>45,089</u>	<u>(8,960)</u>	<u>680,985</u>
<u>632,384</u>	<u>352,338</u>	<u>787,587</u>	<u>6,709,454</u>
<u>626,597</u>	<u>397,427</u>	<u>778,627</u>	<u>7,390,439</u>

COMBINING STATEMENT OF CASH FLOWS - ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Water	Sewer
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 316,211	637,699
Adjustments to Reconcile Operating Income (Loss) to net Cash Provided by Operating Activities:		
Depreciation	187,731	438,177
Change in Assets and Liabilities:		
Accounts Receivable	(56,210)	(17,440)
Other Receivables	7,129	63,019
Prepaid Expenses	4,447	5,703
Inventory	(40,854)	135
Accounts Payable	(40,552)	(17,325)
Accrued Payroll and Compensated Absences	(27,954)	(16,295)
Accrued Pension	530	1,838
Due to Other Funds	(1,572)	(1,212)
Due to Other Governments	424	-
Deferred Revenue	51,025	2,885
Net Cash Provided (Used) by Operating Activities	<u>400,355</u>	<u>1,097,184</u>
Cash Flows from Noncapital Financing Activities:		
Operating Transfers-In	450,000	450,000
Operating Transfers-(Out) Intergovernmental	(450,000)	(450,000)
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of Capital Assets	(9,098)	(27,561)
Principal Payments	(250,000)	(465,000)
Interest Paid	(162,500)	(221,743)
Net Cash (Used) in Capital and Related Financing Activities	<u>(421,598)</u>	<u>(714,304)</u>
Cash Flows from Investing Activities:		
Proceeds on Sale of Assets	2,275	2,650
Interest on Investments	52,546	60,899
Net Unrealized Loss on Investments	(15,962)	(20,322)
Net Cash Provided by Investing Activities	<u>38,859</u>	<u>43,227</u>
Net Increase in Pooled Cash and Investments	17,616	426,107
Pooled Cash and Investments, Beginning of Year	<u>1,034,705</u>	<u>1,063,919</u>
Pooled Cash and Investments, End of Year	<u>\$ 1,052,321</u>	<u>\$ 1,490,026</u>
Interest Paid	<u>\$ 162,500</u>	<u>\$ 221,743</u>

Airport	Sanitation	Swimming Pool	Enterprise Totals
(15,787)	(152,711)	(43,960)	741,452
20,174	38,222	22,342	706,646
(1,257)	(9,108)	-	(84,015)
(5,263)	63,197	-	128,082
(111)	-	-	10,039
(1,518)	-	-	(42,237)
4,674	2,829	(44)	(50,418)
-	(6,343)	(592)	(51,184)
-	(390)	-	1,978
(31)	(3,323)	-	(6,138)
10,830	-	-	11,254
6,493	(63,408)	-	(3,005)
<u>18,204</u>	<u>(131,035)</u>	<u>(22,254)</u>	<u>1,362,454</u>
10,000	182,800	35,000	1,127,800
-	-	-	(900,000)
-	15,000	-	15,000
<u>10,000</u>	<u>197,800</u>	<u>35,000</u>	<u>242,800</u>
-	-	(1,760)	(38,419)
-	-	-	(715,000)
-	-	-	(384,243)
<u>-</u>	<u>-</u>	<u>(1,760)</u>	<u>(1,137,662)</u>
-	-	-	4,925
-	-	-	113,445
-	-	-	(36,284)
<u>-</u>	<u>-</u>	<u>-</u>	<u>82,086</u>
28,204	66,765	10,986	549,678
<u>19,735</u>	<u>227,927</u>	<u>8,921</u>	<u>2,355,207</u>
<u>\$ 47,939</u>	<u>\$ 294,692</u>	<u>\$ 19,907</u>	<u>2,904,885</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>384,243</u>

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.

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.

COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 DECEMBER 31, 1999

	Service Center	Self- Insurance	Internal Service Totals
Assets:			
Pooled Cash and Investments	\$ 350,310	326,215	676,525
Receivables:			
Accrued Interest	-	1,983	1,983
Other	391	-	391
Inventory	34,399	-	34,399
Prepaid Items	3,052	-	3,052
Fixed Assets, net of Accumulated Depreciation, where applicable	<u>672,015</u>	<u>-</u>	<u>672,015</u>
Total Assets	\$ <u>1,060,167</u>	<u>328,198</u>	<u>1,388,365</u>
Liabilities and Equity:			
Accounts Payable	\$ 16,009	239,673	255,682
Accrued Salaries	7,591	-	7,591
Accrued Pension	6,079	-	6,079
Accrued Compensated Absences	46,586	-	46,586
Accrued Workers Compensation	713	-	713
Deferred Revenue	<u>-</u>	<u>1,569</u>	<u>1,569</u>
Total Liabilities	<u>76,978</u>	<u>241,242</u>	<u>318,220</u>
Equity:			
Contributed Capital	72,654	-	72,654
Retained Earnings:			
Unreserved	<u>910,535</u>	<u>86,956</u>	<u>997,491</u>
Total Equity	<u>983,189</u>	<u>86,956</u>	<u>1,070,145</u>
Total Liabilities and Equity	\$ <u>1,060,167</u>	<u>328,198</u>	<u>1,388,365</u>

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - ALL INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Service Center	Self- Insurance	Internal Service Totals
Operating Revenues:			
Charges for Services	\$ 486,770	1,097,760	1,584,530
Total Operating Revenues	<u>486,770</u>	<u>1,097,760</u>	<u>1,584,530</u>
Operating Expenses:			
Personal Services	222,575	-	222,575
General Operating	41,663	867,028	908,691
Contractual Services	12,837	-	12,837
Materials and Supplies	207,145	-	207,145
Depreciation	35,020	-	35,020
Total Operating Expenses	<u>519,240</u>	<u>867,028</u>	<u>1,386,268</u>
Operating Income (Loss)	<u>(32,470)</u>	<u>230,732</u>	<u>198,262</u>
Nonoperating Revenues (Expenses):			
Interest Income	-	2,896	2,896
(Loss) on Sale of Fixed Assets	(8,918)	-	(8,918)
Total Nonoperating Income (Expense)	<u>(8,918)</u>	<u>2,896</u>	<u>(6,022)</u>
Net Income (Loss)	(41,388)	233,628	192,240
Retained Earnings, Beginning of Year	<u>951,923</u>	<u>(146,672)</u>	<u>805,251</u>
Retained Earnings, End of Year	\$ <u>910,535</u>	<u>86,956</u>	<u>997,491</u>

COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Service Center	Self- Insurance	Internal Service Totals
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (32,470)	230,732	198,262
Adjustments to Reconcile Operating Income to net Cash Provided by Operating Activities:			
Depreciation	35,020	-	35,020
Change in Assets and Liabilities:			
Other Receivables	(391)	-	(391)
Due From Other Funds	40,775	-	40,775
Prepaid Expenses	(716)	-	(716)
Inventory	(6,567)	-	(6,567)
Accounts Payable	7,457	8,439	15,896
Accrued Payroll and Compensated Absences	(1,575)	-	(1,575)
Accrued Pension	338	-	338
Due to Other Funds	(4)	-	(4)
Deferred Revenue	-	851	851
Net Cash Provided by Operating Activities	<u>41,867</u>	<u>240,022</u>	<u>281,889</u>
Cash Flows from Investing Activities:			
Interest on Investments	-	2,096	2,096
Net Cash Provided by Investing Activities	<u>-</u>	<u>2,096</u>	<u>2,096</u>
Net Increase in Pooled Cash and Investments	41,867	242,118	283,985
Pooled Cash and Investments, Beginning of Year	<u>308,443</u>	<u>84,097</u>	<u>392,540</u>
Pooled Cash and Investments, End of Year	<u>\$ 350,310</u>	<u>326,215</u>	<u>676,525</u>



TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the government in a trustee capacity.

Expendable Trust

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

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

Non-Expendable Trust

Cemetery Trust Fund. To account for funds on deposit for the perpetual care of Graceland Cemetery.

Mausoleum Trust Fund. To account for funds received for the purpose of providing for the perpetual maintenance and repair of the mausoleum at Graceland Cemetery.

Agency

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.

COMBINING BALANCE SHEET
 ALL TRUST & AGENCY FUNDS
 DECEMBER 31, 1999

	Expendable Trust Funds	
	Insurance Trust	Imprest Cash
Assets:		
Pooled Cash and Investments	\$ 25,978	2,300
Cash with Fiscal Agent	-	-
Receivables:		
Accrued Interest	-	-
Other	4,284	-
Total Assets	\$ 30,262	2,300
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable	\$ -	-
Due to Other Funds	-	-
Due to Other Governments	-	-
Undistributed Monies	-	-
Deferred Revenue	4,159	-
Total Liabilities	4,159	-
Fund Balances:		
Reserved for:		
Endowments	-	-
Unreserved	26,103	2,300
Total Fund Balances	26,103	2,300
Total Liabilities and Fund Balances	\$ 30,262	2,300

EXHIBIT F - I

Nonexpendable Trust Funds		Agency Fund	Fiduciary Fund
Cemetery Trust	Mausoleum Trust	Municipal Court	Fund Totals
542,853	7,767	-	578,898
-	-	102,803	102,803
6,299	-	-	6,299
-	-	-	4,284
<u>549,152</u>	<u>7,767</u>	<u>102,803</u>	<u>692,284</u>
62	-	-	62
-	-	46,891	46,891
-	-	36,898	36,898
-	-	19,014	19,014
<u>4,983</u>	<u>-</u>	<u>-</u>	<u>9,142</u>
<u>5,045</u>	<u>-</u>	<u>102,803</u>	<u>112,007</u>
522,301	5,365	-	527,666
<u>21,806</u>	<u>2,402</u>	<u>-</u>	<u>52,611</u>
<u>544,107</u>	<u>7,767</u>	<u>-</u>	<u>580,277</u>
<u>549,152</u>	<u>7,767</u>	<u>102,803</u>	<u>692,284</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - ALL EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Insurance Trust	Imprest Cash	Expendable Trust Totals
Revenues:			
Miscellaneous Receipts and Reimbursements	\$ 4,180	-	4,180
Total Revenues	4,180	-	4,180
Expenditures:			
Current:			
General Government	22,068	-	22,068
Total Expenditures	22,068	-	22,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,888)	-	(17,888)
Other Financing Sources (Uses):			
Operating Transfers In	7,500	-	7,500
Total Other Financing Sources (Uses)	7,500	-	7,500
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(10,388)	-	(10,388)
Fund Balance, Beginning of Year, as restated	36,491	2,300	38,791
Fund Balance, End of Year	\$ 26,103	2,300	28,403

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCES - ALL NONEXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Cemetery Trust	Mausoleum Trust	Nonexpendable Trust Totals
Operating Revenues:			
Charges for Services	\$ 13,690	2,402	16,092
Total Operating Revenues	13,690	2,402	16,092
Operating Expenses:			
Materials and Supplies	311	-	311
Total Operating Expenses	311	-	311
Operating Income (Loss)	13,379	2,402	15,781
Nonoperating Revenue:			
Interest Income	18,427	-	18,427
Total Nonoperating Revenue	18,427	-	18,427
Income (Loss) before Operating Transfers	31,806	2,402	34,208
Operating Transfers-(Out)	(10,000)	-	(10,000)
Net Income (Loss)	21,806	2,402	24,208
Fund Balance, Beginning of Year, as restated	522,301	5,365	527,666
Fund Balance, End of Year	\$ 544,107	7,767	551,874

COMBINING STATEMENT OF CASH FLOWS - ALL NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Cemetery Trust	Mausoleum Trust	Nonexpendable Trust Totals
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 13,379	2,402	15,781
Adjustments to Reconcile Operating Income (Loss) to net Cash Provided by Operating Activities:			
Change in Assets and Liabilities:			
Accounts Payable	(42)	-	(42)
Deferred Revenue	547	-	547
Net Cash Provided (Used) by Operating Activities	<u>13,884</u>	<u>2,402</u>	<u>16,286</u>
Cash Flows from Noncapital Financing Activities:			
Operating Transfers-(Out)	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>
Cash Flows from Investing Activities:			
Interest on Investments	24,453	-	24,453
Net Unrealized Loss on Investments	<u>(5,017)</u>	<u>-</u>	<u>(5,017)</u>
Net Cash Provided by Investing Activities	<u>19,436</u>	<u>-</u>	<u>19,436</u>
Net Increase (Decrease) in Cash and Cash Equivalents	23,320	2,402	25,722
Pooled Cash and Investments, Beginning of Year, as restated	<u>519,533</u>	<u>5,365</u>	<u>524,898</u>
Pooled Cash and Investments, End of Year	\$ <u>542,853</u>	<u>7,767</u>	<u>550,620</u>
Interest Paid	\$ <u>-</u>	<u>-</u>	<u>-</u>

Statement of Changes in Assets and Liabilities
Municipal Court Fund
For the Year Ended December 31, 1999

	Balance December 31, 1998	Additions	Deductions	Balance December 31, 1999
Assets:				
Cash with Fiscal Agent	\$ 88,812	1,255,178	1,241,187	102,803
Total assets	\$ 88,812	1,255,178	1,241,187	102,803
Liabilities:				
Due to Other Funds	\$ 39,869	556,526	549,504	46,891
Due to Other Governments	34,059	444,360	441,521	36,898
Undistributed Monies	14,884	254,292	250,162	19,014
Total liabilities	\$ 88,812	1,255,178	1,241,187	102,803

GENERAL FIXED ASSETS

The General Fixed Assets Account Group is used for fixed assets other than those accounted for in the Proprietary Funds.

SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE

DECEMBER 31, 1999

General fixed assets:

Land	\$ 1,226,646
Buildings	4,596,589
Machiney & Equipment	<u>6,012,363</u>

Total general fixed assets \$ 11,835,598

Investment in general fixed assets by source:

General Fund revenue	\$ 3,710,252
Special Revenue Funds revenue	7,157,719
Capital Project Funds revenue	<u>967,627</u>

Total investment in general fixed assets \$ 11,835,598

SCHEDULE OF GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

DECEMBER 31, 1999

Function and Activity	Land	Buildings	Machinery and Equipment	Total
General Government:				
Administration	\$ 15,020	752,136	505,802	1,272,958
Judicial	-	526,939	61,379	588,318
Finance/Tax	-	-	14,219	14,219
Total General Government	15,020	1,279,075	581,400	1,875,495
Security of Persons & Property				
Police	328,661	-	978,620	1,307,281
Fire	67,593	2,976,701	1,886,056	4,930,350
Total Security of Persons & Property	396,254	2,976,701	2,864,676	6,237,631
Health				
Cemetery	165,227	67,701	151,783	384,711
Total Health	165,227	67,701	151,783	384,711
Transportation				
Transportation	-	-	193,540	193,540
Street	-	-	1,045,639	1,045,639
Total Transportation	-	-	1,239,179	1,239,179
Community Environment				
Building Inspection	-	-	14,382	14,382
Engineering	-	-	141,896	141,896
Total Community Environment	-	-	156,278	156,278
Leisure Time Activities				
Parks and Recreation	650,145	273,112	950,367	1,873,624
Total Leisure Time Activities	650,145	273,112	950,367	1,873,624
Basic Utility Services				
Stormwater Management	-	-	68,680	68,680
Total Basic Utility Services	-	-	68,680	68,680
Total General Fixed Assets	\$ 1,226,646	4,596,589	6,012,363	11,835,598

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

FOR THE YEAR ENDED DECEMBER 31, 1999

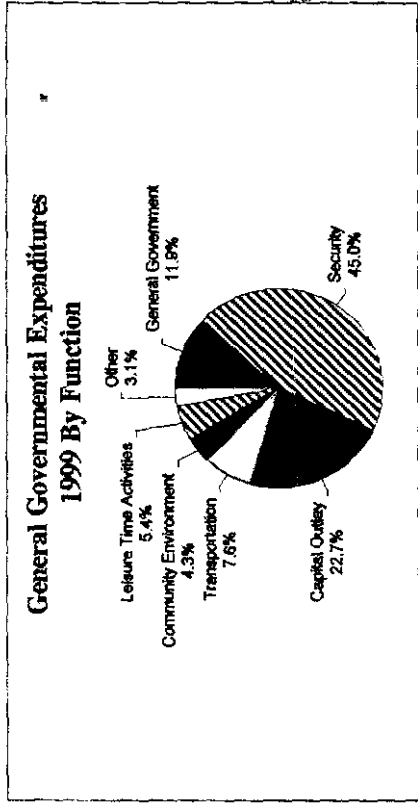
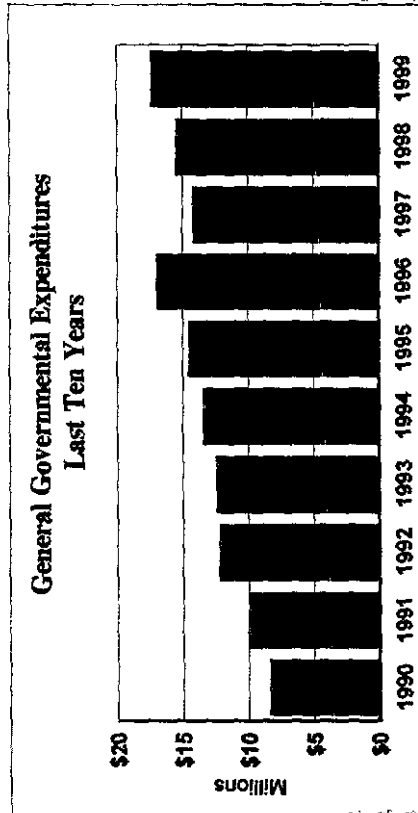
Function and Activity	General Fixed Assets 12/31/1998, as restated	Additions	Disposals	General Fixed Assets December 31, 1999
General Government:				
Administration	\$ 1,228,780	89,173	44,995	1,272,958
Judicial	62,671	526,939	1,292	588,318
Finance/Tax	14,219	-	-	14,219
Total General Government	<u>1,305,670</u>	<u>616,112</u>	<u>46,287</u>	<u>1,875,495</u>
Security of Persons & Property				
Police	1,229,169	141,670	63,558	1,307,281
Fire	4,849,891	143,676	63,217	4,930,350
Total Security of Persons & Property	<u>6,079,060</u>	<u>285,346</u>	<u>126,775</u>	<u>6,237,631</u>
Health				
Cemetery	382,874	1,837	-	384,711
Total Health	<u>382,874</u>	<u>1,837</u>	<u>-</u>	<u>384,711</u>
Transportation				
Transportation	189,650	3,890	-	193,540
Street	950,685	164,023	69,069	1,045,639
Total Transportation	<u>1,140,335</u>	<u>167,913</u>	<u>69,069</u>	<u>1,239,179</u>
Community Environment				
Building Inspection	14,382	-	-	14,382
Engineering	160,526	-	18,630	141,896
Total Community Environment	<u>174,908</u>	<u>-</u>	<u>18,630</u>	<u>156,278</u>
Leisure Time Activities				
Parks and Recreation	1,822,767	128,003	77,146	1,873,624
Total Leisure Time Activities	<u>1,822,767</u>	<u>128,003</u>	<u>77,146</u>	<u>1,873,624</u>
Basic Utility Services				
Stormwater Management	78,626	20,208	30,154	68,680
Total Basic Utility Services	<u>78,626</u>	<u>20,208</u>	<u>30,154</u>	<u>68,680</u>
Total General Fixed Assets	<u>\$ 10,984,240</u>	<u>1,219,419</u>	<u>368,061</u>	<u>11,835,598</u>



Table 1

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

Year	General Government	Security of Persons & Property	Health	Transportation	Community Environment	Leisure Time Activities	Basic Utility Service	Capital Outlay	Debt Service	Total
1990	\$1,658,590	\$3,265,870	\$130,737	\$615,250	\$133,996	\$414,430	\$66,401	\$2,092,406	\$0	\$8,377,680
1991	\$1,922,040	\$3,860,371	\$131,047	\$793,264	\$164,037	\$509,541	\$89,726	\$2,438,148	\$0	\$9,908,174
1992	\$2,821,226	\$4,354,782	\$146,569	\$1,025,041	\$160,878	\$546,890	\$89,484	\$3,070,511	\$0	\$12,215,381
1993	\$2,743,448	\$4,933,599	\$120,653	\$881,632	\$174,925	\$593,204	\$103,986	\$2,886,267	\$7,504	\$12,445,218
1994	\$1,475,209	\$5,439,315	\$135,902	\$905,796	\$627,954	\$647,671	\$155,201	\$3,945,862	\$131,543	\$13,464,453
1995	\$2,011,526	\$5,800,408	\$128,330	\$1,155,363	\$1,158,666	\$726,389	\$230,884	\$3,189,055	\$127,517	\$14,528,138
1996	\$1,810,824	\$6,421,169	\$128,577	\$1,213,265	\$873,887	\$775,692	\$194,876	\$5,426,010	\$123,319	\$16,967,619
1997	\$2,001,523	\$6,905,528	\$112,848	\$1,268,129	\$777,725	\$856,820	\$160,497	\$2,106,280	\$18,803	\$14,208,153
1998	\$1,851,953	\$6,832,335	\$126,224	\$1,124,800	\$803,377	\$804,764	\$134,723	\$3,759,437	\$23,323	\$15,460,936
1999	\$2,063,421	\$7,794,337	\$147,127	\$1,309,352	\$749,486	\$941,694	\$137,337	\$3,937,626	\$249,181	\$17,329,561



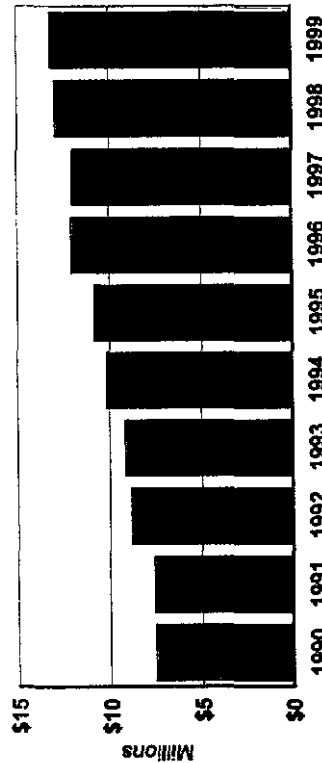
(1) Includes General Fund, Special Revenue Funds and Capital Projects Funds

Table 2

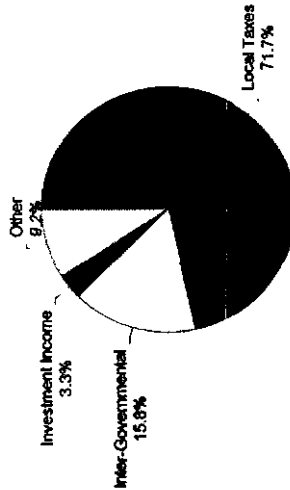
**CITY OF SIDNEY, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS**

Year	Local Taxes (2)	Inter-Governmental Revenue (2)	Special Assessments	Charges for Services	Fines, Licenses & Permits	Investment Income	Miscellaneous Receipts and Reimbursements	Total
1990	\$7,563,906	\$1,411,993	\$127,423	\$291,900	\$165,049	\$0	\$924,218	\$10,484,489
1991	\$7,603,891	\$1,615,661	\$201,814	\$318,124	\$184,459	\$0	\$1,017,561	\$10,941,510
1992	\$8,850,190	\$1,288,183	\$96,142	\$312,265	\$198,845	\$0	\$1,910,380	\$12,656,005
1993	\$9,173,108	\$932,676	\$405,762	\$375,934	\$206,640	\$0	\$959,729	\$12,053,849
1994	\$10,153,241	\$1,955,048	\$253,750	\$76,927	\$550,366	\$0	\$1,201,304	\$14,190,636
1995	\$10,826,941	\$1,641,340	\$228,275	\$160,313	\$479,921	\$0	\$1,288,468	\$14,625,258
1996	\$12,101,226	\$1,685,832	\$228,694	\$180,823	\$493,128	\$0	\$1,367,231	\$16,056,934
1997	\$12,009,109	\$1,562,047	\$229,508	\$306,107	\$563,389	\$525,683	\$549,160	\$15,745,003
1998	\$12,973,054	\$2,246,126	\$255,468	\$344,186	\$596,304	\$678,184	\$601,241	\$17,694,563
1999	\$13,192,036	\$2,901,054	\$273,589	\$469,453	\$683,212	\$611,734	\$263,762	\$18,394,840

**General Governmental Revenues
Last Ten Years**



**General Governmental Revenues
1999 By Source**



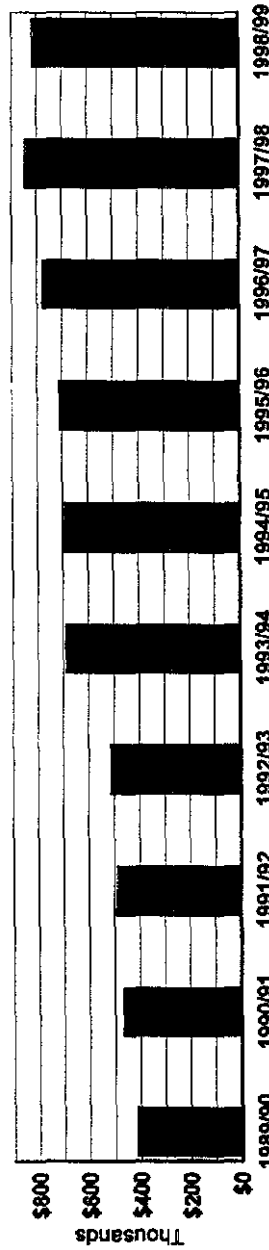
(1) Includes General Fund, Special Revenue Funds and Capital Projects Funds
 (2) Prior to 1999, gasoline taxes and auto license taxes were classified as Local Taxes. Effective in 1999, these sources are classified as Intergovernmental revenue. Approximately \$990,000 was received from these sources in 1999.

Table 3

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

Tax Year / Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collection	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
1989/1990	\$414,497	\$407,990	\$8,531	\$416,521	100.49%	\$12,585	3.04%
1990/1991	\$472,993	\$460,418	\$6,777	\$467,195	98.77%	\$19,385	4.10%
1991/1992	\$498,675	\$482,405	\$9,814	\$492,219	98.71%	\$25,541	5.12%
1992/1993	\$512,464	\$501,646	\$12,848	\$514,494	100.40%	\$23,512	4.59%
1993/1994	\$690,946	\$672,761	\$15,199	\$687,960	99.57%	\$26,498	3.84%
1994/1995	\$700,860	\$679,968	\$16,531	\$696,499	99.38%	\$21,506	3.07%
1995/1996	\$723,948	\$700,938	\$11,845	\$712,783	98.46%	\$22,705	3.14%
1996/1997	\$781,436	\$758,816	\$19,164	\$777,980	99.56%	\$18,419	2.36%
1997/1998	\$830,677	\$831,440	\$18,590	\$850,030	102.33%	\$19,845	2.39%
1998/1999	\$831,568	\$804,388	\$14,882	\$819,270	98.52%	\$16,255	1.95%

**Real Property and Public Utility Property
Total Collections**

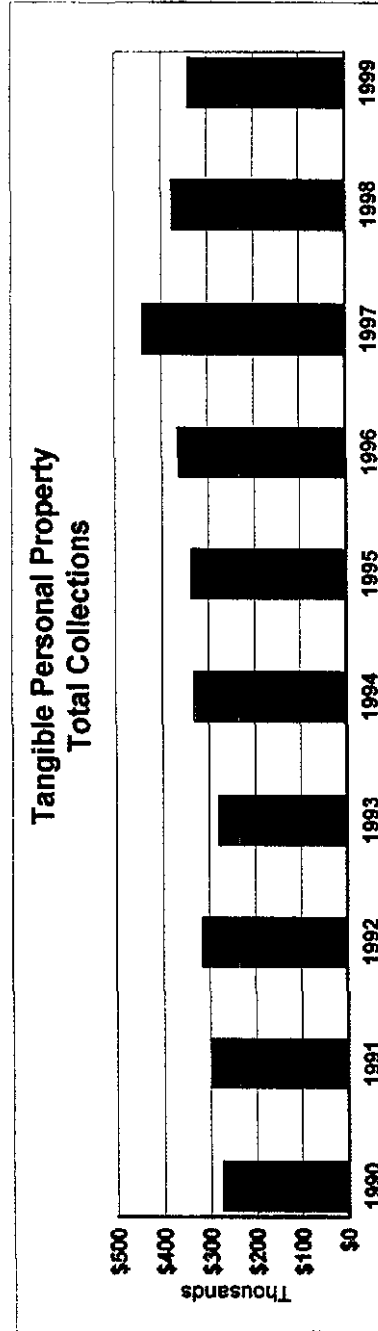


Source: Shelby County Auditor

Table 4

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

Tax Year / Collection Year	Total Tax Levy	Total Tax Collections	Percentage of Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes To Total Tax Levy
1990	\$294,617	\$276,025	93.69%	-- (1)	0.00%
1991	\$308,582	\$299,766	97.14%	\$4,082	1.32%
1992	\$327,004	\$316,052	96.65%	\$9,622	2.94%
1993	\$292,421	\$280,905	96.06%	\$21,299	7.28%
1994	\$337,714	\$331,142	98.05%	\$29,675	8.79%
1995	\$348,987	\$337,102	96.59%	\$29,194	8.37%
1996	\$394,812	\$364,308	92.27%	\$22,514	5.70%
1997	\$459,113	\$441,239	96.11%	\$19,962	4.35%
1998	\$395,553	\$376,313	95.14%	\$20,466	5.17%
1999	\$358,141	\$341,048	95.23%	\$8,559	2.39%



Source: Shelby County Auditor

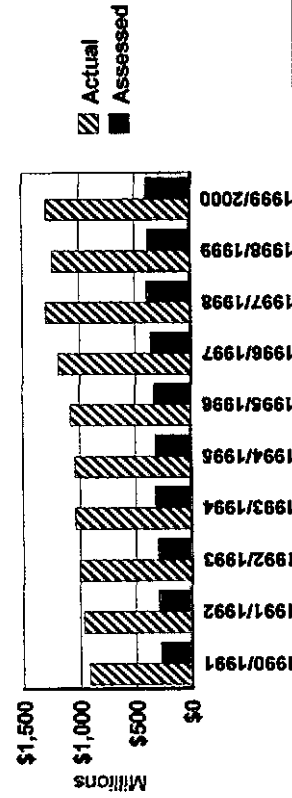
(1) Data not available

Table 5

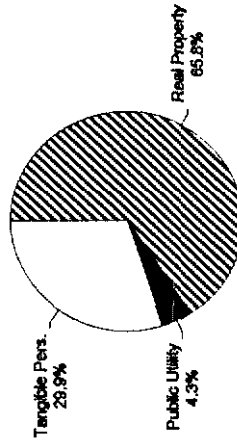
**CITY OF SIDNEY, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS**

Tax Year / Collection Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	
1990/1991	\$158,034,730	\$451,527,800	\$13,962,880	\$39,608,228	\$107,133,578	\$428,534,312	\$279,131,188	\$919,670,340	30.35%
1991/1992	\$167,300,170	\$478,000,485	\$14,036,340	\$40,103,828	\$112,211,853	\$448,847,412	\$293,548,363	\$966,951,725	30.36%
1992/1993	\$171,430,420	\$489,801,200	\$14,920,120	\$42,628,914	\$118,910,765	\$475,643,060	\$305,261,305	\$1,008,073,174	30.28%
1993/1994	\$201,111,260	\$574,603,600	\$14,809,400	\$42,312,571	\$106,334,757	\$425,339,028	\$322,255,417	\$1,042,255,199	30.92%
1994/1995	\$203,578,030	\$581,651,514	\$15,441,020	\$44,117,200	\$104,598,231	\$418,392,924	\$323,617,281	\$1,044,161,638	30.99%
1995/1996	\$210,955,600	\$602,730,287	\$15,278,320	\$43,652,343	\$109,058,424	\$436,233,696	\$335,292,344	\$1,082,616,326	30.97%
1996/1997	\$227,946,790	\$651,276,543	\$16,251,910	\$46,434,029	\$123,378,686	\$493,514,744	\$367,577,386	\$1,191,225,316	30.86%
1997/1998	\$234,452,750	\$669,865,000	\$16,160,120	\$46,171,771	\$143,472,879	\$573,891,516	\$394,085,749	\$1,289,928,287	30.55%
1998/1999	\$242,887,700	\$693,964,857	\$16,977,310	\$48,506,600	\$123,610,199	\$494,440,796	\$383,475,209	\$1,236,912,253	31.00%
1999/2000	\$264,460,510	\$755,601,457	\$17,250,640	\$49,287,543	\$120,188,137	\$480,752,548	\$401,899,287	\$1,285,641,548	31.26%

**Actual and Assessed Value
Last Ten Years**



**Assessed Value
1999/2000**



Source: Shelby County Auditor

Table 6

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

Tax Year/ Collection Year	City of Sidney				Total	Sidney School District (1)	Shelby County	Special Taxing Districts	Total
	General Fund	Debt Service Fund							
1989/1990	2.75	0.00	2.75	0.00	2.75	36.00	3.25	2.40	44.40
1990/1991	2.75	0.00	2.75	0.00	2.75	36.00	3.25	2.40	44.40
1991/1992	2.75	0.00	2.75	0.00	2.75	36.00	3.25	3.90	45.90
1992/1993	2.75	0.00	2.75	0.00	2.75	38.00	3.25	3.90	47.90
1993/1994	3.20	0.00	3.20	0.00	3.20	38.10	2.70	3.90	47.90
1994/1995	3.20	0.00	3.20	0.00	3.20	38.10	2.70	3.90	47.90
1995/1996	3.20	0.00	3.20	0.00	3.20	46.10	2.70	3.90	55.90
1996/1997	3.20	0.00	3.20	0.00	3.20	45.90	2.70	3.90	55.70
1997/1998	3.20	0.00	3.20	0.00	3.20	45.50	2.70	3.90	55.30
1998/1999	3.20	0.00	3.20	0.00	3.20	45.50	2.70	3.90	55.30

Source: Shelby County Auditor

(1) Includes the Joint Vocational School

Table 7

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

Tax Year / Collection Year	Current Amount Billed	Delinquent Amount Billed	Amount Collected	Percent of Collections to Current Billings
1989 / 1990	\$159,534	\$6,760	\$152,773	95.76%
1990 / 1991	\$196,571	\$12,207	\$166,929	84.92%
1991 / 1992	\$218,560	\$18,420	\$202,944	92.86%
1992 / 1993	\$213,152	\$36,928	\$206,449	96.86%
1993 / 1994	\$221,980	\$19,480	\$217,071	97.79%
1994 / 1995	\$224,192	\$18,710	\$223,822	99.83%
1995 / 1996	\$229,502	\$21,985	\$230,540	100.45%
1996 / 1997	\$222,824	\$18,025	\$221,976	99.62%
1997 / 1998	\$228,660	\$17,272	\$223,323	97.67%
1998 / 1999	\$227,795	\$10,485	\$230,301	101.10%

Source : Shelby County Auditor

Table 8

**CITY OF SIDNEY, OHIO
COMPUTATION OF 5-1/2% LEGAL DEBT MARGIN FOR UNVOTED DEBT (1)
DECEMBER 31, 1999**

Assessed Value (2)	<u>\$401,899,287</u>
Unvoted Debt Limit : 5-1/2% Assessed Value	\$22,104,461
Total Unvoted Debt Outstanding at December 31, 1999	\$9,115,000
Less: Exempt Debt	
Self-supporting securities issued for water systems or facilities	(1,750,000)
Self-supporting securities issued for sanitary sewer systems or facilities	<u>(4,540,000)</u>
Subtotal	2,825,000
Less: Bond Retirement Fund Balance	<u>0</u>
Net Subject to 5-1/2% Limitation	2,825,000
Legal Debt Margin within 5-1/2% Limitation	<u>\$19,279,461</u>

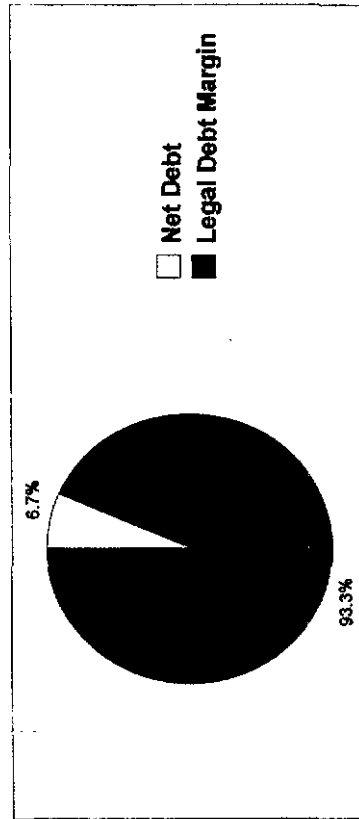
(1) The Ohio Revised Code provides that the aggregate principal amount of unvoted "net indebtedness" may not exceed 5-1/2% of the assessed valuation.

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

Table 9

**CITY OF SIDNEY, OHIO
COMPUTATION OF 10-1/2% LEGAL DEBT MARGIN FOR VOTED AND UNVOTED DEBT (1)
DECEMBER 31, 1999**

Assessed Value (2)	\$401,899,287
Unvoted Debt Limit : 10-1/2 % Assessed Value	\$42,199,425
Total Voted and Unvoted Debt Outstanding at December 31, 1999	\$9,115,000
Less: Exempt Debt	
Self-supporting securities issued for water systems or facilities	(1,750,000)
Self-supporting securities issued for sanitary sewer systems or facilities	(4,540,000)
Subtotal	2,825,000
Less: Bond Retirement Fund Balance	0
Net Subject to 10-1/2 % Limitation	2,825,000
Legal Debt Margin within 10-1/2 % Limitation	\$39,374,425



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

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

Table 10

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

Year	Population (1)	Assessed Value (2)	Gross		Less: Payable		Net Bonded Debt	Ratio of	
			Bonded Debt	Bonded Debt	from Enterprise Revenues (3)	Debt Service Funds		Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1990	18,710 (a)	\$279,131,188	\$12,335,000	\$12,335,000	\$0	\$0	0.00%	\$0	
1991	18,937 (b)	\$293,548,363	\$11,775,000	\$11,775,000	\$0	\$0	0.00%	\$0	
1992	18,953 (b)	\$305,261,305	\$11,205,000	\$11,205,000	\$0	\$0	0.00%	\$0	
1993	19,069 (b)	\$322,255,417	\$10,910,000	\$10,375,000	\$0	\$535,000	0.17%	\$28	
1994	19,118 (b)	\$323,617,281	\$10,150,000	\$9,725,000	\$0	\$425,000	0.13%	\$22	
1995	19,170 (b)	\$335,292,344	\$9,380,000	\$9,065,000	\$0	\$315,000	0.09%	\$16	
1996	19,145 (b)	\$367,577,386	\$8,595,000	\$8,390,000	\$0	\$205,000	0.06%	\$11	
1997	19,238 (b)	\$394,085,749	\$7,900,000	\$7,705,000	\$0	\$195,000	0.05%	\$10	
1998	19,197 (b)	\$383,475,209	\$9,950,000	\$7,005,000	\$0	\$2,945,000	0.77%	\$153	
1999	19,197 (c)	\$401,899,287	\$9,115,000	\$6,290,000	\$0	\$2,825,000	0.70%	\$147	

(1) Source: (a) U.S. Bureau of the Census - 1990 Federal Census; (b) U.S. Bureau of the Census - Population Estimates Program; (c) 1998 data used because updated data for 1999 is not yet available.

(2) Source: Shelby County Auditor

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

Table 11

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

Year	Debt Principal	Interest	Total Bonded Debt Service	(2) General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1990	\$0	\$0	\$0	\$8,377,680	0.00%
1991	\$0	\$0	\$0	\$9,908,174	0.00%
1992	\$0	\$0	\$0	\$12,215,381	0.00%
1993	\$5,000	\$2,504	\$7,504	\$12,445,218	0.06%
1994	\$110,000	\$21,543	\$131,543	\$13,464,453	0.98%
1995	\$110,000	\$17,517	\$127,517	\$14,528,138	0.88%
1996	\$110,000	\$13,319	\$123,319	\$16,967,619	0.73%
1997	\$10,000	\$8,803	\$18,803	\$14,208,153	0.13%
1998	\$15,000	\$8,323	\$23,323	\$15,460,936	0.15%
1999	\$120,000	\$129,181	\$249,181	\$17,329,561	\$0

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

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

Table 12

**CITY OF SIDNEY, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION DEBT
DECEMBER 31, 1999**

	Net Debt Outstanding	Percentage Applicable to City of Sidney	Amount Applicable to City of Sidney
City of Sidney	\$2,825,000 (1)	100%	\$2,825,000
Sidney City School District (2)	\$0	N/A	\$0
Shelby County (2)	\$0	N/A	\$0

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

(2) Source: Shelby County Auditor

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

Year	Gross Revenues	(2) Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage
				Principal	Interest	
1990	\$1,901	\$1,124	\$777	\$255	\$612	0.90
1991	\$1,951	\$1,809	\$142	\$275	\$598	0.16
1992	\$1,919	\$1,021	\$898	\$285	\$581	1.04
1993	\$2,106	\$827	\$1,279	\$150	\$284	2.95
1994	(3)	--	--	\$0	\$0	--
1995	(3)	--	--	\$0	\$0	--
1996	(3)	--	--	\$0	\$0	--
1997	(3)	--	--	\$0	\$0	--
1998	(3)	--	--	\$0	\$0	--
1999	(3)	--	--	\$0	\$0	--

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

(2) Total operating expenses excluding depreciation

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

Table 14

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

Year	Population (1)	School Enrollment (2)	Unemployment Rate Shelby County (3)
1990	18,710 (1)(a)	4,207	5.3%
1991	18,937 (1)(b)	4,215	6.9%
1992	18,953 (1)(b)	4,211	8.3%
1993	19,069 (1)(b)	4,080	7.3%
1994	19,118 (1)(b)	4,116	5.1%
1995	19,170 (1)(b)	4,028	4.4%
1996	19,145 (1)(b)	3,998	4.3%
1997	19,238 (1)(b)	4,056	4.3%
1998	19,197 (1)(b)	3,928	3.7%
1999	19,197 (1)(c)	3,953	4.1%

(1) Source: (a) U.S. Bureau of the Census - 1990 Federal Census; (b) U.S. Bureau of the Census - Population Estimates Program, Population Division; (c) 1998 data used because updated data not available for 1999.

(2) Source: Sidney City Schools Board of Education

(3) Source: Ohio Bureau of Employment Services

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

Year	Real Property - Estimated Actual Value (1)	New Construction (2)		Bank Deposits (in thousands) (3)
		Building Permits	Construction Cost	
1990	\$451,527,800	336	\$14,179,672	-- (4)
1991	\$478,000,485	298	\$11,036,141	-- (4)
1992	\$489,801,200	359	\$12,004,680	-- (4)
1993	\$574,603,600	386	\$13,842,870	-- (4)
1994	\$581,651,514	383	\$12,607,522	\$377,818 (5)
1995	\$602,730,287	377	\$14,978,471	\$394,916 (5)
1996	\$651,276,543	348	\$27,472,884	\$424,789 (5)
1997	\$669,865,000	301	\$16,279,985	\$406,769 (5)
1998	\$693,964,857	312	\$23,626,525	\$420,167 (5)
1999	\$755,601,457	307	\$20,618,269	\$436,926 (5)

(1) Source: Shelby County Auditor

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

(3) Source: Federal Deposit Insurance Corporation

(4) Data not available

(5) Total deposits of all financial institutions within the city as of June 30

**CITY OF SIDNEY, OHIO
PRINCIPAL TAXPAYERS (PROPERTY TAX)
DECEMBER 31, 1999**

Taxpayer	Assessed Valuation (1) (Tax Duplicate)	Percentage of Total Assessed Valuation
1. Copeland Corporation	\$33,538,872	8.35%
2. Bensar Properties	\$24,591,628	6.12%
3. Stolle Corporation	\$10,742,171	2.67%
4. American Trim	\$10,348,735	2.57%
5. Randall Gunlock	\$9,099,314	2.26%
6. Cargill, Inc.	\$5,872,752	1.46%
7. Eagle Picher	\$5,714,564	1.42%
8. Playtex Mfg.	\$4,900,947	1.22%
9. Selimana Enterprise	\$4,799,085	1.19%
10. Sidney Shopping Plaza	<u>\$4,005,057</u>	<u>1.00%</u>
Subtotal	\$113,613,125	28.27%
All Others	<u>\$288,286,162</u>	<u>71.73%</u>
Total assessed valuation of city	<u>\$401,899,287</u>	<u>100.00%</u>

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

Source: Shelby County Auditor

Table 17

**CITY OF SIDNEY, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 1999**

Year of incorporation	1820	Municipal water department:	8,187
Form of government	Council / Manager	Number of consumers	3,159 Mil. Gal/day
Area	10,011 sq. miles	Average daily consumption	106.6
Miles of streets	90.5	Miles of water mains	
Number of street lights	1,382		
		Sewers:	
Fire protection and emergency rescue:		Miles of storm sewers	62.3
Number of Stations	2	Miles of sanitary sewers	113
Number of firefighters & EMS personnel	35		
Police protection:		Parks and recreations:	
Number of stations	1	Number of parks	18
Number of Patrolmen and Officers	37	Number of tennis courts	14
Police non-sworn personnel	15	Number of baseball diamonds	23
		Number of swimming pools	1 facility
		Number of soccer fields	12
		Acres of park land	500
		Employees:	
		Full-Time Equivalents (average)	220



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF SIDNEY

SHELBY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 12, 2000